Green Tea Group Limited
綠茶集團有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 6831

GLOBAL OFFERING

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

citi

招銀国际
CMB INTERNATIONAL

(in alphabetical order)

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

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綠茶集團有限公司

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GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**168,364,000 Shares (comprising 117,854,800 New Shares and 50,509,200 Sale Shares and subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**16,836,400 Shares (subject to adjustment)**
Number of International Offer Shares	:	**151,527,600 Shares (comprising 101,018,400 New Shares and 50,509,200 Sales Shares and subject to adjustment and the Over-allotment Option)**
Offer Price	:	**HK$7.19 per Offer Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**US$0.00002 per Share**
Stock code	:	**6831**

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

citi 招銀国际 CMB INTERNATIONAL

(in alphabetical order)

Overall Coordinators

廣發証券(香港) GF SECURITIES (HONG KONG) 國元國際 GUOYUAN INTERNATIONAL

(in alphabetical order)

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix V, has been registered by the Registrar of Companies in Hong Kong SAR as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong SAR and the Registrar of Companies in Hong Kong SAR take no responsibility for the contents of this prospectus or any of the other documents referred to above.

The Offer Price will be HK$7.19 per Offer Share, unless otherwise announced. **The Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, with the consent of our Company and the Selling Shareholder, reduce the Offer Price stated in this prospectus and/or reduce the number of Offer Shares being offered pursuant to the Global Offering at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction of the Offer Price and/or the number of Offer Shares will be published on the website of our Company at www.china-greentea.com.cn and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Further details are set out in the section headed "Structure and Conditions of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in this prospectus.**

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus. The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Grounds for Termination" in this prospectus. It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except in transactions exempt from or not subject to, the registration requirements under the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in accordance with Regulation S.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering. This prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.china-greentea.com.cn. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

May 8, 2025

Your application must be for a minimum of 400 Hong Kong Offer Shares and in one of the numbers set out in the table. You are required to pay the amount next to the number you select. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the HKSCC EIPO channel, you are required to prefund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong SAR.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
400	2,905.00	6,000	43,575.06	90,000	653,626.00	1,000,000	7,262,511.16
800	5,810.01	8,000	58,100.09	100,000	726,251.11	2,000,000	14,525,022.30
1,200	8,715.01	10,000	72,625.11	200,000	1,452,502.24	3,000,000	21,787,533.46
1,600	11,620.02	20,000	145,250.22	300,000	2,178,753.35	4,000,000	29,050,044.60
2,000	14,525.02	30,000	217,875.33	400,000	2,905,004.45	5,000,000	36,312,555.76
2,400	17,430.03	40,000	290,500.45	500,000	3,631,255.58	6,000,000	43,575,066.90
2,800	20,335.03	50,000	363,125.56	600,000	4,357,506.69	7,000,000	50,837,578.06
3,200	23,240.03	60,000	435,750.67	700,000	5,083,757.80	8,418,000(1)	61,135,818.87
3,600	26,145.04	70,000	508,375.78	800,000	5,810,008.92		
4,000	29,050.04	80,000	581,000.89	900,000	6,536,260.04		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Hong Kong Public Offering commences	9:00 a.m. on Thursday, May 8, 2025
Latest time for completing electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**	11:30 a.m. on Tuesday, May 13, 2025
Application lists open(3)	11:45 a.m. on Tuesday, May 13, 2025
Latest time for (a) completing payment for **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC(4)	12:00 noon on Tuesday, May 13, 2025
Application lists close(3)	12:00 noon on Tuesday, May 13, 2025
An announcement of results of allocations in the Hong Kong Public Offering to be available through a variety of channels, including the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.china-greentea.com.cn**(5) (see "How to Apply for the Hong Kong Offer Shares – B. Publication of Results" in this prospectus) from	11:00 p.m. on Thursday, May 15, 2025
Results of allocation in the Public Offer to be available at "Allotment Results" page at **www.tricor.com.hk/ipo/result** and **www.hkeipo.hk/IPOResult** with a "search by ID" function from	11:00 p.m. on Thursday, May 15, 2025
Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before(6)(8)	Thursday, May 15, 2025

HK eIPO White Form e-Auto Refund payment instructions/refund cheques in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications to be dispatched on or before[(7)(8)] . . . . Friday, May 16, 2025

Dealings in the Shares on the Stock Exchange expected to commence at 9:00 a.m. on . . . . Friday, May 16, 2025

Notes:

(1) All times refer to Hong Kong SAR local time, except as otherwise stated.

(2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website at or before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning and/or Extreme Conditions in force in Hong Kong SAR at any time between 9:00 a.m. and 12:00 noon on Tuesday, May 13, 2025, the application lists will not open or close on that day. See "How to Apply for the Hong Kong Offer Shares – E. Bad Weather Arrangements" in this prospectus.

(4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via CCASS should refer to the section headed "How to Apply for the Hong Kong Offer Shares – 2. Application Channels" in this prospectus.

(5) None of the website or any of the information contained on the website forms part of this prospectus.

(6) Share certificates will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Grounds for Termination" in this prospectus has not been exercised. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

(7) e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications.

(8) Applicants who have applied for Hong Kong Offer Shares by giving ***electronic application instructions*** to HKSCC via CCASS should refer to the section headed "How to Apply for the Hong Kong Offer Shares – D. Despatch/Collection of Share Certificates and Refund of Application Monies" in this prospectus for details.

Applicants who have applied through the **HK eIPO White Form** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of e-Auto Refund payment instructions. Applicants who have applied through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund cheques in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

Further information is set out in the sections headed "How to Apply for the Hong Kong Offer Shares – D. Despatch/Collection of Share Certificates and Refund of Application Monies" in this prospectus.

The above expected timetable is a summary only. For details of the structure and conditions of the Global Offering, and the procedures for applications for Hong Kong Offer Shares, see the sections headed "Structure and Conditions of the Global Offering" and "How to Apply for the Hong Kong Offer Shares", respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, the Company will make an announcement as soon as practicable thereafter.

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong SAR and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong SAR. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Selling Shareholder, the Joint Sponsors, Sponsor-Overall Coordinators, the Overall Coordinators, the Capital Market Intermediaries, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers, the Underwriters, any of our or their respective directors or any other person or party involved in the Global Offering.

CONTENTS

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

OVERVIEW

We are a well-known operator of casual Chinese restaurants in Mainland China. We create customer value by providing fusion cuisine at accessible price points and decoration inspired by Chinese traditional culture. With this vision, we opened our first Green Tea restaurant in 2008 by the beautiful West Lake in Hangzhou, and have built a restaurant network consisting of 493 restaurants and covering 21 provinces, four municipalities and two autonomous regions in the PRC, as well as Hong Kong SAR as of the Latest Practicable Date. We ranked third in terms of number of restaurants and fourth in terms of revenue among casual Chinese restaurant brands in Mainland China in 2024, according to the CIC Report. According to the CIC report, casual Chinese cuisine restaurant market is highly fragmented due to a large number of market participants, and we had a market share of 0.7% in 2024. In addition, according to the CIC report, casual Chinese cuisine restaurants have an average spending per guest in the range of RMB50 to RMB100.

The vision for *Green Tea* restaurants was conceived by our co-founders, Mr. Wang Qinsong (王勤松) and Ms. Lu Changmei (路長梅), during their days of managing Green Tea Youth Hostel, which they established near the West Lake of Hangzhou in 2004. Surrounded by beautiful tea farms, the hostel attracted backpackers from across Mainland China and the rest of the world. As our co-founders came to know their diverse guests, they gradually realized that fusion cuisine was best suited to their restaurant. Therefore, they started to experiment with fusion food and developed several popular dishes, such as roasted chicken and grilled shrimp. Besides the food, guests loved the hostel restaurant because of its beautiful views of natural sceneries. As the restaurant primarily served young backpackers, the menu items were offered at accessible prices. The hostel restaurant was highly popular and became the prototype for *Green Tea* restaurants.

Today, we operate a nationwide restaurant network, and we have remained true to our original vision. Leveraging the flexibility of Chinese fusion cuisine, we regularly update our menu to refresh and enhance our guests' dining experience. We infuse the timeless elements of Chinese traditional art and natural landscape into the decoration of our restaurants, offering a dining experience that differentiates us from other casual restaurants. We also firmly believe that gourmet should not be a privilege, and we have kept our menu items at accessible prices.

Fusion food, restaurant decoration, accessible pricing and close focus on food safety have been the recipe for our success. We will keep applying this recipe to each of our restaurants.

RESTAURANT NETWORK

Our restaurant network experienced substantial growth during the Track Record Period. Our total restaurants increased from 276 as of December 31, 2022 to 465 as of December 31, 2024, representing a CAGR of 29.8%. The number of our restaurants in operation further increased to 493 as of the Latest Practicable Date. Our restaurants are typically located at shopping malls. We opened 120 new restaurants in 2024 and plan to open 150, 200 and 213 new restaurants in 2025, 2026 and 2027, respectively. As of the Latest Practicable Date, we have commenced operation of 32 restaurants and signed the lease agreements for 17 restaurants to be opened in 2025, and renovation has been commenced for nine restaurants. Among the 17 restaurants for which we have signed the lease agreements, the lease terms for 14 of such restaurants have already started and the lease terms for three of such restaurants have yet to started as of the Latest Practicable Date.

The following table sets forth the movement in the total number of our restaurants during the Track Record Period and up to the Latest Practicable Date:

	For the year ended December 31,			From January 1, 2025 to the Latest Practicable Date
	2022	**2023**	**2024**	
Number of restaurants at the beginning of the period	236	276	360	465
Number of new restaurants opened during the period	47	89	120	32
Number of restaurants closed during the period	(7)	(5)	(15)	(4)
Number of restaurants at the end of the period	276	360	465[(1)]	493[(1)]

Note:

(1) Including restaurants opened under the *Mang Gang Le* brand. See "Business – Our Business – Restaurant Network Expansion" for further details about the *Mang Gang Le* brand.

We closed a total of seven, five, 15 and four restaurants in 2022, 2023, 2024 and the period from January 1, 2025 to the Latest Practicable Date, respectively. The closing down of most of such restaurants was determined on a case-by-case basis and primarily due to (i) the expiration of the relevant lease agreements and our business decisions not to renew such lease agreements, (ii) performance and other commercial reasons, including the impact of the COVID-19 pandemic, or (iii) winding down of certain landlords' operations.

RESTAURANT PERFORMANCE

Key Performance Indicators

We are a well-known operator of casual Chinese restaurants in Mainland China. During the Track Record Period, we primarily generated our revenue from restaurant operations and delivery service.

The following table sets forth the components of our revenue for the periods indicated.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Restaurant operations	1,976,519	83.2	3,059,989	85.3	3,099,173	80.8
Delivery service	397,114	16.7	517,153	14.4	723,057	18.8
Others[(1)]	1,820	0.1	12,036	0.3	15,972	0.4
Total revenue	**2,375,453**	**100.0**	**3,589,178**	**100.0**	**3,838,202**	**100.0**

Note:

(1) Primarily consists of (i) commissions received from certain providers of cell phone charging services, (ii) sales of products such as cooking oil, condiments and gift boxes and (iii) fees for parking services.

The following table sets forth certain key performance indicators of our restaurants by location during the Track Record Period. According to CIC, the calculations of all key performance indicators below are in line with the industry practice. Where applicable, the revenue in the table represents revenue from restaurant operations and delivery service.

	For the year ended December 31,		
	2022	**2023**	**2024**
Revenue (in thousands of RMB)[(1)]			
Eastern China[(2)]	710,137	1,107,548	1,265,491
Guangdong province	621,811	814,699	762,035
Northern China[(3)]	517,146	708,494	626,798
Other[(4)]	524,539	946,401	1,167,906
Total	**2,373,633**	**3,577,142**	**3,822,230**

	For the year ended December 31,			
	2022	2023	2023	2024
Revenue growth (%):				
Eastern China(2)	56.0		14.3	
Guangdong province	31.0		(6.5)	
Northern China(3)	37.0		(11.5)	
Other(4)	80.4		23.4	
Overall	**50.7**		**6.9**	

	For the year ended December 31,		
	2022	2023	2024
Total guests served (thousand)(5)			
Eastern China(2)	11,363	17,594	22,016
Guangdong province	9,804	13,184	14,355
Northern China(3)	8,261	11,469	10,937
Other(4)	8,358	15,675	20,763
Overall	**37,786**	**57,922**	**68,071**
Average spending per guest (RMB)(6)			
Eastern China(2)	62.6	63.0	57.5
Guangdong province	63.5	61.8	53.1
Northern China(3)	62.7	61.8	57.3
Other(4)	62.8	60.4	56.2
Overall	**62.9**	**61.8**	**56.2**
Table turnover rate (times/day)(7)			
Eastern China(2)	2.71	3.11	2.82
Guangdong province	3.06	3.37	2.93
Northern China(3)	2.78	3.52	3.38
Other(4)	2.72	3.28	3.04
Overall	**2.81**	**3.30**	**3.00**

Notes:

(1) Representing revenue generated from restaurant operation and delivery service.

(2) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(3) Consisting of Beijing, Hebei and Tianjin.

(4) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

(5) Including dine-in guests and customers who order take-outs for the period in the same region. We count one delivery order as one guest.

(6) Calculated by dividing revenue generated from restaurant operation and delivery service for the period by total guests served, including both dine-in customers and customers who order take-outs, for the period in the same region. For further details on how we calculate total guests served, see note (5).

(7) Calculated by dividing the total dine-in orders served for the period by the sum of products of total restaurant operation days for the period and table count of each restaurant during the period in the same region.

The COVID-19 pandemic and the restrictive measures imposed by the Chinese government in response to the pandemic have been major factors that affected our results of operations in 2022.

After the Chinese government phased out the “zero-COVID” policy in December 2022, our results of operation showed a strong recovery in 2023 due to a significant surge in consumer spending in the first half of 2023 following the COVID-19 pandemic. According to CIC, the strong performance in the catering industry in the first half of 2023 is primarily due to such significant surge in spending. In 2023, none of our restaurants suspended operation due to the COVID-19 pandemic and our customer traffic rebounded. As a result, our table turnover rate recovered to 3.30 in 2023, which was at similar level as the table turnover rate of 3.34 in 2019 before the COVID-19 pandemic. As our total guests served and table turnover rate increased in 2023 as compared with that in 2022, we recorded an increase in our revenue from restaurant operations and delivery service by 50.7% from RMB2,373.6 million in 2022 to RMB3,577.1 million in 2023.

In 2024, our restaurant performance declined in general as compared to that in 2023, primarily due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment. According to CIC, the industry in general also showed the same trend. As a result, our overall average spending per guest decreased from RMB61.8 in 2023 to RMB56.2 in 2024; and our overall table turnover rate also decreased from 3.30 in 2023 to 3.00 in 2024. On the other hand, our overall total guests served increased from 57.9 million in 2023 to 68.1 million in 2024, primarily attributable to the increase in the number of our restaurants in operation. Meanwhile, our delivery orders increased from 2023 to 2024 as we strategically increased our focus on delivery services in 2024. As a result of the foregoing, our revenue from restaurant operations and delivery service increased by 6.9% from RMB3,577.1 million in 2023 to RMB3,822.2 million in 2024.

Same Store Sales

The following table sets forth details of our same store sales by location of the restaurants during the Track Record Period. According to CIC, the calculations of all same store sales data below are in line with the industry practice.

	For the year ended December 31,			
	2022	**2023**	**2023**	**2024**
Number of same stores[1]				
Eastern China[2]	45		61	
Guangdong province	44		43	
Northern China[3]	46		45	
Other[4]	40		48	
Overall	**175**		**197**	
Same store sales (in thousands of RMB)[5]				
Eastern China[2]	446,473	563,046	676,972	601,465
Guangdong province	447,320	524,034	516,138	451,301
Northern China[3]	455,595	599,169	571,576	532,779
Other[4]	361,778	473,505	504,633	449,498
Overall	**1,711,166**	**2,159,754**	**2,269,319**	**2,035,043**
Same store sales growth (%)				
Eastern China[2]	26.1%		(11.2%)	
Guangdong province	17.1%		(12.6%)	
Northern China[3]	31.5%		(6.8%)	
Other[4]	30.9%		(10.9%)	
Overall	**26.2%**		**(10.3%)**	

	For the year ended December 31,			
	2022	2023	2023	2024
Average same store sales per restaurant (in thousands of RMB)				
Eastern China[(2)]	9,922	12,512	11,098	9,860
Guangdong province	10,166	11,910	12,003	10,495
Northern China[(3)]	9,904	13,025	12,702	11,840
Other[(4)]	9,044	11,838	10,513	9,365
Overall	**9,778**	**12,341**	**11,519**	**10,330**

Notes:

(1) Consisting of restaurants that were open for more than 300 days during the years under comparison and had the same number of tables during the years under comparison.

(2) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(3) Consisting of Beijing, Hebei and Tianjin.

(4) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

(5) Refers to the aggregate revenue generated from restaurant operation and delivery service at our same stores for the period indicated.

Explanation for changes in same store sales

In 2023, the same store sales in all three key regions increased as compared with that in 2022, as a result of the strong recovery of our customer traffic due to a significant surge in consumer spending in the first half of 2023 following the easing of government-imposed restrictions related to COVID-19 in December 2022. According to CIC, the strong performance in the catering industry in the first half of 2023 is primarily due to such significant surge in spending.

In 2024, we recorded decreases in same store sales in all regions. Such decreases were primarily due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment. For example, consumers in general tend to (i) order dishes that are more affordable, (ii) order fewer dishes when dining out and (iii) prefer not to dine out unless necessary. Such changes in consumer behavior had led to decreases in our table turnover rate and average spending per guest in all regions. According to CIC, we outperformed the majority of our industry peers in terms same store sales growth in 2024.

CHANGES IN U.S. TRADE POLICY

The U.S. government has recently indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. The U.S. government has imposed, and it is possible in the future will further increase, tariffs on certain foreign goods, including from China, such as steel and aluminum, and the Trump administration has imposed and indicated its intention to impose additional tariffs on imports of certain products into the United States, including from Canada and Mexico. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products.

Our business operations do not involve sales and purchases of goods to or from the U.S. Therefore, our business operations are not directly negatively affected by such change in trade policy. However, our business and results of operations may be negatively affected if such changes in U.S. trade policy resulted in deterioration of the Chinese economy, which in turn may lead to unfavorable changes to consumer behavior. See "Risk Factors – Risks Relating to Our Industry – Macro-economic factors have had and may continue to have a material and adverse effect upon our business, financial condition and results of operations."

IMPACT OF THE COVID-19 OUTBREAK

In 2022, in an effort to control the COVID-19 pandemic, the Chinese government placed significant restrictions on travel within Mainland China, implemented mandatory quarantine and closed certain businesses, work places and facilities, and governments outside of Mainland China have halted or sharply curtailed the movement of people, goods and services to and from Mainland China.

Due to the regional outbreaks of COVID-19 in various parts of Mainland China in 2022, we temporarily suspended the operation of a total of 208 restaurants across Mainland China for one to 145 days in 2022. We have reopened all of these restaurants as of the Latest Practicable Date. In addition, we also enjoyed rent concession granted by certain landlords due to the COVID-19 pandemic. In 2022, 2023 and 2024, we recognized income on COVID-19 rent concessions of RMB10.2 million, nil and nil, respectively. As the impact of the COVID-19 had subsided, we do not expect the COVID-19 pandemic to have further impact on our operations in the future. For further information, see "Financial Information – Impact of COVID-19."

PROCUREMENT

Generally, the 2014 based consumption price index (the "**CPI**") (CPI, year of 2014 = 100) of food remained relatively stable from 2020 to 2024. Among the different food price indices, the food price index of pork has exhibited a notable decline from 2020 to 2024, primarily attributable to the increased availability of pork following the recovery from the impact of the COVID-19 pandemic. Going forward, the food price index in Mainland China is expected to moderately increase, subject to economic growth and consumption environment, according to CIC. See "Industry Overview – Cost of Raw Materials, Labor and Commercial Rent" for further details.

We primarily procure (i) food ingredients, such as vegetables, fruits, semi-processed food products and bakery products, as well as (ii) decoration materials, equipment and other supplies used in our restaurants. We have established a procurement team at our headquarters to implement a centralized purchase system for all purchase orders. We had 395 authorized suppliers as of December 31, 2024. In each of 2022, 2023 and 2024, the total purchases from our five largest suppliers in the aggregate accounted for 18.6%, 18.4% and 18.2%, respectively, of our total purchases, and our purchases from our largest supplier accounted for 5.0%, 5.2% and 4.5%, respectively, of our total purchases. Please see the section headed "Business – Procurement" for further details.

STRENGTHS

We attribute our success to and distinguish ourselves by the following key competitive strengths:

- well-known and fast-growing operator of casual Chinese restaurants in Mainland China;
- fusion menu offerings and value-for-money experience to attract a broad base of customers;
- dining environment infused with elements of Chinese traditional art to build our iconic brand and strong customer traffic;
- highly standardized and scalable business model supported by flexible supply chain arrangement;
- comprehensive and stringent food and operational safety control;
- digitalized restaurant and operations management; and
- experienced and professional management team with zeal to excel.

STRATEGIES

We intend to pursue the following growth strategies:

- strategically expand our restaurant network to deliver sustainable growth;
- drive sales and customer traffic flow by continuing to offer quality and value-for-money gourmet;
- enhance operating efficiency through supply chain optimization; and
- continuous investment in technology and digital marketing.

COMPETITION LANDSCAPE

According to CIC, total revenue of Chinese cuisine restaurant market in Mainland China in 2024 reached RMB3,071.5 billion and total revenue of casual Chinese cuisine restaurant market reached RMB534.7 billion. Casual Chinese cuisine restaurant market is highly fragmented, with a large number of restaurant brands participating in the market. In 2024, the five largest brands accounted for approximate 3.9% of the total revenue of casual Chinese cuisine restaurant market. In 2024, restaurants under our *Green Tea* brand achieved a total revenue of RMB3.8 billion and ranked fourth with a market share of 0.7% in the casual Chinese cuisine restaurant market in Mainland China. With a total of 465 restaurants at the end of 2024, we ranked third in terms of number of restaurants among casual Chinese cuisine restaurant brands in Mainland China. See the section headed "Industry Overview" for further details.

RISK FACTORS

Our business and the Global Offering involve certain risks, many of which are beyond of our control. Detailed discussions on all the risk factors involved are set forth in "Risk Factors" and you should read the entire section carefully before you decide to invest in the Global Offering. Some of the major risks we face include:

- Our future growth depends on our ability to open and profitably operate in existing and new geographical markets.
- We may not be able to maintain and increase the sales and profitability of our existing restaurants.
- If we cannot obtain desirable restaurant locations or secure renewal of existing leases on commercially reasonable terms, our business, results of operations and ability to implement our growth strategy may be materially and adversely affected.
- If the quality of our dining experience declines, our restaurants may not continue to be successful.

- Our business depends significantly on the market recognition of our *Green Tea* brand, and if we are not able to maintain or enhance our brand recognition, our business, financial condition and results of operations may be materially and adversely affected.

- Our current restaurant locations may become unattractive, which may have a material and adverse effect on our business, financial condition and results of operations.

SUMMARY OF FINANCIAL INFORMATION

The summary historical data of financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this prospectus, as well as the information set forth in "Financial Information" of this prospectus. Our financial information was prepared in accordance with IFRS.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth summary data from consolidated statements of profit or loss for the period indicated. Each item is presented in absolute amount and as a percentage of our revenue.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Revenue	2,375,453	100.0	3,589,178	100.0	3,838,202	100.0
Other revenue	31,081	1.3	39,195	1.1	31,957	0.8
Raw materials and consumables used	(862,316)	(36.3)	(1,205,219)	(33.6)	(1,192,902)	(31.1)
Staff costs	(626,397)	(26.4)	(911,028)	(25.4)	(989,008)	(25.8)
Depreciation of right-of-use assets	(161,048)	(6.8)	(177,036)	(4.9)	(202,868)	(5.3)
Other rentals and related expenses	(56,611)	(2.4)	(80,294)	(2.2)	(76,064)	(2.0)
Depreciation and amortization of other assets	(163,641)	(6.9)	(192,947)	(5.4)	(217,875)	(5.7)
Utilities expenses	(90,049)	(3.8)	(123,562)	(3.5)	(141,251)	(3.7)
Delivery service expenses	(61,187)	(2.6)	(82,788)	(2.3)	(120,972)	(3.1)
Other expenses	(308,980)	(13.0)	(420,950)	(11.7)	(467,408)	(12.1)
Other net income/(losses)	8,413	0.4	(3,919)	(0.1)	2,153	0.1
Financial costs	(41,541)	(1.7)	(42,657)	(1.2)	(45,309)	(1.2)

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Profit before taxation	**43,177**	**1.8**	**387,973**	**10.8**	**418,655**	**10.9**
Income tax	(26,598)	(1.1)	(92,430)	(2.6)	(68,488)	(1.8)
Profit for the year	**113,856**	**0.7**	**295,543**	**8.2**	**350,167**	**9.1**
Attributable to:						
Equity shareholders of the Company	16,579	0.7	295,543	8.2	350,167	9.1
Non-controlling interests	–	–	–	–	0.0	0.0
Profit for the year	**16,579**	**0.7**	**295,543**	**8.2**	**350,167**	**9.1**

Non-IFRS Measures

To supplement our consolidated statements of profit or loss, which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as additional financial measures. The presentation of adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items described below. Equity-settled share-based payment expenses are non-cash expenses arising from the RSU Scheme. Listing expenses are related to the Global Offering. The use of the non-IFRS measures has limitations as analytical tools, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS. For further details, see “Financial Information – Principal Income Statement Components – Non-IFRS Measures.”

Adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure)

We define adjusted net profit (non-IFRS measure) as profit for the year adjusted by excluding (i) equity-settled share-based payment expenses, (ii) listing expenses, and (iii) impact on tax related to items (i) to (ii) above. The following table illustrates reconciliations to our adjusted net profit (non-IFRS measure) from our profit for the periods indicated:

	For the year ended December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Profit for the year	16,579	295,543	350,167
Equity-settled share-based payment expenses	(779)	844	5,447
Listing expenses	11,210	8,547	6,312
Impact on tax	(1,794)	(1,637)	(1,060)
Adjusted net profit (non-IFRS measure)	**25,216**	**303,297**	**360,866**

The following table sets forth our adjusted net profit margin (non-IFRS measure) for the periods indicated:

	For the year ended December 31,		
	2022	**2023**	**2024**
Adjusted net profit margin (%) (non-IFRS measure)	**1.1**	**8.5**	**9.4**

(1) Adjusted net profit margin (non-IFRS measure) is calculated by dividing adjusted net profit (non-IFRS measure) by revenue for the year.

Due to the resurgence of the COVID-19 outbreaks and the relevant restrictive measures imposed by the relevant government authorities in 2022, our profit for the year decreased to RMB16.6 million in 2022. Our profit for the year increased to RMB295.5 million in 2023, primarily attributable to (i) the robust rebound of the performance of our restaurants and (ii) a decrease in our raw materials and consumables used as a percentage of our revenue in 2023, primarily due to (x) our effort in increasing direct procurement of raw materials from suppliers to enjoy more favorable procurement prices and (y) decreases in the market price for certain food ingredients such as pork. Our profit for the year increased to RMB350.2 million in 2024, primarily due to (i) an increase in our revenue primarily attributable to our restaurant expansion and (ii) a decrease in our raw materials and consumables used as a percentage of our revenue in 2024, primarily due to (x) our increasing bargaining power with suppliers to obtain raw materials at a more favorable price as we continued to streamline our menu offerings and (y) our continuous effort in finding suppliers that provide quality ingredients at a lower cost. In addition, we recognized income on COVID-19 rent concessions of RMB10.2 million, nil and nil in 2022, 2023 and 2024, respectively.

Summary of Financial Position

The following table sets forth summary data from our consolidated statements of financial positions as of December 31, 2022, 2023 and 2024.

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Non-current assets	1,339,759	1,543,955	1,791,283
Current assets	473,922	877,049	673,062
Current liabilities	(562,180)	(1,177,690)	(738,004)
Net current liabilities	(88,258)	(300,641)	(64,942)
Non-current liabilities	(783,460)	(828,803)	(955,208)
Net assets	468,041	414,511	771,133

We recorded net current liabilities as of December 31, 2022, 2023 and 2024, mainly because we utilized significant portions of cash generated from our operations to expand our restaurant network and pay dividends. As a result, we recorded significant amounts of (i) lease liabilities in accordance with IFRS 16 and (ii) trade and other payables in relation to renovation costs, purchases of food ingredients and recruitment and employee expenses. In particular, the current portion of lease liabilities amounted to RMB181.9 million, RMB214.3 million and RMB256.7 million as of December 31, 2022, 2023 and 2024, respectively.

We believe that our net current liabilities position will be improved with net cash inflows generated from operating activities once the newly opened restaurants begin to make profit and from the net proceeds from the Global Offering. In addition, we will also continue to improve our net current liabilities position by leveraging centralized procurement through our direct procurement center to control costs, as well as the improved economies of scale as our restaurant network continues to grow. We also expect to take advantage of our strong brand recognition to continue negotiating with landlords for more favorable lease terms in lower tier cities in the future to control our costs. As of March 31, 2025, we recorded net current assets of RMB21.1 million.

Furthermore, we will continue to closely monitor our liquidity position to ensure that it is in line with our business operations and expansion needs. We will also manage the level of our cash and liquid assets to ensure the availability of sufficient cash flows to meet any planned or unexpected cash requirements arising from our operations. We will continue to assess the availability of resources for financing our business needs on an ongoing basis.

Taking into consideration the financial resources presently available to us, including cash on hand and cash at banks, the available banking facilities, expected cash generated from our operations and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital for our present working capital requirements for at least the next 12 months from the date of this prospectus. As such, we believe that our business operation and financial condition will not be materially and adversely affected by our historical net current liabilities position.

We recorded net assets as of December 31, 2022, 2023 and 2024. Our net assets decreased from RMB468.0 million as of December 31, 2022 to RMB414.5 million as of December 31, 2023, primarily due to the dividend we declared to our then Shareholders in May 2023 and was settled in June 2024. Our net assets increased from RMB414.5 million as of December 31, 2023 to RMB771.1 million as of December 31, 2024, primarily due to our profit for the year recognized in 2024 of RMB350.2 million.

Summary of Consolidated Cash Flow Statements

The following table sets forth summary data from our consolidated statement of cash flows for the period indicated.

	Year Ended December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Net cash generated from operating activities	347,612	793,239	733,964
Net cash used in investing activities	(215,843)	(380,434)	(247,787)
Net cash used in financing activities	(127,866)	(190,797)	(595,484)
Net increase/(decrease) in cash and cash equivalents	3,903	222,008	(109,307)
Effect of foreign exchange rate changes	(711)	(129)	170
Cash and cash equivalents at the beginning of the year	131,218	134,410	356,289
Cash and cash equivalents at the end of the year	134,410	356,289	247,152

We plan to improve our cash flows by using the net proceeds from the Global Offering to support our strategic initiatives, including the plan to expand our restaurant network. We also expect that as newly opened restaurants achieve breakeven, such restaurants will generate operating cash inflows and contribute to our cash balance. In addition, our unutilized banking facilities amounted to RMB600.0 million as of the Latest Practicable Date, and we may draw down from such facilities if such measure is necessary to improve our liquidity.

Key Financial Ratios

The following table sets forth the key financial ratios as of the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
Current ratio	0.84	0.74	0.91
Quick ratio	0.74	0.69	0.82
Gearing ratio	6.6%	12.1%	–

For details, see "Financial Information – Key Financial Ratios."

Lease Profile

The following table sets forth the lease profile of the restaurants in our restaurant network that are in operation as of the Latest Practicable Date:

	Lease term	**Number of restaurants**	**Total GFA**	**Average GFA**	**Average breakeven period for restaurants opened during the Track Record Period and are in operation as of the Latest Practicable Date[4]**
		(#)	*(square meter)*	*(square meter)*	*(months)*
Eastern China[1]	One year or less	2	802	401	1.6
	Two years	–	–	–	
	Three to five years	3	980	327	
	Six to 10 years	116	42,324	365	
	11 to 15 years	42	18,704	445	
	16 to 20 years	6	4,226	704	
	21 to 31 years	2	968	484	

	Lease term	Number of restaurants	Total GFA	Average GFA	Average breakeven period for restaurants opened during the Track Record Period and are in operation as of the Latest Practicable Date[(4)]
		(#)	*(square meter)*	*(square meter)*	*(months)*
Guangdong province	One year or less	–	–	–	1.7
	Two years	2	762	381	
	Three to five years	5	2,310	462	
	Six to 10 years	58	26,659	460	
	11 to 15 years	20	12,184	609	
	16 to 20 years	–	–	–	
	21 to 31 years	–	–	–	
Northern China[(2)]	One year or less	2	1,460	730	1.8
	Two years	3	2,298	766	
	Three to five years	6	2,725	454	
	Six to 10 years	36	15,621	434	
	11 to 15 years	13	7,018	540	
	16 to 20 years	1	498	498	
	21 to 31 years	–	–	–	
Other[(3)]	One year and less	–	–	–	1.6
	Two years	–	–	–	
	Three to five years	8	2,251	281	
	Six to 10 years	143	54,181	379	
	11 to 15 years	24	11,198	467	
	16 to 20 years	1	800	800	
	21 to 31 years	–	–	–	
Overall		**493**	**207,971**	**422**	**1.6**

Notes:

(1) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(2) Consisting of Beijing, Hebei and Tianjin.

(3) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

(4) We did not include the only higher-end restaurant in our restaurant network that generally has higher average spending per guest of above RMB500 when analyzing the average breakeven period.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Wang, his wholly-owned holding company Yielding Sky, Ms. Lu, her wholly-owned holding company Contemporary Global Investments and Time Sonic, which is controlled by Mr. Wang and Ms. Lu as it is owned as to (i) 99.9% by Absolute Smart Ventures, which is in turn wholly owned by East Superstar, both the holding vehicles used by Vistra Trust, the trustee of Green Tea Family Trust that is a discretionary trust established by Mr. Wang and Ms. Lu as the settlors and their respective wholly-owned holding company Yielding Sky and Contemporary Global Investments as the beneficiaries; (ii) 0.049% by Yielding Sky, which is wholly owned by Mr. Wang; and (iii) 0.051% by Contemporary Global Investments, which is wholly owned by Ms. Lu, will be entitled to exercise voting rights of approximately 54.29% of the issued share capital of our Company. Accordingly, Mr. Wang, Yielding Sky, Ms. Lu, Contemporary Global Investments, Time Sonic, Absolute Smart Ventures, East Superstar and Vistra Trust are a group of controlling shareholders after the Listing. Please refer to the section headed "Relationship with our Controlling Shareholders" for further details.

STRATEGIC INVESTOR AND SELLING SHAREHOLDER

Our strategic investor and Selling Shareholder, Partners Gourmet, an investment vehicle and independent third party save for its interests in our Company, held Shares representing approximately 28.2% of our total issued share capital as of the Latest Practicable Date. Upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), Partners Gourmet will hold approximately 15.76% of the issued share capital of our Company. Please refer to the section headed "History, Reorganization and Corporate Structure – Strategic Investment" for further details.

Partners Gourmet will sell 50,509,200 Sale Shares, representing approximately 7.50% of the total issued share capital of our Company immediately upon completion of the Global Offering (assuming that the Over-allotment Option is not exercised). Please refer to the section headed "Appendix IV – Statutory and General Information – 13. Particulars of the Selling Shareholder" for more details.

We will not receive any of the proceeds from the sale of the Sale Shares by the Selling Shareholder. We estimate that the Selling Shareholder will receive net proceeds of approximately HK$349 million from the sale of the Sale Shares, based on the Offer Price of HK$7.19 per Share (assuming the Over-allotment Option is not exercised), and after deducting the underwriting fees and commissions payable by the Selling Shareholder.

RSU SCHEME

We have adopted the RSU Scheme in order to motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests of the Company. Upon completion of the Global Offering, the RSU Trustee will hold, on trust for the benefit of grantees and eligible participants pursuant to the RSU Scheme, 33,350,000 Shares for the RSU Scheme, representing approximately 4.95% of the total issued share capital of our Company. As of the Latest Practicable Date, RSUs in respect of an aggregate of 31,922,924 Shares, representing approximately 4.75% of the total issued share capital of our Company immediately following the completion of the Global Offering (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option), were granted to 71 employees of our Group pursuant to the RSU Scheme. The principal terms of the RSU Scheme are summarized in the section headed "Appendix IV – Statutory and General Information – D. Share Incentive Scheme".

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We are applying for the Listing under Rule 8.05(1) of the Listing Rules and satisfy the profit test, among other things, with reference to (i) our profit attributable to our equity shareholders for the two financial years ended December 31, 2023, in aggregate, being approximately RMB312.1 million which is over HK$45.0 million required by Rule 8.05(1) of the Listing Rules; and (ii) our profit attributable to our equity shareholders for the financial year ended December 31, 2024, being approximately RMB350.2 million, which is over HK$35.0 million as required by Rule 8.05(1) of the Listing Rules.

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately HK$101.6 million (including underwriting fees and commission for both the Hong Kong Offer Shares and the International Offer Shares), representing 12.0% of our estimated gross proceeds of HK$847.4 million from the Global Offering, based on an Offer Price of HK$7.19 per Offer Share and assuming the Over-allotment Option is not exercised. The estimated listing expenses consist of (i) underwriting-related expenses (including but not limited to underwriting fees and commissions for both the Hong Kong Offer Shares and the International Offer Shares) of HK$36.3 million, (ii) fees and expenses of legal advisers and accountants of HK$48.8 million and (iii) other fees and expenses of HK$16.5 million. Until December 31, 2024, we incurred listing expenses of RMB56.4 million (equivalent to HK$60.6 million), of which RMB43.9 million (equivalent to HK$47.2 million) were charged to our consolidated statements of profit or loss and RMB12.5 million (equivalent to HK$13.4 million) were recognized as prepayment (which will be deducted from equity upon the Listing). After December 31, 2024, approximately HK$16.9 million is expected to be charged to our consolidated statements of profit or loss, and approximately HK$24.1 million is expected to be accounted for as a deduction from equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

The Selling Shareholder is responsible for the underwriting commission of 3%, and a discretionary incentive fee of up to 1%, plus the brokerage, trading fees and Transaction Levies, of the aggregate Offer Price of the Sale Shares, translating to an aggregate amount of approximately HK$14.6 million (based on an Offer Price of HK$7.19, and assuming the Over-allotment Option is not exercised). Such underwriting commission and incentive fee are not included in the listing expenses of the Group.

GLOBAL OFFERING STATISTICS

	Based on an Offer Price of HK$7.19 per Share
Our Company's market capitalization upon completion of the Global Offering[(1)]	HK$4,842.1 million
Unaudited pro forma adjusted consolidated net tangible assets per Share[(2)]	HK$2.40

Notes:

(1) The calculation of the market capitalization is based on 673,454,800 Shares expected to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(2) The unaudited pro forma adjusted consolidated net tangible asset value per Share has been arrived at after adjustments referred to in the section headed "Unaudited Pro Forma Financial Information" in Appendix II and on the basis of 673,454,800 Shares in issue at an Offer Price of HK$7.19, assuming that the Shares issued pursuant to the Global Offering were issued on December 31, 2024 (assuming the Over-allotment Option is not exercised). No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company to reflect any trading results or other transaction entered into subsequent to December 31, 2024. The Company intends to declare and distribute by December 2025 a special dividend (the "**Special Dividend**") in an amount of no less than RMB180 million to its shareholders (including its new shareholders after the listing of the Company's shares on the Stock Exchange) based on its distributable retained profits from the subsidiaries as of December 31, 2024 and share premium, upon the declaration of the Special Dividend. The Company will hold a general meeting after the Listing to approve the declaration of the Special Dividend and will make announcements in due course in respect of the declaration and payment of the Special Dividend. The Controlling Shareholders (including entities controlled by them) have undertaken to vote in favor of the shareholders' resolution for the declaration and payment of such Special Dividend. This effect has not been adjusted in the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company.

FUTURE PLAN AND USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, based on an Offer Price of HK$7.19 per Offer Share, will be approximately HK$745.7 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

We intend to use the net proceeds of the Global Offering for the following purposes:

Amount	Approximate % of Total Estimated Net Proceeds	Intended Use
HK$471.9 million	63.3%	Expansion of our restaurant network
HK$196.3 million	26.3%	Establishment of our centralized food processing facility
HK$40.3 million	5.4%	Upgrade our IT system and related infrastructure
HK$37.3 million	5.0%	Provide funding for our working capital and other general corporate purposes

We will not receive any of the proceeds from the sale of the Sale Shares by the Selling Shareholder in the Global Offering.

DIVIDENDS

We do not have any pre-determined dividend pay-out ratio. The amount of dividends actually distributed to our Shareholders will depend upon our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to approval of our Shareholders. Our Board has the absolute discretion to recommend any dividend. Our Board did not declare any dividend to our Shareholders in 2022, primarily due to concerns of cash preservation for the potential needs in relation to the COVID-19 pandemic. Considering the ease of the COVID-19 pandemic since the first quarter of 2023, the robust rebound of our results of operations and the balance of our net current assets, our Board believes it would be beneficial to distribute dividends to our existing Shareholders. Therefore, in May 2023, the Board declared a dividend of RMB350.0 million to our then Shareholders, namely Time Sonic, Partners Gourmet and Longjing Memory Limited in respect of our distributable retained profits of our PRC subsidiaries as of December 31, 2022. We had settled such dividend with the cash available at hand in June 2024. In addition, we intend to declare and distribute by December 2025 a special dividend (the "**Special Dividend**") in an amount of no less than RMB180 million to our Shareholders (including our new Shareholders after the Listing) based on our distributable retained profits from our subsidiaries as of December 31, 2024 and share premium, upon the declaration of the Special Dividend. We will hold a general meeting after the Listing to approve the declaration of the Special Dividend and will make announcements in due course in respect of the declaration and payment of the Special Dividend. The Controlling Shareholders have undertaken to vote in favor of the Shareholders' resolution for the declaration and payment of such Special Dividend. Dividends declared in the past are not indicative of our future dividend policy. See "Financial Information – Dividends."

HISTORICAL NON-COMPLIANCES

We had certain non-compliance incidents relating to social insurance and housing provident fund. See "Business – Compliance, Licenses and Permits."

RECENT DEVELOPMENTS

Set forth below are certain material developments on our business and results of operations after December 31, 2024, which is the end of the Track Record Period:

- We opened 32 restaurants from January 1, 2025 to the Latest Practicable Date, including 18 in Eastern China, four in Guangdong province, three in Northern China and seven in other regions (including two restaurants in Hong Kong SAR).

- As of the Latest Practicable Date, among the 26 restaurants that recorded restaurant level operating loss in 2024, (i) 14 restaurants had recorded first monthly restaurant level operating profit, and (ii) 12 restaurants had not recorded restaurant level operating profit, of which five restaurants had limited time of operation during the period and seven restaurants had unsatisfactory operating performance. These seven restaurants had unsatisfactory operating performance primarily due to insufficient customer traffic of the shopping malls where those relevant restaurants located.

We expect to incur listing expenses of RMB38.1 million (HK$41.0 million) after December 31, 2024 (based on an Offer Price of HK$7.19 per Share and assuming the Over-allotment Option is not exercised), of which RMB15.7 million (HK$16.9 million) are expected to be recognized as listing expenses in the statement of profit or loss in 2025, and RMB22.4 million (HK$24.1 million) is expected to be recognized as a deduction in equity directly.

After due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our finance and trading position or prospects since December 31, 2024, and there is no event since December 31, 2024 which would materially affect the information shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

Recent Regulatory Developments

Cybersecurity Review Measures

Cybersecurity Review Measures (2021) (《網絡安全審查辦法(2021)》) was promulgated by the Cyberspace Administration of China (the "**CAC**") on December 28, 2021 and became effective on February 15, 2022 (the "**Cybersecurity Review Measures**"). For details, please see "Regulatory Overview – Cyber Security Law."

On September 24, 2024, the State Council promulgated the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the "**Data Security Regulations**"), which took effect on January 1, 2025. For details, please see "Regulatory Overview – Cyber Security Law."

Our PRC Legal Adviser and the Joint Sponsors' PRC legal adviser made a telephone consultation on a named basis with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (the "**CCRC**") which is the competent authority entrusted by the CAC to set up cybersecurity review consultation hotline. The CCRC confirmed that the term "listing in a foreign country" under the Cybersecurity Review Measures (2021) does not apply to listings in Hong Kong, and thus the obligation to proactively apply for cybersecurity review by an entity seeking listing in a foreign country shall not be applicable to the proposed Listing.

Potential Impact of the Cybersecurity Review Measures and Data Security Regulations

Based on the above and as advised by our PRC Legal Adviser, the Cybersecurity Review Measures and the Data Security Regulations would not have a material adverse impact on our business or our Listing. Based on our PRC Legal Adviser's advice, as of the Latest Practicable Date, considering each circumstance set forth in Article 10 of the Cybersecurity Review Measures and we are not recognized as CIIO by any competent authority nor we are subject to any cybersecurity review, the likelihood of our operation and Listing in Hong Kong SAR to be recognized as having the effect on or may affect national security is low under the Article 10 of the Cybersecurity Review Measures.

Having considered the above and on the basis that the Joint Sponsors have (i) obtained and reviewed relevant documents, internal policies and information provided by the Company and its PRC legal adviser in relation to the Group's privacy protection, cybersecurity and data processing activities; (ii) discussed with the Company in relation to, among others, the development and impact of the Cybersecurity Review Measures and the Data Security Regulations on the Group; and (iii) discussed with the PRC legal advisers to the Company and the Joint Sponsors to understand the relevant PRC laws, rules and regulations and implications of recent regulatory environment on cybersecurity in the PRC on the Group, nothing has come to the Joint Sponsors' attention to disagree with the views of the Company and its PRC legal advisers in this regard as disclosed above.

Regulations Relating to Overseas Securities Offering and Listing

On February 17, 2023, the CSRC released the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**"), which became effective on March 31, 2023 and stipulates that domestic companies that seek to offer or list securities overseas, both directly and indirectly, shall complete the filing procedures and report relevant information to the CSRC. On March 28, 2025, the CSRC issued a notification on our Company's completion of the PRC filing procedures for the listing of our Shares on the Stock Exchange and the Global Offering. As advised by our PRC Legal Adviser, our Company has completed all necessary filings with the CSRC in the PRC in relation to the Global Offering and the Listing.

If there is any material events in the future, such as change of control, investigation or punishment taken by overseas securities regulatory authorities or other competent authorities, change of listing status or listing plate, or voluntary or forced delisting, we will file the subsequent reports with the CSRC accordingly.

Updates on Financial Information

Our Directors confirm that, as of the date of this Prospectus, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2024, the end of the period reported in the Accountant's Report included in Appendix I to this Prospectus.

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

"Absolute Smart Ventures"	Absolute Smart Ventures Limited, a limited liability company incorporated in the BVI on November 26, 2018, which is wholly-owned by East Superstar
"AFRC"	the Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the second amended and restated articles of association of our Company (as amended from time to time), conditionally adopted on April 30, 2025 with effect from the Listing Date, a summary of which is set out in Appendix III to this prospectus
"Board" or "Board of Directors"	the board of directors of our Company
"business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong SAR are generally open for business
"BVI"	the British Virgin Islands
"Capital Market Intermediaries"	the capital market intermediaries as named in the section headed "Directors and Parties Involved in the Global Offering" of this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CIC"	China Insights Consultancy Limited, the industry consultant to our Company
"CIC Report" or "Industry Report"	the independent industry report issued by CIC
"Companies Act"	the Companies Act (as amended) of the Cayman Islands
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented 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 or supplemented from time to time
"Company" or "our Company"	Green Tea Group Limited (綠茶集團有限公司) (formerly known as Affluent Fine Limited), an exempted company incorporated in the Cayman Islands with limited liability on June 4, 2015, and, except where the context otherwise requires, all of our subsidiaries, or where the context refers to the time before we became the holding company of our present subsidiaries, our present subsidiaries
"Contemporary Global Investments"	Contemporary Global Investments Limited, a limited liability company incorporated in the Republic of Seychelles on June 22, 2015, which is wholly owned by Ms. Lu, one of our Controlling Shareholders
"Controlling Shareholders"	has the meaning ascribed to it in the Listing Rules and unless the context requires otherwise, refers to the group of controlling shareholders of our Company, namely Mr. Wang, Yielding Sky, Ms. Lu, Contemporary Global Investments, Time Sonic, Absolute Smart Ventures, East Superstar and Vistra Trust, and a Controlling Shareholder shall mean each or any one of them
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Deed of Indemnity"	the deed of indemnity dated May 1, 2025 and entered into by Mr. Wang and Ms. Lu, each a Controlling Shareholder, in favor of our Company (for itself and as trustee for its subsidiaries), further information of which is set out in the section headed "Statutory and General Information – E. Other Information – 1. Estate duty, tax and other indemnities" in Appendix IV to this prospectus
"Director(s)"	the director(s) of our Company
"East Superstar"	East Superstar Limited, a BVI business company incorporated in the BVI on November 26, 2018, which is wholly owned by Vistra Trust (Hong Kong) Limited, the trustee of the Green Tea Family Trust

"Eastern China"	consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian
"EIT"	enterprise income tax
"EIT Law"	the PRC Enterprise Income Tax Law
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong SAR due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"FINI"	"Fast Interface for New Issuance," an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"Flourish Thrive Limited"	Flourish Thrive Limited, a limited liability company incorporated under the laws of Seychelles on June 11, 2015 and was wholly owned by our Company prior to the Reorganization
"GDP"	Gross Domestic Product
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Green Tea WFOE"	Shenzhen Qianhai Green Tea Investment Consultancy Company Limited (深圳前海綠茶投資諮詢有限公司), a limited company established under the laws of the PRC on December 23, 2015
"Green Tea Family Trust"	the discretionary trust established by Mr. Wang and Ms. Lu as the settlors, with Vistra Trust as the trustee, details of which are set out in the section headed "History, Reorganization and Corporate Structure"

"Group", "our Group", "we", "our" or "us"	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"Guandongzao WFOE"	Shenzhen Qianhai Guandongzao Investment Consultancy Company Limited (深圳前海關東造投資諮詢有限公司), a limited company established under the laws of the PRC on December 23, 2015
"Guide"	the Guide for New Listing Applicants published by the Stock Exchange, as amended or supplemented from time to time
"Hangzhou Dinghuan"	Hangzhou Dinghuan Investment Management Company Limited (杭州鼎寰投資管理有限公司), a limited liability company established in the PRC on March 27, 2017 and an indirect wholly-owned subsidiary of our Company
"Hangzhou Greentea"	Hangzhou Greentea Catering Management Co., Ltd. (杭州綠茶餐飲管理有限公司), a limited liability company established in the PRC on February 21, 2008 and an indirect wholly-owned subsidiary of our Company since December 25, 2024
"HK$" or "Hong Kong dollars" or "HK dollars" or "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong SAR
"HK August Fountain"	HongKong August Fountain Group Limited (香港鴻泉集團有限公司), a limited company incorporated under the laws of Hong Kong SAR on August 21, 2015, and an indirect wholly-owned subsidiary of our Company
"**HK eIPO White Form**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name through the designated website **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by our Company, as specified on the designated website at **www.hkeipo.hk**

"HK Green Tea Group"	HongKong Greentea Group Limited (香港綠茶集團有限公司), a limited company incorporated under the laws of Hong Kong SAR on August 21, 2015, and an indirect wholly-owned subsidiary of our Company
"HK Guan Dong Zao"	HongKong Guan Dong Zao Group Limited (香港關東造集團有限公司), a limited company incorporated under the laws of Hong Kong SAR on August 21, 2015, and an indirect wholly-owned subsidiary of our Company
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the Operational Procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"HKSCC Rules"	the General Rules of HKSCC and as may be amended or modified from time to time and where the context so permits, shall include the Operational Procedures of HKSCC
"Hong Kong" or "Hong Kong SAR"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Offer Shares"	the 16,836,400 Shares being initially offered for subscription in the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure and Conditions of the Global Offering" in this prospectus)

"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong SAR at the Offer Price on the terms and conditions described in this prospectus
"Hong Kong Share Registrar"	Tricor Investor Services Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in the section headed "Underwriting – Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated May 7, 2025, relating to the Hong Kong Public Offering and entered into by, among others, the Joint Sponsors, the Sponsor-Overall Coordinators, the Joint Global Coordinators, the Hong Kong Underwriters, the Selling Shareholder and our Company as further described in the section headed "Underwriting – Underwriting Arrangements and Expenses" in this prospectus
"Hongquan WFOE"	Shenzhen Qianhai Hongquan Investment Consultancy Company Limited (深圳前海鴻泉投資諮詢有限公司), a limited company established under the laws of the PRC on December 23, 2015
"IFRS"	IFRS Accounting Standards issued by the International Accounting Standards Board
"independent third party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are third party(ies) independent of our Company and our connected persons as defined under the Listing Rules
"International Offer Shares"	the 151,527,600 Shares comprising 101,018,400 New Shares and 50,509,200 Sale Shares, being initially offered in the International Offering together with, where relevant, any additional Shares which may be issued by our Selling Shareholder pursuant to the exercise of the Over-allotment Option, subject to adjustments as described in the section headed "Structure and Conditions of the Global Offering" in this prospectus

"International Offering"	the offer of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in accordance with Regulation S, as further described in "Structure and Conditions of the Global Offering" in this prospectus
"International Underwriters"	the group of underwriters, led by the Joint Global Coordinators, that are expected to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering, which is expected to be entered into by, among others, the Joint Sponsors, the Sponsor-Overall Coordinators, the Joint Global Coordinators, the International Underwriters, the Selling Shareholder and our Company on or about May 14, 2025, as further described in the section headed "Underwriting – The International Offering" in this prospectus
"Joint Bookrunners" or "Joint Lead Managers"	the joint bookrunners and the joint lead managers as named in the section headed "Directors and Parties Involved in the Global Offering" of this prospectus
"Joint Global Coordinators" and "Joint Sponsors"	Citigroup Global Markets Asia Limited and CMB International Capital Limited *(in alphabetical order)*
"Latest Practicable Date"	April 28, 2025, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date, expected to be on or about Friday, May 16, 2025, on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"Mainland China" or "the PRC"	the People's Republic of China excluding, for the purpose of this prospectus, Hong Kong SAR, Macau Special Administrative Region of the PRC and Taiwan
"Member of the Group"	the Company and/or any subsidiary of the Company
"Memorandum" or "Memorandum of Association"	the second amended and restated memorandum of association of our Company (as amended from time to time), adopted on April 30, 2025 with effect from the Listing Date, a summary of which is set out in Appendix III to this prospectus
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Wang"	Wang Qinsong (王勤松), chairman of the Board, executive Director, chief executive officer, the settlor of the Green Tea Family Trust and one of our founders and Controlling Shareholders
"Ms. Lu"	Lu Changmei (路長梅), non-executive Director, the settlor of the Green Tea Family Trust and one of our founders and Controlling Shareholders
"NASDAQ"	the NASDAQ Stock Market in the United States
"Ningbo Qingyu"	Ningbo Haishu Qingyu Food & Beverage Management Company Limited (寧波海曙清雨餐飲管理有限公司), a limited liability company established in the PRC on March 13, 2017 and an indirect wholly-owned subsidiary of our Company
"New Share(s)"	the Share(s) to be offered for subscription by the Company under the Global Offering
"Northern China"	consisting of Beijing, Hebei and Tianjin

"Offer Price"	HK$7.19, being the offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), at which Hong Kong Offer Shares are to be subscribed and to be determined in the manner further described in the section headed "Structure and Conditions of the Global Offering – The International Offering – Pricing of the Global Offering" in this prospectus
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Overall Coordinators"	the overall coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" of this prospectus
"Over-allotment Option"	the option expected to be granted by each of the Company and the Selling Shareholder to the International Underwriters, exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which the Company may be required to issue and allot up to 15,152,400 New Shares, and the Selling Shareholder may be required to sell up to 10,102,000 Sale Shares, representing an aggregate of 25,254,400 additional Shares at the Offer Price, among other things, cover over-allocations in the International Offering, if any, further details of which are described in the section headed "Structure and Conditions of the Global Offering" in this prospectus
"Partners Gourmet"	Partners Group Gourmet House Limited, an exempted company incorporated under the laws of the Cayman Islands on December 8, 2016, our strategic investor and our Selling Shareholder
"Partners Group"	Partners Group Holding AG, a global private markets investment manager listed on the SIX Swiss Exchange (symbol: PGHN)

"PBOC"	People's Bank of China (中國人民銀行)
"PRC government" or "State"	the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them
"PRC Company Law"	the Company Law of the PRC (中華人民共和國公司法), a enacted by the Standing Committee of the Eighth National People's Congress on December 29, 1993 and effective on July 1, 1994, and subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018, as amended, supplemented or otherwise modified from time to time
"PRC Legal Adviser"	Commerce & Finance Law Offices, the legal adviser to our Company as the laws of the PRC and PRC cybersecurity and data compliance matters
"Preferred Shares Conversion"	the conversion of preferred shares referred in "Statutory and General Information – A. Further Information About our Group – 3. Resolutions in Writing of the Shareholders of Our Company Passed on April 30, 2025"
"prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"Regulation S"	Regulation S under the U.S. Securities Act
"Reorganization"	the corporate reorganization of our Group in preparation for the Listing as described in "History, Reorganization and Corporate Structure"
"RMB"	Renminbi, the lawful currency of the PRC
"RSU"	a restricted share unit awarded to a participant under the RSU Scheme

"RSU Scheme"	the restricted share unit scheme of our Company approved and adopted by our Board on February 28, 2020, which was further amended and approved on May 20, 2022 and April 30, 2025 respectively, the principal terms of which are set out in "Statutory and General Information – D. Share Incentive Scheme" in Appendix IV to this prospectus
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局), the PRC governmental agency responsible for matters relating to foreign exchange administration, including local branches, when applicable
"SAFE Circular No. 37"	the Circular on Relevant Issues concerning Foreign Exchange Administration of Overseas Investment and Financing and Round-trip Investments by Domestic Residents through Special Purpose Vehicles (《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》) promulgated by SAFE with effect from July 4, 2014
"Sale Shares"	the Share(s) to be offered for sale by the Selling Shareholder under the Global Offering
"Sanquan F&B"	Sanquan Green Tea (Beijing) Food & Beverage Management Company Limited (三泉綠茶(北京)餐飲管理有限公司), a limited liability company established in the PRC on March 27, 2017 and an indirect wholly-owned subsidiary of our Company
"Series-A Preferred Share(s)"	the voting, convertible and redeemable preferred shares in the share capital of our Company each with a nominal or par value of US$1.00 prior to share subdivision on March 22, 2021 and of US$0.00002 after such share subdivision
"Selling Shareholder"	Partners Group Gourmet House Limited, particulars of which are set out in the section headed "E. Other Information – 13. Particulars of the Selling Shareholders" in Appendix IV to this prospectus
"SFC"	the Securities and Futures Commission of Hong Kong SAR

"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Shareholder(s)"	holder(s) of Shares
"Shares"	ordinary shares in the share capital of our Company with par value of US$0.00002 each
"Stock Borrowing Agreement"	the stock borrowing agreements expected to be entered into on or around May 14, 2025 between the Stabilizing Manager (or its agent) and Time Sonic pursuant to which the Stabilizing Manager may borrow up to an aggregate of 25,254,400 Shares from Time Sonic, to cover over-allocations in the International Offering
"Shenzhen Green Tea Trading"	Shenzhen Green Tea Renjia Trading Company Limited (深圳市綠茶人家貿易有限公司), a limited liability company established in the PRC on June 24, 2016 and an indirect wholly-owned subsidiary of our Company
"Sponsor-Overall Coordinators"	the sponsor-overall coordinators as named in the section headed "Directors and Parties Involved in the Global Offering" of this prospectus
"Stabilizing Manager"	CMB International Global Markets Limited
"State Council"	the PRC State Council (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategic Investment"	the strategic investment in our Group undertaken by Partners Gourmet, details of which set out in "History, Reorganization and Corporate Structure – Strategic Investment"
"three key regions"	including Eastern China, Guangdong province and Northern China regions
"Tibet Green Tea F&B"	Tibet Green Tea Food & Beverage Management Company Limited (西藏綠茶餐飲管理有限公司), a limited liability company established in the PRC on March 30, 2016 and an indirect wholly-owned subsidiary of our Company

"Tibet Green Tea Enterprise"	Tibet Green Tea Quan Enterprise Management Company Limited (西藏綠茶泉企業管理有限公司), (formerly known as Tibet Green Tea Quan Investment Management Company Limited (西藏綠茶泉投資管理有限公司)), a limited liability company established in the PRC on March 30, 2016 and an indirect wholly-owned subsidiary of our Company
"Tibet Guandongzao"	Tibet Guandongzao Investment Management Company Limited (西藏關東造投資管理有限公司), a limited liability company established in the PRC on March 30, 2016 and an indirect wholly-owned subsidiary of our Company
"Tibet Guandongzao F&B"	Tibet Guandongzao Food & Beverage Company Limited (西藏關東造餐飲有限公司), a limited liability company established in the PRC on May 11, 2016 and an indirect wholly-owned subsidiary of our Company
"Time Sonic"	Time Sonic Investments Limited, a company incorporated in the Seychelles with limited liability on June 19, 2015, indirectly wholly-owned by Absolute Smart Ventures, Mr. Wang and Ms. Lu as to 99.9%, 0.049% and 0.051%, respectively, and is one of our Controlling Shareholders
"Track Record Period"	the years ended December 31, 2022, 2023 and 2024
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency for the time being of the United States
"U.S." or "United States"	the United States of America
"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

"Vistra Trust"	Vistra Trust (Hong Kong) Limited, an independent third party professional trust company established in Hong Kong SAR
"Wuhan Lujia"	Wuhan Lujia Food & Beverage Management Company Limited (武漢路家餐飲管理有限公司), a limited liability company established in the PRC on March 30, 2017 and an indirect wholly-owned subsidiary of our Company
"Xipan Qiwang"	Hangzhou Xipan Qiwang Food & Beverage Management Company Limited (杭州溪畔啟望餐飲管理有限公司), a limited liability company established in the PRC on September 27, 2024 and an indirect wholly-owned subsidiary of our Company
"Yielding Sky"	Yielding Sky Limited, a limited liability company incorporated in the Republic of Seychelles on June 12, 2015, which is wholly owned by Mr. Wang, one of our Controlling Shareholders
"Zhejiang Daxin"	Zhejiang Daxin Supply Chain Management Company Limited (浙江大心供應鏈管理有限公司), a limited liability company established in the PRC on May 24, 2023 and indirect wholly-owned subsidiary of our Company
"Zhejiang Lvqin"	Zhejiang Lvqin Supply Chain Management Company Limited (浙江綠勤供應鏈管理有限公司), a limited liability company established in the PRC on December 29, 2020 and indirect wholly-owned subsidiary of our Company
"%"	percent

* *For identification purposes only*

In this prospectus, the terms "associate(s)", "close associate(s)", "connected person(s)", "connected transaction(s)", "core connected person(s)", "controlling shareholder(s)", "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

This glossary contains terms used in this prospectus in connection with us. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"breakeven"	the first month for the revenue of a newly opened restaurant to at least equal its expenses
"CAGR"	compound annual growth rate
"cash investment payback period"	the amount of time it takes for the cumulative earnings before interest, tax and depreciation to cover the cost to open a restaurant
"food processing"	the process which transforms ingredients and condiments into food, semi-processed food products and bakery products
"GFA"	gross floor area
"IT"	information technology
"kWh"	kilowatt-hour
"new tier one cities"	for the purpose of this prospectus, Changsha, Chengdu, Chongqing, Dongguan, Foshan, Hangzhou, Hefei, Nanjing, Qingdao, Shenyang, Suzhou, Tianjin, Wuhan, Xi'an and Zhengzhou
"office automation system"	a system which enables its user to create, collect, store, manipulate and relay office information digitally
"QR code"	a machine-readable optical label that contains information about the item to which it is attached
"semi-processed food products"	semi-processed food ingredients which require relatively few steps of standardized preparation at the restaurant before serving, which primarily consist of cleaned, processed or marinated meat, aquatic products, vegetables and fruit
"tier one cities"	for the purpose of this prospectus, Beijing, Shanghai, Guangzhou and Shenzhen

"tier two cities"	for the purpose of this prospectus, Baoding, Changchun, Changzhou, Dalian, Fuzhou, Guiyang, Harbin, Huizhou, Jiaxing, Jinan, Jinhua, Kunming, Langfang, Lanzhou, Nanchang, Nanning, Nantong, Ningbo, Quanzhou, Shaoxing, Shijiazhuang, Taizhou (Zhejiang), Taiyuan, Wenzhou, Xiamen, Xuzhou, Yantai, Yixing, Wuxi, Zhongshan and Zhuhai
"tier three and lower tier cities"	for the purpose of this prospectus, all the cities and regions of Mainland China excluding tier one cities, new tier one cities and tier two cities

This prospectus contains certain forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "aim", "anticipate", "believe", "could", "estimate", "expect", "going forward", "intend", "may", "ought to", "plan", "project", "seek", "should", "will", "would" and the negative of these words and other similar expressions, as they relate to the Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects;
- future developments, trends and conditions in the industry and markets in which we operate;
- our business strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment and general outlook in the industry and markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section.

In this prospectus, statements of or references to our intentions or those of the Directors are made as of the date of this prospectus. Any such information may change in light of future developments.

You should carefully consider all of the information set out in this prospectus before making an investment in the Shares, including the risks and uncertainties described below in respect of our business and our industry and the Global Offering. You should pay particular attention to the fact that we are a company incorporated in the Cayman Islands and that our principal operations are conducted in Mainland China and are governed by a legal and regulatory environment that in some respects differs from what prevails in other countries. Our business could be affected materially and adversely by any of these risks.

RISKS RELATING TO OUR BUSINESS

Our future growth depends on our ability to open and profitably operate in existing and new geographical markets.

Our future growth depends on our ability to open and profitably operate new restaurants. In 2022, 2023 and 2024, we opened 47, 89 and 120 new restaurants, respectively. We may not be able to open new restaurants at the same rate as in the past or as quickly as planned. Delays or failures in opening new restaurants could materially and adversely affect our growth strategy and our expected financial and operating results. In obtaining new restaurant sites, we may face intense competition from our competitors in the catering industry. We may also encounter delays when applying for relevant material licenses during the approval process from the government authorities, for which the timeline is beyond our control. Even if we are able to open additional restaurants as planned, these new restaurants may neither be profitable nor have results comparable to our existing restaurants for a period of time. This growth strategy and the substantial efforts associated with the development of each additional restaurant may cause our operating results and profits to fluctuate.

We may also open new restaurants in markets where we have little or no operating experience. Those new markets may have different competitive environment, consumer tastes and discretionary spending patterns from our existing markets. As a result, we may not be able to open new restaurants in these markets on a timely basis or at all. If the new restaurants do open, they may be less profitable compared with restaurants in our existing markets. Consumers in a new market may not be familiar with our brand and we may need to build brand awareness in that market through advertising and promotional activities, which could result in higher expenses than originally planned. We may find it more difficult in new markets to hire, motivate and retain qualified employees who share our business philosophy and culture. Opening restaurants in new markets may record lower average sales, lower average spending per guest, higher renovation costs, higher occupancy costs or higher operating costs than restaurants in existing markets. In addition, we may take longer to set up similar supply chains with suitable quality control in such new markets. Restaurants opened in new markets may take longer than expected to ramp up and reach, or may never reach, expected sales and profit levels, thereby affecting our overall profitability. There can be no assurance that we will be able to maintain our profitability as we continue to expand into new markets.

We may not be able to maintain and increase the sales and profitability of our existing restaurants.

The sales of existing restaurants will also affect our sales growth and will continue to be a critical factor affecting our revenue and profit. Our ability to increase sales of existing restaurant depends in part on our ability to successfully implement our initiatives to increase customer traffic, table turnover and spending per guest. Examples of these initiatives include offering quality dishes and combinations, enhancing dining experience to attract repeat customers, enhancing customer loyalty, attracting more customers during non-peak hours and adjusting prices of our dishes. There can be no assurance that we will be able to achieve our targeted sales growth and profitability for our existing restaurants. Also, we cannot ensure that existing restaurant sales will not decrease. For example, there has been a general change in consumer behavior recently to reduce expenses and frequencies of dining out given the current economic environment. Such changes in consumer behavior had led to decreases in our table turnover rate, average spending per guest and same store sales in all regions in 2024. See "Business – Restaurant Performance" for further details. Furthermore, such changes in consumer behavior may continue or reoccur in the future, which may hinder our ability to achieve our targeted sales and profitability. If we are unable to achieve our targeted sales and profitability in our existing markets, our business, financial condition and results of operations may be materially and adversely affected.

As of December 31, 2024, we had 155, 83, 58 and 169 restaurants in Eastern China, Guangdong province, Northern China and other regions, respectively. To minimize competition among our own restaurants, we generally avoid opening a new restaurant within a three-kilometer radius of an existing restaurant in a tier one or new tier one city. In other cities, we may position our restaurants further apart from each other to ensure sufficient customer traffic at each location. Nonetheless, as we open new restaurants in our existing geographic markets, the sales performance and customer traffic of our existing restaurants near such new restaurants may decline as a result of increased competition. This may in turn adversely affect our business, financial condition and results of operations of our existing restaurants.

Increases in the cost of ingredients used in our restaurants may lead to declines in our margins and operating results.

Any rise in our costs, particularly a rise in the cost of the ingredients, may lead to declines in our margins and operating results. Our cost of raw materials and consumables used depends on a variety of factors, many of which are beyond our control. Our raw materials and consumables used represented approximately 36.3%, 33.6% and 31.1% of our revenue in 2022, 2023 and 2024, respectively. Fluctuations in weather, supply and demand, and economic conditions could adversely affect the cost, availability, and quality of our critical food ingredients. If we are not able to obtain requisite quantities of quality ingredients at commercially reasonable prices, we may not be able to serve our dishes. Furthermore, if we cannot pass these cost increases onto our customers, our operating margins may decrease.

In addition, the PRC government has promulgated laws and regulations including the Pricing Law of the PRC (《中華人民共和國價格法》) on December 29, 1997 under which temporary measures may be taken to control price increases or decreases of certain material commodities which include a number of ingredients that are important to our business, such as rice, oil, meat and eggs. Such price control measures will have direct effects on the cost of relevant ingredients. The measures that prevent the prices of ingredients from falling will keep our cost of relevant ingredients at a higher level than it would be under free market conditions. Although generally we may benefit from the measures that control price increases which keep our ingredient costs from rising, there is no guarantee for how long and to what extent such measures may be implemented, or whether such measures will effectively control price increases in the long run. For example, there is a possibility that price control measures may frustrate the relevant suppliers and discourage supply, which may materially and adversely affect our business.

If we cannot obtain desirable restaurant locations or secure renewal of existing leases on commercially reasonable terms, our business, results of operations and ability to implement our growth strategy may be materially and adversely affected.

We compete with other restaurants for suitable locations. Also, some landlords and developers may offer priority or grant exclusivity for desirable locations to some of our competitors. We cannot assure you that we will be able to enter into new lease agreements for prime locations or renew existing lease agreements on commercially reasonable terms. We have encountered certain instances in which a landlord decided to change its business strategy, and the relevant leases could not be renewed as a result. During the Track Record Period, we closed three restaurants due to such reason.

The lease arrangements for our restaurants generally last for five to 10 years with an option to renew. Where we do not have a provision providing an option to renew a lease agreement, we may need to negotiate the terms of renewal with the lessor, who may insist on a significant modification to the terms and conditions of the lease agreement. If a lease agreement is renewed at a rate substantially higher than the existing rate or other existing favorable terms granted by the lessor, if any, are not extended, we must evaluate whether renewal on such modified terms is in our business interest. If we are unable to renew leases for our restaurant sites, we will have to close or relocate the relevant restaurants, which would eliminate the sales that the restaurants would have contributed to our revenue during the period of closure, and could subject us to costs and risks relating to new restaurant openings. In addition, the revenue and any profit generated at a relocated restaurant may be less than the revenue and profit previously generated before such relocation. Therefore, any inability to obtain leases for desirable restaurant locations or renew existing leases on commercially sound terms could have a material and adverse effect on our business, financial condition and results of operations.

If the quality of our dining experience declines, our restaurants may not continue to be successful.

The success of our restaurants revolves primarily around guest satisfaction, which is dependent on the continued popularity of our *Green Tea* brand and lies in our ability to maintain and enhance our dining experience. The quality of our dining experience may be adversely affected by a number of factors, including, among others:

- decline in the quality of service provided by our restaurant staff;
- inability to pioneer and introduce new services or dishes that gain popularity amongst guests;
- inability to meet the needs of our guests and changes in consumer tastes or preferences;
- decline in food quality, or the perception of such decline amongst guests;
- any significant liability claims or food contamination complaints from our guests;
- inability to offer quality food at affordable prices;
- long waiting time;
- limited accessibility to public transportation;
- decrease in the attractiveness or quality of design of our restaurants; and
- low quality of delivery service.

We cannot guarantee that our dining experience will continue to be of high quality and favored by guests, nor that our existing and new restaurants will continue to be successful.

Our business depends significantly on the market recognition of our *Green Tea* brand, and if we are not able to maintain or enhance our brand recognition, our business, financial condition and results of operations may be materially and adversely affected.

We believe that maintaining and enhancing our *Green Tea* brand is important to maintaining our competitive advantage. However, our ability to maintain our brand recognition depends on a number of factors, some of which are beyond our control. Our continued success in preserving and enhancing our brand and image depends to a large extent on our ability to further develop and maintain our combination of fusion cuisine, affordable prices, hospitable services, pleasant dining environments throughout our restaurant network and our ability to respond to any change in the competitive environment in the catering industry. If we are unable to do so, the value of our brand or image will be diminished and our business and results of operations may be materially and adversely affected. In addition, if any third parties use or imitate our trademarks or trade names without our authorization to operate restaurant which result in adverse side effect on customers, we may be associated with negative publicity and our brand reputation may suffer as a result. As we continue to grow in size, expand our food offerings and services and extend our geographic reach, maintaining quality and consistency may be more difficult and we cannot assure you that customers' confidence in our brand name will not be diminished.

Our current restaurant locations may become unattractive, which may have a material and adverse effect on our business, financial condition and results of operations.

The success of any restaurant depends substantially on its location. There can be no assurance that our current restaurant locations will continue to be attractive as economic or demographic conditions change. The economic and demographic conditions of our restaurant locations could become unfavorable to us in the future, thus resulting in potentially reduced sales of restaurants in these locations. As substantially all of our lease agreements have fixed lease terms, these lease agreements expose us to the risk of having to make rental payments for fixed periods of time in spite of unprofitable business operations or other unforeseen events that may occur before each lease term expires. We may also have to incur losses, such as early termination penalties, if we decide to terminate our leases before the terms expire. As of the Latest Practicable Date, a substantial portion of our restaurants have a lease term of over five years. In addition, as of the Latest Practicable Date, there were 10 restaurants that have a lease term of over 15 years. Such long lease terms may further expose us to such risks. Therefore, the inability and/or the lack of flexibility to terminate these leases early could have a material and adverse effect on our business, financial condition and results of operation.

If we are unable to manage our growth effectively, our business and financial results may be materially and adversely affected.

We have increased the number of our restaurants from 236 as of January 1, 2022 to 493 as of the Latest Practicable Date. We plan to continue to expand our restaurant network in different geographic locations in the PRC. As of the Latest Practicable Date, we had opened four restaurants in Hong Kong SAR, and we plan to open a total of around 28 new restaurants overseas from 2025 to 2027. In addition, we may continue to selectively open new restaurants in overseas metropolises in the future. This further expansion may place substantial demands on our management team, and our operational, technological, labor and other resources. Our planned expansion will also place significant demands on us to maintain consistent food and service quality and preserve our corporate culture to ensure that our brand does not suffer from any deterioration, whether actual or perceived, in the quality of our food or services.

Our continued success also depends on our ability to recruit, train and retain additional qualified management, administrative, sales and marketing personnel, particularly as we expand into new markets. We also need to continue to manage our relationships with our suppliers and customers. All of these endeavors will require substantial management attention and efforts, and require significant additional expenditures. We cannot assure you that we will be able to manage any future growth effectively and efficiently, and any failure to do so may materially and adversely affect our ability to capitalize on new business opportunities. This in turn may have a material and adverse effect on our business, financial condition and results of operations.

Our business is affected by changes in consumer taste and discretionary spending, and we may not be able to respond to such changes.

The catering industry is defined by consumer taste and preference. We cannot assure you that we can continue to develop new dishes and maintain an attractive menu to suit changing customer demands.

To a significant extent, our success also depends on discretionary customer spending, which is influenced by various factors beyond our control, such as general economic conditions. Accordingly, we may experience declines in sales during economic downturns or prolonged periods of high unemployment rates. Any material decline in the amount of discretionary spending in the PRC may have a material and adverse effect on our business, results of operations and financial condition. See also "– We may not be able to maintain and increase the sales and profitability of our existing restaurants."

We may not be able to quickly develop new dishes and adapt to evolving customer preferences and tastes.

Our continued success depends on our ability to continuously launch new dishes and improve the existing dishes to cater to the evolving customer preferences and tastes. There is no guarantee that we will always be able to effectively gauge the direction of our key markets and successfully identify, develop and promote new or improved dishes in the changing market, or our new dishes will always be favored by customers or commercially successful. Our financial results could be adversely affected by the lack of customer acceptance of new dishes; customers' reducing their demand for our current offerings as new dishes are introduced; or that we are unable to effectively manage our cost of raw materials and consumables, especially for newly launched dishes.

Our historical financial and operating results are not indicative of future performance, and we may not be able to achieve and sustain the historical level of revenue and profitability.

Our historical results and growth may not be indicative of our future performance. Our financial and operating results may not meet the expectations of public market analysts or investors, which could cause the future price of our Shares to decline. Our revenue, expenses and operating results may vary from period to period in response to a variety of factors beyond our control. These factors can include general economic conditions, special events, government regulations and policies affecting our restaurant operations and/or our ability to control costs and operating expenses. Our staff costs may fluctuate from month to month as we are required by law to pay our staff a higher rate for work on public holidays. You should not rely on our historical results to predict our future financial performance.

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

We are exposed to the risks of fraud, theft or other misconduct involving employees, customers or other third parties, which may have a material adverse impact on our business. We are also exposed to the risk of our staff members responsible for procurement and quality control receiving bribes or kick-backs from our suppliers in violation of our policies, which in turn may result in supplies that are overpriced or fail our quality standard. We may be unable to prevent, detect or deter all instances of misconduct. Any misconduct committed against our interests, which may include past acts that have gone undetected or future acts, could subject us to financial losses and/or harm our reputation.

Our restaurants are susceptible to risks in relation to rental increases or fluctuations.

As we lease the property for all of our restaurants and offices, we have significant exposure to the retail rental market in the PRC. In 2022, 2023 and 2024, our depreciation of right-of-use assets amounted to RMB161.0 million, RMB177.0 million and RMB202.9 million, respectively, representing 6.8%, 4.9% and 5.3% of our total revenue for the respective period, and our other rentals and related expenses were RMB56.6 million, RMB80.3 million and RMB76.1 million, respectively, representing 2.4%, 2.2% and 2.0% of our revenue for the respective periods. Since our rental expenses represent a significant portion of our total operating expenses, our profitability may be adversely affected by any substantial increase in such expenses of our restaurant premises.

Shortages or interruptions in the availability and delivery of our food ingredients and other supplies may have a material and adverse effect on our business, financial condition and results of operations.

If our suppliers do not deliver food ingredients and other supplies in a timely manner, we may experience supply shortages and increased food costs. The ability to source high-quality food ingredients at competitive prices in a timely manner is crucial to our business. Our ability to maintain consistent quality and maintain our menu offerings throughout our restaurant network depends in part upon our ability to acquire food ingredients and related supplies in sufficient quantities from reliable sources that meet our food safety and quality specifications. While we generally enter into standard one-year framework agreements with our suppliers for food ingredients, the purchase prices with suppliers for our food ingredients are typically set by way of purchase orders. In each of 2022, 2023 and 2024, the total purchases from our five largest suppliers in aggregate accounted for 18.6%, 18.4% and 18.2% respectively, and our purchases from our largest supplier accounted for 5.0%, 5.2% and 4.5%, respectively, of our total purchases. During the Track Record Period, none of our key suppliers ceased or indicated that it would cease to provide supplies to us. Also, we did not experience any material delays or interruptions in securing supplies from our key suppliers. However, there can be no assurance that we will be able to maintain business relationships with our key suppliers.

A disruption of our food supplies can occur for a variety of reasons, many of which are beyond our control, including adverse weather conditions, international trade disputes, import/export restrictions, natural disasters, diseases, important suppliers ceasing operations or unexpected production shortages. Moreover, there can be no assurance that our current suppliers may always be able to meet our stringent quality control requirements in the future. If any of our suppliers does not perform quality control adequately or otherwise fail to distribute supplies to us in a timely manner, we cannot assure you that we will be able to find suitable alternative suppliers in a short period of time on acceptable terms. As a result, our failure to do so could increase our procurement costs and cause shortages of food ingredients and other supplies at our restaurants. Any significant food shortages or supply disruptions will lead to the unavailability of some menu items and a significant reduction in revenue as customers seek out alternative dining options.

Rising labor costs and the long-term trend of higher wages may lead to declines in our margins and operating results.

Historically, staff costs which comprise salaries and benefits payable to all our employees and staff, including our Directors, senior management, headquarters personnel and restaurant level staff, have been a major component of our operating costs. In 2022, 2023 and 2024, our staff costs accounted for approximately 26.4%, 25.4% and 25.8% of our revenue, respectively. Currently, substantially all of our staff are employed in the PRC, and thus we take advantage of the availability of relatively low-cost labor in the PRC. The economy in the PRC has grown significantly over the past 20 years, which has resulted in an increased average cost of labor. The overall economy and the average wage in the PRC are expected to continue growing.

The Labor Contract Law of the PRC that became effective on January 1, 2008 and was amended on December 28, 2012 formalizes workers' rights concerning overtime hours, pensions, layoffs, employment contracts, the role of labor unions, and provides for specific standards and procedures for the termination of an employment contract. In addition, the Labor Contract Law requires the payment of a statutory severance pay upon the termination of an employment contract in most cases, including in cases of the expiration of a fixed term employment contract. The implementation of the Labor Contract Law may significantly increase our operating expenses, in particular our personnel expenses. In the event that we decide to terminate the employment of some of our employees or otherwise change our employment or labor practices, the Labor Contract Law may also limit our ability to effect these changes in a manner that we believe to be cost-effective or desirable. Any shortages in the availability of labor or any material increase in the cost of labor as a result of competition, increased minimum wage requirements and employee benefits will diminish our competitive advantage and have a material and adverse effect on our business, financial condition and results of operations.

Any failure to maintain effective quality control systems could have a material and adverse effect on our reputation, results of operations and financial condition.

The quality and safety of the food we serve is critical to our success. Maintaining consistent food quality depends significantly on the effectiveness of our quality control systems, which in turn depends on a number of factors, including the design of our quality control systems and our ability to ensure that our employees and suppliers adhere to and implement those quality control policies and guidelines. Our quality control systems consist of (i) procurement quality control, (ii) storage and logistics quality control, and (iii) restaurant operations quality control. For more details on our quality control systems, see "Business – Food Safety and Quality Control." There can be no assurance that our quality control systems will prove to be effective. Any significant failure or deterioration of our quality control systems could have a material and adverse effect on our reputation, results of operations and financial condition.

Any failure or perceived failure to deal with customer complaints or adverse publicity involving our food or services could materially and adversely impact our business and results of operations.

A chain restaurant business such as ours can be adversely affected by negative publicity, whether accurate or not. The negative publicity can arise from news reports or allegations in printed and online media regarding our restaurant operations, in particular alleged food quality and safety and fire safety issues. Reports on public health concerns and/or negative media attention concerning our competitors or catering service providers across the food industry supply chain may potentially affect customer perception of our business. Any such negative publicity could materially harm our business, brands and results of operations.

A significant number of complaints or claims against us, even if meritless or unsuccessful, could force us to divert management and resources from other main business concerns, which may adversely affect our business and operations. Adverse publicity resulting from such complaints or claims, even if meritless or unsuccessful, could cause customers to lose confidence in us and our brand, which may also adversely affect the business of the restaurants subject to such complaints and our restaurants under the same or related brand. As a result, we may experience significant declines in our revenue and customer traffic from which we may not be able to recover.

Any significant liability claims, food contamination complaints from our customers or reports of food tampering incidents could adversely affect our reputation, business and operations.

Being in the catering industry, we face an inherent risk of food contamination and liability claims. Our food quality substantially depends on the quality of the food ingredients provided by our suppliers and we may not be able to detect all defects in those supplies. As we expand our business scale, we cannot assure you that these counterparties or our restaurant employees will adhere to our internal procedures and requirements at all times. Any failure to detect defective food supplies, poor hygiene or cleanliness standards in our operations or other failure to observe our requirements, could adversely affect the quality of the food served in our restaurants, which could lead to liability claims, complaints, or related adverse publicity and could result in the imposition of penalties by competent authorities or compensation awarded by courts against us.

Most of the guest complaints we received were related to the taste and style of a particular dish, long waiting time, and the service quality of our staff. We take these complaints seriously and endeavor to reduce such complaints by implementing various remedial measures. Nevertheless, we cannot assure you that we can successfully prevent all guest complaints of similar nature.

Any complaints or claims against us or any restaurant we operate, even if meritless and unsuccessful, may divert management attention and other resources from our business and adversely affect our business and operations. Guests may lose confidence in us and our brand, which may adversely affect the business of our restaurants, resulting in declines in our revenue and even losses. Furthermore, negative publicity including but not limited to negative online reviews on social media and crowd sourced review platforms or media reports related to food quality, safety, public health concerns, illness, or injury, or industry findings, whether or not accurate, and whether or not concerning our restaurants, can adversely affect our business, results of operations and reputation.

We may be unable to receive compensation from suppliers if there are contaminated ingredients used in our dishes and indemnity provisions in our supply contracts may be insufficient.

In the event that we become subject to food safety claims caused by contaminated or defective food ingredients from our suppliers, we can attempt to seek compensation from the relevant suppliers. However, indemnities provided by suppliers may be limited and the claims against suppliers may be subject to certain conditions precedent which may not be satisfied. In addition, although our suppliers typically agree to indemnify our losses due to defective products provided by the relevant supplier, our supply contracts usually do not have provisions to cover lost profits and indirect or consequential losses. If no claim can be asserted against a supplier, or amounts that we claim cannot be recovered from the supplier to the extent that our insurance coverage is insufficient, we may be required to bear such losses and compensation at our own costs. This could have a material and adverse effect on our business, financial condition and results of operations.

Events that disrupt the operations of any of our restaurants, such as fires, floods, earthquakes or other natural or man-made disasters, may materially and adversely affect our business operations.

Our operations are vulnerable to interruption by fires, floods, typhoons, power failures and shortages, terrorist attacks and other events beyond our control. Our business is also dependent on prompt delivery and transportation of our food ingredients. Certain events, such as adverse weather conditions, natural disasters, severe traffic accidents and delays, and labor strikes, could also lead to delayed or lost deliveries of food supplies to logistics facilities and our restaurants. All of which may result in the loss of potential business, and thus sales revenue. Perishable food ingredients, such as fresh, chilled or frozen food ingredients, may deteriorate due to delivery delays, malfunctioning of refrigeration facilities or poor handling during transportation by our suppliers or our logistics partners. For example, we temporarily suspended the operation of certain restaurants in various parts of Mainland China in 2022 due to the COVID-19 pandemic and in response to the restrictive measures imposed by the relevant local governments. In addition, fires, floods, earthquakes and terrorist attacks may lead to evacuations and other disruptions in our operations, which may also prevent us from providing quality food and service to customers, thereby affecting our business and damaging our reputation. Any such event could materially and adversely affect our business operations and results of operations.

Information technology system failures, breaches of our network security or compromised data privacy or information security could interrupt our operations and adversely affect our business.

We rely on our computer systems and network infrastructure across our operations to monitor the daily operations of our restaurants and to collect accurate up-to-date financial and operating data for business analysis and decision making such as the procurement of supplies. Any damage or failure of our computer systems or network infrastructure or computer virus attacks that causes an interruption or inaccuracies in our operations could have a material and adverse effect on our business and results of operations.

We also receive certain personal information about our customers through our membership system and when our customers order through our WeChat mini programs or when we provide delivery services through third-party platforms. Our network security may be breached due to the actions of outside parties, employee error, malfeasance, or a combination of these or otherwise. If any actual or perceived breach of our security occurs, we may become subject to litigation or other proceedings relating to such incidents. Any such proceedings could distract our management from running our business and cause us to incur significant unplanned losses and expenses. In addition, our guests' confidence in the effectiveness of our security measures could be harmed and we may lose guests and suffer financial losses due to such events or in connection with remediation efforts, investigation costs and system protection measures. Any of the above could harm our reputation and materially and adversely affect our business and results of operations.

Our insurance policies may not provide adequate coverage for all claims associated with our business operations.

As of the date of this prospectus, we have obtained insurance policies that we believe are customary for businesses of our size and type and in line with the standard commercial practice in the PRC. For more details on our insurance policies, see "Business – Insurance." However, there are types of losses we may incur that cannot be insured against or that we believe are not commercially reasonable to insure, such as loss of reputation. 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 adequately protect our intellectual property, which could harm the value of our brand and adversely affect our business and operation.

We believe that our brand is essential to our success and our competitive position. Although we have registered trademarks and have trademark applications pending in the PRC, these steps may not be adequate to protect our intellectual property. There is no assurance that any of our pending trademark applications will be granted. As of the Latest Practicable Date, we have two pending trademark applications in the PRC. We cannot assure you that the registrations will be successfully completed. If we fail to secure the registration of any trademarks under application, or if we are held by any court or tribunal to be infringing on any trademark of others, our business may be adversely affected. See "Statutory and General Information" in Appendix IV to this prospectus. In addition, third parties may infringe upon our intellectual property rights or misappropriate our proprietary knowledge, which could have a material and adverse effect on our business, financial condition or operating results. While our proprietary recipes are protected by confidentiality agreements between us and our employees or certain suppliers, there can be no assurance that they will not breach such agreements or leak the recipe to our competitors. In addition, although we can rely on confidentiality and non-compete agreements with key personnel and other precautionary procedures to protect our proprietary recipes, such measures may not be sufficient.

In the past, we have found that certain third parties used or imitated our trademarks or trade names without our authorization to operate restaurants in cities where we do not have a presence. While the conducts of such third parties did not have a material adverse effect on our business, our reputation and brand may be damaged by infringements of our trademarks or trade names in the future. If the operations of third parties who used or imitated our trademarks or trade names without our authorization result in adverse side effects on consumers, we may be associated with negative publicity as a result. Preventing trademark and trade name infringement and trade secret misappropriation is difficult, costly and time-consuming. Such litigation could result in substantial costs and diversion of resources, which could negatively affect our sales, profitability and prospects. Even if any such litigation is resolved in our favor, we may not be able to successfully enforce the judgment and remedies awarded by the court and such remedies may not be adequate to compensate us for our actual or anticipated losses, whether tangible or intangible.

On the other hand, we may face claims of infringement that could interfere with the use of our proprietary know-how, concepts, recipes or trade secrets. Defending against such claims may be costly and, if we are unsuccessful, we may be prohibited from continuing to use such proprietary information in the future or be forced to pay damages, royalties or other fees for using such proprietary information, any of which could negatively affect our sales, profitability and prospects.

Our success depends on the continuing efforts of our senior management team and other key personnel, and therefore our business may be harmed if we lose their services.

Our future success depends heavily upon the continuing services and performance of our key management personnel. We must continue to attract, retain and motivate a sufficient number of qualified management and operating personnel to maintain consistency in the quality and atmosphere of our restaurants and meet our planned expansion requirements.

If our senior management team fails to work together successfully, or if one or more of our senior managers are unable to effectively implement our business strategy, we may be unable to grow our business at the speed or in the manner in which we expect. Competition for experienced management and operating personnel in the catering market is strong, and the pool of qualified candidates is limited. We may not be able to retain the services of our key management and operating personnel or attract and retain high-quality senior executives or key personnel in the future.

In addition, if one or more of our key personnel are unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all. Therefore, our business may be disrupted and our results of operations may be materially and adversely affected. In addition, if any member of our senior management team or any of our other key personnel joins a competitor or forms a competing business, business secrets and know-how may leak as a result. Any failure to attract, retain and motivate these key personnel may harm our reputation and result in a loss of business.

Our business could be adversely affected by difficulties in employee recruiting and retention.

Our continued success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees for our chain restaurant operations, including restaurant managers and kitchen staff. We cannot assure you that we will be able to recruit or retain a sufficient number of qualified employees for our business. Any material increase in employee turnover rates in our existing restaurants and any failure to recruit skilled personnel and to retain key staff due to factors, such as failure to keep up with market average employee salary levels, may make our growth strategy difficult to implement. Any of the above would materially and adversely affect our business and results of operations.

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

In accordance with the PRC laws and regulations, we are required to maintain various approvals, licenses and permits in order to operate our restaurant business in the PRC. Each of our restaurants in the PRC is required to obtain the relevant catering service license. In addition, each of our restaurants in the PRC is required to pass the necessary fire safety inspection. These approvals, licenses and permits are achieved upon satisfactory compliance with, amongst other things, the applicable food hygiene and safety and fire safety laws and regulations. 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.

Complying with government regulations may require substantial expense, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expense and divert substantial management time to resolving any deficiencies. We may also experience adverse publicity arising from such non-compliance with government regulations that negatively impacts our brand.

We have in the past failed to fully comply with the applicable laws and regulations to complete certain fire safety procedures. We have fully rectified the relevant non-compliance incidents. However, we cannot assure you that we will not be subject to any future regulatory reviews and inspections where other non-compliance incidents might be identified, which might materially and adversely affect our business, financial condition, results of operations and prospects.

We may experience difficulties or failures in obtaining the necessary approvals, licenses and permits for new restaurants. In addition, there can be no assurance that we will be able to obtain, renew and/or convert all of the approvals, licenses and permits required for our existing business operations upon expiration in a timely manner or at all. If we cannot obtain and/or maintain all licenses required by us to operate our business, planned new business operations and/or expansion may be delayed and our ongoing business could be interrupted. We may also be subject to fines and penalties. For details, see "Business – Compliance, Licenses and Permits."

Failure to make social insurance and housing provident fund contributions for some of our employees timely as required by PRC laws and regulations may subject us to late payments and fines imposed by relevant governmental authorities.

Companies operating in the PRC are required to make social insurance and housing provident funds for their employees. Our PRC subsidiaries have in the past failed to make social security insurance and housing provident fund contributions for some of our employees timely in accordance with the relevant PRC laws and regulations. For details, see "Business – Compliance, Licenses and Permits – Social Insurance and Housing Provident Funds." Our PRC Legal Adviser has advised us that, pursuant to relevant PRC laws and regulations, we may be ordered by the relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of any overdue payment. Our PRC Legal Adviser has further advised us that, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of housing provident fund 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.

Our results of operations may fluctuate significantly due to several factors that are beyond our control.

Our overall results of operations may fluctuate significantly from period to period because of several factors, including: the timing of new restaurant openings and the amounts of associated pre-opening costs and expenses; operating costs for our newly opened restaurants, which are often substantially greater during the first few months of operations; revenue loss and renovation expenses associated with the temporary closure of existing restaurants for refurbishment; impairment of non-current assets, including goodwill and any losses incurred on restaurant closures; and fluctuations in food and commodity prices. In addition, our business and operating results may be subject to seasonal fluctuations because of several factors including holidays, school vacations, and fluctuations in food prices. As a result, our results of operations may fluctuate significantly from period to period and comparisons of different periods may not be meaningful. Our results for a given period in a fiscal year are not necessarily indicative of results to be expected for any other period in the same fiscal year.

Our rights to use some of our leased properties could be challenged by property owners or other third parties or due to usage defects, which may adversely affect our business operations and financial condition.

As of the Latest Practicable Date, with respect to 48 out of 807 of our leased properties in the PRC, the lessors of such properties still failed to provide us with sufficient or valid ownership certificates or any form of permission to sublet from the owners, despite the proactive requests we previously made, with an aggregate GFA of approximately 13,367.9 square meters, representing approximately 5.4% of the total GFA of our leased properties ("**Leased Properties Pending Title or Authorization Documents**"). Based on the advice of our PRC Legal Adviser, if the lessors of the leased properties do not have the requisite rights to lease the relevant properties, we would not be subject to any administrative penalties with respect to these properties, but our leases may be affected, and as a result, we may be required to vacate from the relevant properties and relocate our restaurants. In this event, our operation of restaurants on such properties 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 restaurants to other suitable locations, thus affecting our business operations and financial condition.

The actual use of 12 leased properties (with an aggregate GFA of approximately 2,045.2 square meters, representing approximately 0.8% of our total leased GFA) does not fit into the prescribed scope of usage shown on the relevant ownership certificates ("**Leased Properties with Usage Defects**"). For the Leased Properties with Usage Defects, as advised by our PRC

Legal Adviser, administrative penalties may be imposed on the owners if the properties are leased for the usage incompatible with the prescribed scope, and our usage of the Leased Properties with Usage Defects may be interrupted.

As of the Latest Practicable Date, the lease agreements with respect to 777 out of 807 of our leased properties were not registered with the appropriate government authorities in the PRC. As advised by our PRC Legal Adviser, failure to complete the registration of lease agreements may lead to a fine ranging from RMB1,000 to RMB10,000 imposed by the relevant PRC authorities for each unregistered lease. See "Business – Properties – Leased Properties – Non-registration of Lease Agreements."

Our net current liabilities may expose us to certain liquidity risks and could restrain our operational flexibility as well as affect our ability to expand our business.

As of December 31, 2022, 2023 and 2024, we recorded net current liabilities of RMB88.3 million, RMB300.6 million and RMB64.9 million, respectively. As of March 31, 2025, we recorded net current assets of RMB21.1 million. See "Financial Information – Working Capital" for a detailed analysis of our historical net current liability position.

Net current liabilities may expose us to certain liquidity risks and could constrain our operational flexibility as well as adversely affect our ability to expand our business. Our future liquidity, the payment of trade and other payables, as and when they become due will primarily depend on our ability to maintain adequate cash inflows from our operating activities and adequate external financing, which will be affected by our future operating performance, prevailing economic conditions, our financial, business and other factors, many of which are beyond our control. If we do not have sufficient working capital to meet future financial needs, we may need to resort to external funding. Our inability to obtain additional external borrowings on a timely basis or on acceptable terms, or at all, may also force us to abandon our development and expansion plans, and our business, financial condition and results of operations may be materially and adversely affected.

We may need additional capital, and our ability to obtain additional capital is subject to uncertainties.

We believe that our current cash and cash equivalents, anticipated cash flow from operations and the proceeds from this Global Offering will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures, for at least the next 12 months. We may, however, require additional cash resources to finance our continued growth or other future developments, including any investments we may decide to pursue. The amount and timing of such additional financing needs will vary depending on the timing of our new restaurant openings, investments in new restaurants and the amount of cash flow from our operations. If our resources are insufficient to satisfy our cash requirements, we may seek additional financing by selling additional equity or debt securities or obtaining a credit facility. The sale of additional equity securities could result in additional dilution to shares held by our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may, among other things, restrict our operations or our ability to pay dividends. Servicing such debt obligations could also be burdensome to our operations. If we fail to service the debt obligations or are unable to comply with such debt covenants, we could be in default under the relevant debt obligations and our liquidity and financial condition may be materially and adversely affected.

Our ability to obtain additional capital on acceptable terms may be subject to a variety of uncertainties, including but not limited to:

- investors' perception of, and demand for, securities of businesses in the catering industry;
- conditions of the Hong Kong SAR and other capital markets in which we may seek to raise funds;
- our future results of operations, financial condition and cash flows;
- PRC governmental regulation of foreign investment in the catering industry in the PRC;
- economic, political and other conditions in the PRC; and
- PRC governmental policies relating to foreign currency borrowings.

We cannot assure you that future financing will be available in amounts or on terms acceptable to us, or at all. If we fail to raise additional funds, we may need to sell debt or additional equity securities, reduce our growth to a level that can be supported by our cash flow or defer planned expenditures.

We may be subject to the risk of obsolescence for our inventory.

Our inventory primarily consists of food ingredients, condiment product, beverage and other materials used in our restaurant operations. As of December 31, 2022, 2023 and 2024, the balances of our inventories amounted to RMB56.4 million, RMB59.6 million and RMB67.2 million, respectively.

Our major food ingredients, including semi-processed food products and vegetables and fruits, have a typical shelf life of three months and three days, respectively. The risk of obsolescence for our inventory increases as the age of our food ingredients increases. In addition, though we adopt multiple methods to manage inventory levels, certain factors such as unexpected fluctuations in the supply of raw materials or changes in customers' tastes and preferences are beyond our control and may lead to decreased demand and overstocking of particular products, which in turn increases the risk of obsolescence for our inventory. Furthermore, as our restaurant network expands, our inventory level increases and our inventory obsolescence risk may also increase along with the increased purchase of inventories. In such circumstances, our business, financial condition and results of operations may be materially and adversely affected.

We have granted, and may continue to grant, share-based incentive awards, which may result in increased share-based compensation expenses.

We have adopted the RSU Scheme in 2020 in order to motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests of the Company. Expenses associated with share-based compensation have affected our profitability and may continue to affect our profitability in the future. We do not plan to issue any additional securities pursuant to the RSU Scheme which constitutes a share scheme funded by existing shares only. However, if we issue any additional securities under any share-based incentive plans we may adopt in the future, such additional securities will dilute the ownership interests of our shareholders. We believe the granting of share-based incentive awards is of significant importance to our ability to attract and retain key employees, and we plan to grant additional share-based incentive awards in the future. As a result, our share-based compensation expenses may increase, which may have an adverse effect on our results of operations.

We may be exposed to credit risks resulting from delays and/or defaults in payments by our customers, which would adversely affect our business, financial condition and results of operations.

Our credit risk is primarily attributable to trade and other receivables. As of December 31, 2022, 2023 and 2024, our trade and other receivables amounted to approximately RMB240.2 million, RMB314.5 million and RMB332.3 million, respectively. For further details, see "Financial Information – Analysis of Selected Statement of Financial Position Items – Trade and Other Receivables." Our trade and other receivables are primarily related to (i) bills settled through third-party payment platforms such as Alipay or WeChat Pay, which were normally settled within a short period of time, and (ii) bills received by shopping malls on behalf of us, which were normally settled within one month.

If the abovementioned parties delay or default in their payments to us, we may have to make impairment provisions and write-off the relevant receivables and hence our liquidity may be adversely affected. This may in turn materially and adversely affect our business, financial condition and results of operations.

We are subject to risk of recoverability of deferred tax assets.

As of December 31, 2022, 2023 and 2024, our deferred tax assets amounted to RMB36.9 million, RMB45.1 million and RMB44.3 million, respectively. As deferred tax assets can only be recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax losses carried forward can be utilized, management's judgment is required to assess the probability of future taxable profits.

During the Track Record Period, some of our PRC subsidiaries incurred losses which were available for recognition of deferred tax assets to the extent that it was probable that future taxable profit would be available against which losses could be utilized. Pursuant to the Notice No. 8 issued by the Ministry of Finance and the State Administration of Taxation of the PRC on February 6, 2020, the maximum carried forward period of the tax losses affected by COVID-19 in certain affected industries, such as catering industry, is extended from five years to eight years.

As of December 31, 2022, 2023 and 2024, we had unrecognized deferred tax assets in respect of cumulative tax losses arising from some of our PRC subsidiaries of approximately RMB2.1 million, RMB6.6 million and RMB4.1 million, respectively, that will expire in five years or eight years. We also had unrecognized deferred tax assets in respective of certain deductible tax losses arising from our subsidiaries in Hong Kong SAR of approximately RMB2.7 million as of December 31, 2024, that are without expiry date. Future taxable profits generated by existing restaurants may be offset by investment costs, such as upfront costs incurred in establishing new restaurants for the management and operation of brands and restaurants, which will increase the uncertainty in the utilization of tax losses prior to expiry.

Any changes in management's judgment as well as the future operating results of the relevant entities would affect the carrying amounts of deferred tax assets to be recognized and the recoverability of deferred tax assets recognized in our consolidated financial statements, and therefore could materially and adversely affect our financial condition and results of operation in future years.

We may continue to recognize impairment losses for property, plant and equipment and right-of-use assets.

For the years ended December 31, 2022, 2023 and 2024, we had 54, 30 and 26 restaurants that recorded restaurant level operating loss and we recognized impairment losses of approximately nil, RMB4.6 million and nil, respectively, due to the unfavorable future prospects of certain restaurants at the end of each reporting period. For details of accounting treatment, see note 11 to the Accountants' Report set forth in Appendix I.

We may continue to recognize impairment losses for property, plant and equipment and right-of-use assets in the future as we are actively expanding our restaurant network and the performance of certain restaurants may not meet our expectation. If we continue to recognize impairment losses for property, plant and equipment and right-of-use assets, our financial condition and results of operations may be materially and adversely affected.

Our financial condition, results of operations and prospects may be adversely affected by the valuation uncertainty of financial assets at fair value through profit or loss due to the use of unobservable inputs.

During the Track Record Period, we purchased low-risk financial assets at fair value through profit or loss for cash management purposes, which are wealth management products. As of December 31, 2022, 2023 and 2024, our financial assets measured at fair value through profit or loss amounted to RMB40.0 million, RMB120.2 million and RMB25.0 million, respectively. As we need to make significant estimates on assumptions in determining the fair value of the wealth management products we purchased using unobservable inputs, the valuation of these financial assets are subject to uncertainties. Any net changes in the fair value of such assets are recorded as our other revenue, and therefore may adversely affect our results of operations. Although we did not incur any fair value losses for financial assets at fair value through profit or loss during the Track Record Period, we cannot assure you that we will not incur any such fair value losses in the future. If we incur such fair value losses, our financial condition, results of operations and prospects may be adversely affected.

Exemptions of value-added tax granted by the government in relation to the COVID-19 pandemic and certain government grants are non-recurring in nature and we may not be able to enjoy the relevant exemptions and government grants again, which may result in the decrease of our other income and adversely affect our financial condition and results of operations.

During the Track Record Period, we recognized other government grants of RMB23.8 million and RMB28.3 million in other revenue in 2022 and 2023, respectively, mainly representing additional deduction and exemption of value-added tax granted by the government authorities in the PRC. Such government grant has been discontinued in 2024. There can be no assurance that we will be able to enjoy the relevant tax exemptions and government grants again. Furthermore, if there is any change in the policy regarding the relevant government grants, we may not be able to continue to receive them in the future. Such changes relating to our tax exemptions and government grants will result in the decrease of our other income and adversely affect our financial condition and results of operations.

Rent concession granted by certain of our landlords in relation to the COVID-19 pandemic are non-recurring in nature and we may not be able to enjoy such rent concession again, which may result in the decrease of our other income and adversely affect our financial condition and results of operations.

In 2022, we received rent concession granted by certain of our landlords in relation to the COVID-19 pandemic and recognized RMB10.2 million under our other income. As the COVID-19 situation has been generally under control in Mainland China, we no longer enjoy such rent concession now. There can be no assurance that we will be able to enjoy such rent concession again even if the pandemic seriously affects our business operations in the future. If we cannot obtain such rent concession from our landlords in the future when our business is seriously affected by the pandemic, our financial condition and results of operations may be materially adversely affected.

We are exposed to risks relating to our plans for future expansion into overseas markets.

As of the Latest Practicable Date, we had opened four restaurants in Hong Kong SAR, and we plan to open a total of around 28 new restaurants overseas from 2025 to 2027. We may continue to selectively open new restaurants in overseas metropolises in the future. Overseas operations may expose us to various risks including:

- different consumer preferences and discretionary spending patterns;
- the infringement of our intellectual property rights in foreign jurisdiction;
- political risks, including civil unrest, acts of terrorism, acts of war, regional and global political or military tensions and strained or altered foreign relations;
- difficulties and costs associated with complying with, and enforcing remedies under, a wide variety of complex domestic and international laws, treaties and regulations;
- difficulties with staffing and managing overseas operations;
- foreign currency exchange controls and fluctuations;
- uncertainties in the interpretation and application of tax laws and regulations, more onerous tax obligations and unfavorable tax conditions; and
- cultural and language difficulties.

As a result of the above factors, restaurants opened in overseas markets may take longer than expected to ramp up and reach, or may never reach, expected sales and profit levels, thereby affecting our overall profitability.

RISKS RELATING TO OUR INDUSTRY

Intense competition in the catering industry could prevent us from increasing or sustaining our revenue and profitability.

The catering industry is intensely competitive with respect to, among other things, food quality and consistency, taste, price, ambience, service, location, supply of quality food ingredients and employees. We face significant competition at each of our locations from a variety of restaurants in various market segments, including locally-owned restaurants and regional and international chains. Our competitors also offer dine-in, take-away and delivery services. There are a number of well-established competitors with substantially greater financial, marketing, personnel and other resources than ours, and many of our competitors are well established in the markets where we have restaurants or in which we intend to open new restaurants. Additionally, other companies may develop new restaurants that operate with similar concepts and target our customers, thus resulting in increased competition.

Any inability to successfully compete with the other restaurants in our markets may prevent us from increasing or sustaining our revenue and profitability and thus lose market share, which could have a material and adverse effect on our business, financial condition, results of operations or cash flow. We may also need to modify or refine elements of our restaurant network to evolve our concepts in order to compete with popular new restaurant styles or concepts that develop from time to time. We cannot ensure that we will be successful in implementing these modifications or that these modifications will not reduce our profitability.

We may inadvertently fail to comply with the relevant regulations and laws due to employee error, misunderstanding of regulations, or other circumstances beyond our direct control. Failure to comply with existing or new government regulations relating to the catering industry, fire safety, food hygiene and environmental protection could materially and adversely affect our business and operating results.

Our business is subject to various compliance and operational requirements under PRC laws and we may inadvertently fail to comply with the relevant regulations and laws due to employee error, misunderstanding of regulations, or other circumstances beyond our direct control. The failure of any of our restaurants to comply with applicable laws and regulations, including laws governing our relationship with our employees, may incur substantial fines and penalties from the relevant PRC government authorities. Each of our restaurants must hold a basic business license issued by the local government authorities and must have restaurant operations within the business scope of its business license. Our business is also subject to various regulations that affect various aspects of our business in the cities in which we operate, including fire safety, food hygiene and environmental protection. Each of our restaurants must obtain various licenses and permits or conduct record filing procedures under these regulations. If we fail to cure such non-compliance in a timely manner, we may be subject to fines, confiscation of the gains derived from the related restaurants or the suspension of operations of the restaurants that do not have all the requisite licenses and permits, which could materially and adversely affect our business and results of operations. See also "Regulatory Overview – Laws and Regulations on Food Safety and Licensing Requirements for Catering Services" and "Regulatory Overview – Regulations on Fire Prevention."

Our operations may be negatively affected by any industry-wide food safety related concerns even if such concerns are through no fault of our own or related to our business.

The catering industry in Mainland China as a whole is subject to concern over food safety and quality related issues. In particular, there have been numerous reports and negative publicity related to the safety and quality incidents in Mainland China's catering industry.

While the reports and allegations are not targeted at us, the catering industry as a whole can be negatively impacted by these incidents and associated reports. Our prospects, business, results of operations and financial condition can be negatively impacted if the catering industry experiences slower growth from concerns over food safety.

We face risks related to instances of food-borne illnesses, health epidemics and other outbreaks.

Our business is susceptible to food-borne illnesses, health epidemics and other outbreaks. We cannot guarantee that our internal controls and training will be fully effective in preventing all food-borne illnesses. Furthermore, our reliance on third-party food processing companies, suppliers and distributors increases the risk of food-borne illness incidents which could be caused by third-party food processing companies, suppliers and distributors outside our control and the risk of affecting multiple locations instead of a single restaurant being affected. Drug resistant disease may develop in the future, or diseases with long incubation periods could arise, such as mad-cow disease, which could give rise to claims or allegations. Reports in the media of instances of food-borne illnesses could, if highly publicized, negatively affect our industry overall and us, regardless of whether we were responsible for the spread of the illness. Furthermore, other illnesses, such as hand, foot and mouth disease or avian influenza, could adversely affect the supply of some of our ingredients and significantly increase our costs, thereby impacting our restaurant sales, forcing the closure of some of our restaurants and conceivably having significant adverse effects on our results of operations.

We also face risks related to health epidemics. Past occurrences of epidemics or pandemics, depending on their scale of occurrence, have caused different degrees of damage to the national and local economies in the PRC. In June 2009, the World Health Organization declared the outbreak of H1N1 influenza to be a pandemic. In April 2013, there were outbreaks of highly pathogenic avian flu caused by the H7N9 virus in certain parts of the PRC. In December 2019, COVID-19 was first reported and was subsequently declared a pandemic by the World Health Organization in March 2020. The catering industry in Mainland China has been significantly affected by the COVID-19 outbreak and it forced the temporary closures of many restaurants from early 2020 to 2022. Our results of operations were also significantly affected by the COVID-19 pandemic and the relevant restrictive measures imposed by the government in 2022. In recent years, there have also been seasonal outbreaks of the influenza A virus worldwide which is prevalent during winter season. An outbreak of any epidemics or pandemics in the PRC, especially in the areas where we have restaurants, may result in temporary closures of our restaurants, travel restrictions or the sickness or death of key personnel and our customers. Any of the above may cause material disruptions to our operations, which in turn may materially and adversely affect our financial condition and results of operations.

Since August 2018, there has been an outbreak of African swine fever ("**ASF**") in several provinces in the PRC. ASF is not a human health threat but it is a dreadful disease in pigs and can cause massive deaths of pigs in a short period of time. As a result of the ASF, the PRC has slaughtered infected pigs and prohibited the export of pork from certain provinces, which affected our supply of fresh pork. To diversify our supply of pork, we have also been using pork sourced from suppliers in other countries, such as Spain, Brazil and Germany. However, if there is a prolonged or recurrence of shortage of fresh pork supply from the PRC, we cannot guarantee that alternative sources of supply could continue to supply fresh pork to us at a reasonable price; and if we could not shift such cost burden to our customers, we may experience material and adverse impact on our business operation and financial performance. The recurrence of epidemics and diseases like ASF may cause severe disruption to our supply and we cannot guarantee that we will be able to find similar supplies at similar prices within a reasonable time, which in turn may materially and adversely affect our business and results of operations.

Macro-economic factors have had and may continue to have a material and adverse effect upon our business, financial condition and results of operations.

The catering industry is affected by macro-economic factors, including changes in international, national, regional and local economic conditions, employment levels and consumer spending patterns. In particular, most of our restaurants are located in Mainland China and accordingly, our results of operations are closely affected by the macro-economic conditions in Mainland China. Any deterioration of the Chinese economy, decrease in disposable consumer income, fear of recession and decreases in consumer confidence may lead to a reduction of customer traffic and average spending per guest at our restaurants. These macro-economic factors could materially and adversely affect our financial condition and results of operations.

Moreover, the occurrence of a sovereign debt crisis, banking crisis or other disruptions in the global financial markets that could impact the availability of credit generally may have a material and adverse impact on financings available to us. Renewed turmoil affecting the financial markets, banking systems or currency exchange rates may significantly restrict our ability to obtain financing from the capital markets or from financial institutions on commercially reasonable terms, or at all, which could materially and adversely affect our business, financial condition and results of operations.

The increasing awareness of environmental, social and governance issues may lead to the adoption of more stringent laws and regulations and increase our compliance costs.

With the rising awareness of environmental, social and governance ("**ESG**") issues, including with respect to food and packaging waste, greenhouse gas emissions and environmental protection, any revisions to laws and regulations may affect our business operations. Accordingly, we may need to devote more effort and resources to ensure our compliance with such laws or regulations. We have adopted a series of measures aiming to ensure our compliance with the ESG-related laws and regulations applicable to us, as described in "Business – Environmental Sustainability and Social Responsibility." During the Track Record Period, we incurred compliance costs in connection with applicable environmental rules and regulations of RMB8.8 million, RMB13.6 million and RMB11.5 million in 2022, 2023 and 2024, respectively. Costs incurred during the Track Record Period in connection with our environmental compliance efforts primarily included installation and maintenance of exhaust duct system and purchase of eco-friendly packaging materials at our restaurants. We cannot assure you that these risk management measures can effectively mitigate the relevant risks and help us to constantly maintain compliance under relevant laws and regulations. Revisions to existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs, and if we fail to comply with such ESG-related laws and regulations, our business and financial performance may be materially and adversely affected.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

The economic, political and social conditions in the jurisdictions where we operate, as well as government policies, laws and regulations, could affect our business, financial conditions and results of operations.

Substantially all our business operations are in Mainland China and substantially all our revenue is derived from our operations in Mainland China. Accordingly, our results of operations and prospects are, to a significant degree, subject to economic, political and legal developments in Mainland China. The PRC government regulates the economy and industries by imposing industry-related policies and regulating the macro economy in the PRC through fiscal and monetary policies. Our performance is affected by Mainland China's economy, which may be influenced by the industry-related policies and other relevant regulations promulgated by the Chinese government. We cannot predict all the risks that we face as a result of the 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.

PRC regulations of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of the Global Offering to make loans or additional capital contributions to our PRC subsidiaries.

In utilizing the proceeds from the Global Offering or any further offering, as an offshore holding company of our PRC subsidiaries, we may make loans to our PRC subsidiaries, or we may make additional capital contributions to our PRC subsidiaries. Any loans provided by us to our PRC subsidiaries are subject to PRC regulations. For example, loans by us to our PRC subsidiaries in Mainland China to finance their activities cannot exceed statutory limits and must be registered or filed on record. We may also decide to finance our PRC subsidiaries through capital contributions. These capital contributions must be filed with the local counterpart of the MOFCOM. We cannot assure you that we will be able to accomplish these government registrations or filing procedures on a timely basis, if at all, with respect to future loans or capital contributions by us to our subsidiaries or any of their respective subsidiaries. If we fail to receive such registrations or approvals or fail to complete such filing procedures, our ability to use the proceeds of the Global Offering and to capitalize our operations in Mainland China may be negatively affected, which could adversely and materially affect our liquidity and our ability to fund and expand our business.

We rely on dividends paid by our subsidiaries for our cash needs, and any limitation on the ability of our subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We conduct all our business through our consolidated subsidiaries incorporated in the PRC. We rely on dividends paid by these consolidated subsidiaries for our cash needs, including the funds necessary to pay any dividends and other cash distributions to our Shareholders, to service any debt we may incur and to pay our operating expenses. The payment of dividends by entities established in the PRC is subject to limitations. Regulations in the PRC currently permit payment of dividends only out of accumulated profits as determined in accordance with accounting standards and regulations in the PRC. Each of our PRC subsidiaries is also required to set aside at least 10% of its after-tax profit based on PRC laws and regulations each year to its general reserves or statutory capital reserve fund until the aggregate amount of such reserves reaches 50% of its respective registered capital. Our statutory reserves are not distributable as loans, advances or cash dividends. We anticipate that in the foreseeable future our PRC subsidiaries will need to continue to set aside 10% of their respective after-tax profits to their statutory reserves. Furthermore, if any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Any limitations on the ability of our subsidiaries to transfer funds to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends and otherwise fund and conduct our business.

In addition, under the EIT Law, the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), or Notice 112, which was issued on January 29, 2008 and amended on February 29, 2008, the Arrangement between the Mainland of China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排(國税函[2006]第884號)》) (the "**Double Tax Avoidance Arrangement**"), which became effective on December 8, 2006, and the Announcement of the State Administration of Taxation on Issues Concerning "Beneficial Owners" in Tax Treaties (《國家税務總局關於税收協定中"受益所有人"有關問題的公告》) (the "**Announcement 9**"), which became effective on April 1, 2018, dividends from our PRC subsidiaries paid to us through our indirectly wholly-owned subsidiary incorporated in Hong Kong SAR, which holds our PRC subsidiaries, may be subject to a withholding tax at a rate of 10%, or at a rate of 5% if such Hong Kong subsidiary is considered as a "beneficial owner" that is generally engaged in substantial business activities and entitled to treaty benefits under the Double Tax Avoidance Arrangement. According to the Announcement 9, the PRC tax authorities must evaluate whether an applicant qualifies as a "beneficial owner" on a case-by-case basis. We are actively monitoring the withholding tax and are evaluating appropriate organizational changes to minimize the corresponding tax impact.

Dividends payable by us to our foreign investors and gains on the sale of our Shares may become subject to withholding taxes under the PRC tax laws.

Under the EIT Law and EIT Implementation Rules, our foreign corporate Shareholders may be subject to a 10% income tax upon any gains realized from the transfer of their Shares and dividend distributable to such foreign corporate Shareholders, if such income is regarded as income from "sources within the PRC." According to the EIT Implementation Rules, whether income generated from transferring equity investments is to be regarded as sources within the PRC or from foreign territory shall depend upon the locations in which the enterprises accepting the equity investment are located. However, it is unclear whether income received by our Shareholders will be deemed to be income from sources within the PRC and whether there will be any exemption or reduction in taxation for our foreign corporate Shareholders due to the promulgation of the EIT Law. If our foreign corporate Shareholders are required to pay PRC income tax on the transfers of our Shares that they hold or on the gains on the sale of our Shares by them, the value of our foreign corporate Shareholders' investments in our Shares may be materially and adversely affected.

We may be classified as a "resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to 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. In addition, Issues about the Determination of Chinese-controlled Enterprises Registered 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) issued by the State Administration of Taxation on April 22, 2009 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. Under the implementation regulations to the enterprise income tax, 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, 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, although substantially all our management is currently located in the PRC, 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 us to be 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 the PRC. The majority of our Directors, Supervisors and senior management reside within the PRC. Judgments rendered by Hong Kong SAR courts may be recognized and enforced in the PRC if the requirements set forth by the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland and of the Hong Kong Special Administrative Region Pursuant to Consensual Jurisdiction (《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 SAR upon us or these persons, or to bring an action in Hong Kong SAR 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 PRC resident officers and directors in a PRC court based on the liability provisions of non-PRC 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 it difficult for you 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 SAR upon the listing 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 SAR do not have the force of law in Hong Kong SAR.

Fluctuations in the value of RMB and the regulations over foreign currency conversion may adversely affect our business and results of operations and our ability to remit dividends.

Substantially all our revenue and expenditures are denominated in RMB, while the net proceeds from the Global Offering and any dividends we pay on our Shares will be in Hong Kong dollars. Fluctuations in the exchange rates between the RMB and the Hong Kong dollars or U.S. dollars will affect the relative purchasing power in RMB terms. Fluctuations in the exchange rates may also cause us to incur foreign exchange losses and affect the relative value of any dividend distributed by us. Currently, we have not entered into any hedging transactions to mitigate our exposure to foreign exchange risk.

Movements in RMB exchange rates are affected by, among other things, any further development of political and economic conditions and the PRC's foreign exchange regime and policy. PBOC regularly intervenes in the foreign exchange market to limit fluctuations in RMB exchange rates and achieve certain exchange rate targets and policy goals. In the fourth quarter of 2016, the RMB had depreciated significantly in the backdrop of a surging U.S. dollars and persistent capital outflows of the PRC. This depreciation halted in 2017, and the RMB appreciated approximately 7% against the U.S. dollars during this one-year period. Starting from the beginning of 2019, the RMB has depreciated significantly against the U.S. dollars again. In early August 2019, the PBOC set the RMB's daily reference rate at RMB7.0039 to US$1.00, the first time that the exchange rate of RMB to U.S. dollars exceeded 7.0 since 2008. We cannot assure you that RMB will not appreciate or depreciate significantly in value against Hong Kong dollars or U.S. dollars in the future.

In addition, conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we shall have sufficient foreign exchange to meet our foreign exchange needs. Under the PRC's current foreign exchange control system, foreign exchange transactions under the current account conducted by us do not require advance approval from SAFE, but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, must be approved by or registered with SAFE or its local branch. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange, our potential offshore capital expenditure plans and even our business, may be materially and adversely affected.

Failure by our Shareholders or beneficial owners who are PRC residents to make any required applications and filings pursuant to regulations relating to offshore investment activities by PRC residents may prevent us from being able to distribute profits or inject capital and could expose us and our PRC resident Shareholders to liability under the PRC laws.

The SAFE Circular No. 37 which was promulgated by SAFE and became effective on July 4, 2014, requires a PRC individual resident ("**PRC Resident**") to register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle ("**Offshore SPV**") that is directly established or controlled by the PRC Resident for the purpose of conducting investment or financing. 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 Offshore SPV, including, among other things, any major change of a PRC Resident shareholder, name or term of operation of the Offshore SPV, or any increase or reduction of the Offshore SPV's registered capital, share transfer or swap, merger or division. Failure to comply with the registration procedures of SAFE Circular No. 37 may result in penalties and sanctions, including the imposition of restrictions on the ability of the Offshore SPV's Chinese subsidiary to distribute dividends to its overseas parent.

RISKS RELATING TO THE GLOBAL OFFERING

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

Prior to the Global Offering, there has not been a public market for our Shares. An active public market may not develop or be sustained after the Global Offering. The initial Offer Price for our Shares was the result of, and the Offer Price will be the result of, negotiations among us and the Joint Global Coordinators on behalf of the Underwriters and may not be indicative of prices that will prevail in the trading market after the Global Offering.

We have applied to list and deal in our Shares on the Stock Exchange. However, even if approved, being listed on the Stock Exchange does not guarantee that an active trading market for our Shares will develop or be sustained. If an active market for our Shares does not develop after the Global Offering, the market price 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 Global Offering.

The market price and trading volume of our Shares may be volatile, which could result in substantial losses for investors purchasing Shares in the Global Offering. The market price of our Shares may fluctuate significantly and rapidly as a result of a variety of factors, many of which are beyond our control, including:

- actual and anticipated variations in our results of operations;
- changes in securities analysts' estimates or market perception of our financial performance;
- announcement by us of significant acquisitions, dispositions, strategic alliances or joint ventures;
- recruitment or loss of key personnel by us or our competitors;
- market developments affecting us or the catering industry;
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control;
- fluctuations in trading volumes or the release of lock-up or other transfer restrictions on our outstanding Shares or sales of additional Shares by us; and
- general economic, political and stock market conditions in Mainland China, Hong Kong SAR 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 market price of our Shares.

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

The Offer Price is expected to be higher than the net tangible book value per Share prior to the Global Offering. Therefore, you will experience an immediate dilution in pro forma 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 payment 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 IFRS, 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 factors determined by our Board of Directors from time to time to be relevant to the declaration of dividend payments. As a result, our historical dividend distributions are not indicative of our future dividend distribution policy. Save for the intended declaration of the Special Dividend as disclosed in the sections headed "Summary – Dividends" and "Financial Information – Dividends," 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" for more details of our 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 Global Offering (assuming the Over-allotment Option is not exercised, our Controlling Shareholders will control approximately 54.29% 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. They will also have veto power with respect to any shareholder action or approval requiring a majority vote except where it is required by relevant rules to abstain from voting. 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 may provide different protections to minority Shareholders than the laws of Hong Kong SAR.

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

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

Statistics in this prospectus provided by CIC are subject to assumptions and methodologies set forth in the "Industry Overview."

Facts and statistics in this prospectus relating to the market and the industry we operate, including those relating to the economy and the global catering industry, are derived from an industry report prepared by CIC and commissioned by us, as well as from various official government sources. On the other hand, information and statistics from official government sources have not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other party involved in the Global Offering and no representation is given as to its accuracy and completeness. Investors should not place undue reliance on such facts or statistics.

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

This prospectus 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 prospectus 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 prospectus, 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 prospectus are qualified by reference to this cautionary statement.

You should read the entire prospectus 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 Global Offering.

There may have been prior to the publication of this prospectus, and there may be subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and/or media regarding us, our business, our industry and/or the Global Offering. None of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other person involved in the Global Offering has authorized the disclosure of information about the Global Offering 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 Global Offering, 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 prospectus, we disclaim them. Accordingly, you should make your investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG SAR

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong SAR. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong SAR. Since all of our Company's business operations and management are located in the PRC, there is no need to appoint executive Directors based in Hong Kong SAR. As all of our executive Directors currently reside in the PRC, we do not and, for the foreseeable future, will not have sufficient management presence in Hong Kong SAR for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and us:

(a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. Wang, our executive Director and Ms. Lai Siu Kuen (黎少娟) ("**Ms. Lai**"), one of our joint company secretaries. Both of the authorized representatives: (i) are, and will be, readily contactable by telephone, facsimile and/or email to deal promptly with any enquiries which may be made by the Stock Exchange; (ii) have the means to contact all the Directors (including the independent non-executive Directors) promptly at all times, as and when the Stock Exchange wishes to contact the Directors on any matters; and (iii) are to act at all times as the principal channel of communication between the Stock Exchange and us;

(b) each of the authorized representatives has means to contact all Directors (including the non-executive Directors and the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. We have implemented a policy whereby:

    (i) each Director has provided his/her mobile phone number, office phone number, email address and facsimile number to the authorized representatives;

    (ii) each Director has provided his/her phone numbers or means of communication to the authorized representatives when he/she is travelling; and

    (iii) each Director has provided his/her mobile phone number, office phone number, email address and facsimile number to the Stock Exchange;

(c) in compliance with Rule 3A.19 of the Listing Rules, we have appointed Altus Capital Limited as our compliance adviser who will act as an additional channel of communication between the Stock Exchange and our Company for the period commencing on the Listing Date and ending on the date that our Company publishes our financial results for the first full financial year after the Listing Date pursuant to Rule 13.46 of the Listing Rules;

(d) any meeting between the Stock Exchange and our Directors may be arranged through the authorized representatives or the Company's compliance adviser, or directly with the Directors within a reasonable time frame;

(e) our Company will inform the Stock Exchange promptly in respect of any change in our Company's authorized representatives, the Directors, and/or the compliance adviser of the Company in accordance with the Listing Rules;

(f) our Directors who are not ordinarily resident in Hong Kong SAR possess or are able to apply for valid travel documents to visit Hong Kong SAR for business purposes and would be able to come to Hong Kong SAR and meet with the Stock Exchange upon reasonable notice; and

(g) we will retain a Hong Kong legal adviser to advise us on the application of the Listing Rules and other applicable Hong Kong laws and regulations after our Listing.

JOINT COMPANY SECRETARIES

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

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

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

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

We have appointed Ms. Lu Juan (盧娟) as one of the joint company secretaries. Ms. Lu Juan has extensive knowledge about our business operations and corporate culture and has extensive experience in matters concerning the Board and our corporate governance. Our Directors consider that it would be in the best interests of our Company and the corporate governance of our Group to have Ms. Lu Juan as the Company's joint company secretary as she possesses day-to-day knowledge of our Group's affairs, and is familiar with our Group's business operations and management. She has been working closely with the management of the Company since May 2021. For details of Ms. Lu Juan (盧娟)'s biography, please refer to the section headed "Directors and Senior Management – Joint Company Secretaries" in this prospectus. However, Ms. Lu Juan does not possess the specified qualifications strictly required by Rule 3.28 of the Listing Rules and may not be able to solely fulfill the requirements as stipulated under Rule 3.28 and Rule 8.17 of the Listing Rules. As a result, we have appointed Ms. Lai, a fellow of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), who meets the requirements under Rule 3.28 of the Listing Rules, to act as the other joint company secretary and to provide assistance to Ms. Lu Juan for an initial period of three years from the Listing Date so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules, for an initial period of three years from the Listing Date, on the condition that Ms. Lai is engaged as a joint company secretary and provides assistance to Ms. Lu Juan during this period. The waiver would be immediately revoked if: (a) Ms. Lai ceased to provide assistance to Ms. Lu Juan as the joint company secretary during the three years following the Listing; or (b) if there are material breaches to the Listing Rules by our Company. In addition, Ms. Lu Juan will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the Listing Date. Our Company will further ensure that Ms. Lu Juan has access to the relevant training and support that would enhance her understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange. Before the expiry of the three-year period, we will conduct a further evaluation of the qualification and experience of Ms. Lu Juan to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and will demonstrate to the Stock Exchange's satisfaction on the experience of Ms. Lu Juan before the expiry of the three-year period. We and Ms. Lu Juan would then endeavor to demonstrate to the Stock Exchange's satisfaction that Ms. Lu Juan, having had the benefit of Ms. Lai's assistance for three years, would have acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules and there is no need to further apply for a waiver.

CONSENT IN RELATION TO ALLOCATION OF OFFER SHARES TO CONNECTED CLIENT OF DISTRIBUTOR

Paragraph 5(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)) (collectively, the "Distributors", and each a "Distributor"), without the prior written consent of the Stock Exchange.

Paragraph 13(7) of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

As further described in the section headed "Cornerstone Investors" in this prospectus, Anji Liangshan Rural Revitalization Equity Investment Partnership (Limited Partnership) (安吉兩山鄉村振興股權投資合夥企業(有限合夥)) ("**Anji Liangshan**") has entered into a cornerstone investment agreement with, among others, the Company and the Joint Sponsors to subscribe for the Offer Shares and will hold the Offer Shares on a discretionary basis for and on behalf of independent third parties under the International Offering.

Zhaoken Capital Management (Beijing) Co., Ltd. (招墾資本管理(北京)有限公司) ("**Zhaoken Capital**") is one of the general partners of Anji Liangshan with 0.1% partnership interest, and is the sole executive partner of Anji Liangshan. Zhaoken Capital is an indirect wholly owned subsidiary of China Merchants Group Limited (招商局集團有限公司) ("**CMG**"), which is ultimately wholly-owned by the State Council of the People's Republic of China (中華人民共和國國務院). CMB International Capital Limited ("**CMBI**") is an indirect wholly-owned subsidiary of China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600036) and the Stock Exchange (stock code: 3968), which is directly and indirectly owned as to approximately 29% by CMG.

Therefore, Anji Liangshan and CMBI are members of the same group of companies, and Anji Liangshan is a connected client of CMBI and the participation of Anji Liangshan as a cornerstone investor in the Global Offering would constitute an allocation to a connected client of a distributor.

As of the Latest Practicable Date, general partners of Anji Liangshan are (i) Zhaoken Capital, which holds 0.1% of its partnership interest, and (ii) Hangzhou Senmiao Enterprise Management Consulting Partnership (Limited Partnership) (杭州森淼企業管理諮詢合夥企業(有限合夥)) ("**Hangzhou Senmiao**"), a limited partnership established under the laws of the PRC which holds 0.9% of its partnership interest. Hangzhou Senmiao is owed by Guochuang Zhongding (Shanghai) Equity Investment Management Co., Ltd. (國創中鼎(上海)股權投資管理有限公司) ("**Guochuang Zhongding**") (holding 10% interest of Hangzhou Senmiao), Mr. Gu Qi (holding 49.50% interest of Hangzhou Senmiao), and Mr. Zhang Wei (holding 40.50% interest of Hangzhou Senmiao), while Guochuang Zhongding is ultimately held by independent third parties. Zhaoken Capital is the sole executive partner of Anji Liangshan and is an indirect wholly owned subsidiary of China Merchants Group Limited (招商局集團有限公司), which is ultimately wholly-owned by the State Council of the People's Republic of China (中華人民共和國國務院). Anji Liangshan's largest limited partner is Anji County Guofeng Industrial Fund Management Co., Ltd. (安吉縣國風產業基金管理有限公司), a limited liability company incorporated in the PRC, which holds 45% of the partnership interest and is ultimately wholly owned by Anji County Finance Bureau. Zhejiang Rural Revitalization Investment Fund Co., Ltd (浙江省鄉村振興投資基金有限公司), a limited liability company incorporated in the PRC, is the second largest limited partner of Anji Liangshan which holds 44% of the partnership interest and is ultimately wholly owned by Zhejiang Provincial Department of Finance. The remaining 11% partnership interest are held by 6 limited partners who are Independent Third Parties, each holding less than 5% partnership interest of Anji Liangshan.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, its consent pursuant to paragraph 5(1) of Appendix F1 to the Listing Rules for Anji Liangshan to participate as a cornerstone investor in the Global Offering subject to the following conditions:

(a) the Offer Shares to be allocated to Anji Liangshan, to the best of the Overall Coordinators' knowledge and belief, will be held on a discretionary basis on behalf of independent third parties;

(b) no preferential treatment has been, nor will be, given to Anji Liangshan by virtue of its relationship with CMBI (other than the assured entitlement under a cornerstone investment agreement for Anji Liangshan);

(c) CMBI has not participated in the decision-making process or relevant discussions as to the selection of Anji Liangshan as a cornerstone investor and the allocation of securities to it;

(d) each of our Company, the Overall Coordinators, CMBI and Anji Liangshan has provided the Stock Exchange a written confirmation in accordance with Chapter 4.15 of the Guide; and

(e) details of the allocation have been disclosed in this prospectus and will be disclosed in the allotment results announcement of our Company.

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which the Directors (including any proposed director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus set out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Selling Shareholder, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Joint Sponsors and any of the Underwriters, any of their respective directors, agents, employees or advisers or any other party involved in the Global Offering.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to us, the Selling Shareholder and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

PROCEDURES FOR APPLICATION FOR THE HONG KONG OFFER SHARES

The procedures for applying for the Hong Kong Offer Shares are set forth in the section headed "How to Apply for the Hong Kong Offer Shares" in this prospectus.

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Details of the Structure and Conditions of the Global Offering, including its conditions, are set forth in the section headed "Structure and Conditions of the Global Offering" in this prospectus.

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set forth in the section headed "Structure and Conditions of the Global Offering" in this prospectus.

RESTRICTIONS ON OFFERS AND SALES OF SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong SAR. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING OF THE SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option).

No part of our equity or debt securities is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to the Company by or on behalf of the Stock Exchange.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence on Friday, May 16, 2025. The Shares will be traded in board lots of 400 Shares each. The stock code of the Shares will be 6831.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and HKSCC Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisers for details of the settlement arrangement as such arrangements may affect their rights and interests. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisers if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the Shares or exercising any rights attaching to the Shares. We emphasize that none of our Company, the Selling Shareholder, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the Shares or your exercise of any rights attaching to the Shares.

REGISTER OF MEMBERS AND STAMP DUTY

Our principal register of members will be maintained by our principal share registrar, Appleby Global Services (Cayman) Limited, in the Cayman Islands, and our Hong Kong register of members will be maintained by the Hong Kong Share Registrar, Tricor Investor Services Limited, in Hong Kong SAR. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Share Registrar and may not be lodged in the Cayman Islands.

Dealings in our Shares registered on our Hong Kong register will be subject to Hong Kong stamp duty. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.10% of the consideration for, or (if greater) the value of, the Shares transferred. In other words, a total of 0.20% is currently payable on a typical sale and purchase transaction of the Shares. In addition, a fixed duty of HK$5 is charged on each instrument of transfer (if required).

CSRC APPROVAL AND OTHER RELEVANT PRC AUTHORITIES APPROVAL

On March 28, 2025, the CSRC has issued a notification on our Company' completion of the PRC filing procedures for the listing of our Shares on the Stock Exchange and the Global Offering. As advised by our PRC Legal Adviser, our Company has completed all necessary filings with the CSRC in the PRC in relation to the Global Offering and the Listing.

EXCHANGE RATE CONVERSION

Unless otherwise specified, amounts denominated in RMB and US$ have been translated, for the purpose of illustration only, into Hong Kong dollars in this prospectus at the following exchange rates: RMB0.9295: HK$1.00 and US$1.00: HK$7.7579.

No representation is made that any amounts in RMB or US$ were or could have been or could be converted into Hong Kong dollars at such rates or any other exchange rates on such date or any other date.

ROUNDING

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

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail, provided that if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC mentioned in this prospectus and their English translations, the Chinese names shall prevail. The English translations of the Chinese names of such PRC entities or enterprises are provided for identification purposes only.

OTHER

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the Over-allotment Option is not exercised.

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Wang Qinsong (王勤松)	Room 101, Unit 1, No. 7 Building Chunxiao Garden, Guihua Cheng Wen'er Road West Wenxin Street, Xihu District Hangzhou, Zhejiang PRC	Chinese
Yu Liying (于麗影)	Room 101, Unit 3, No. 10 Building Chunxiao Garden, Guihua Cheng Wen'er Road West Wenxin Street, Xihu District Hangzhou, Zhejiang PRC	Chinese
Wang Jiawei (王佳偉)	No. 335 Tiyuchang Road Xiacheng District Hangzhou, Zhejiang PRC	Chinese
Non-executive Directors		
Lu Changmei (路長梅)	Room 101, Unit 1, No. 7 Building Chunxiao Garden, Guihua Cheng Wen'er Road West Wenxin Street, Xihu District Hangzhou, Zhejiang PRC	Chinese
Liu Sheng (劉盛)	Room 102, No. 1 No. 1299 Lane, Dingxiang Road Shanghai PRC	Chinese
Xu Ruijie (徐睿婕)	Room 101, No. 3 Lane 180, Yuyao Road Jing'an District Shanghai China	Chinese

Name	Residential Address	Nationality
Independent Non-Executive Directors		
Shao Xiaodong (邵曉東)	Room 1202, Unit 2, Building No. 32 Xinzhouhuayuan, Binjiang District Hangzhou, Zhejiang PRC	Chinese
Bruno Robert Mercier	House 30 Tai Au Mun Village Clear Water Bay, Sai Kung Hong Kong SAR	French
Fan Yongkui (范永奎)	Room 703, Unit 2, Building No. 5 Guanhejinting, Binjiang District Hangzhou, Zhejiang PRC	Chinese

Further information about the Directors and other senior management members are set out in the section headed "Directors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Global Coordinators, the Overall Coordinators, Sponsor-Overall Coordinators and Joint Sponsors *(in alphabetical order)*	**Citigroup Global Markets Asia Limited** 50/F Champion Tower Three Garden Road Central Hong Kong SAR
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong SAR
Overall Coordinators *(in alphabetical order)*	**GF Securities (Hong Kong) Brokerage Limited** 27/F, GF Tower 81 Lockhart Road Wan Chai Hong Kong SAR
	Guoyuan Securities Brokerage (Hong Kong) Limited 17/F, Three Exchange Square 8 Connaught Place Central Hong Kong SAR
Joint Bookrunners, the Capital Market Intermediaries and Joint Lead Managers *(in alphabetical order)*	**Citigroup Global Markets Asia Limited** *(in relation to the Hong Kong Public Offering only)* 50/F Champion Tower Three Garden Road Central Hong Kong SAR
	Citigroup Global Markets Limited *(in relation to the International Offering only)* 33 Canada Square Canary Wharf London E14 5LB United Kingdom

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong SAR

(in alphabetical order)

GF Securities (Hong Kong) Brokerage Limited
27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong SAR

Guoyuan Securities Brokerage (Hong Kong) Limited
17/F, Three Exchange Square
8 Connaught Place
Central
Hong Kong SAR

(in alphabetical order)

ABCI CAPITAL LIMITED
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong SAR

ABCI SECURITIES COMPANY LIMITED
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong SAR

Celestial Securities Limited
22/F Manhattan Place, 23 Wang Tai Road
Kowloon Bay, Kowloon
Hong Kong SAR

China Galaxy International Securities (Hong Kong) Co., Ltd
20/F Wing On Centre
111 Connaught Road Central
Hong Kong SAR

CMBC Securities Company Limited
45/F., One Exchange Square
8 Connaught Place
Central
Hong Kong SAR

First Shanghai Securities Limited
19/F, Wing On House
71 Des Voeux Road Central
Hong Kong SAR

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway, Admiralty
Hong Kong SAR

Long Bridge HK Limited
Unit No. 3302
33/F, West Tower Shun Tak Centre
168-200 Connaught Road Central
HKSAR

Morton Securities Limited
1804-05, 18/F, Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong SAR

Orient Securities (Hong Kong) Limited
28/F-29/F, 100 Queen's Road Central
Central
Hong Kong SAR

Patrons Securities Limited
Unit 3214, 32/F., Cosco Tower
183 Queen's Road Central,
Sheung Wan
Hong Kong SAR

SDICS International Securities (Hong Kong) Limited
39/F, One Exchange Square
Central
Hong Kong SAR

Zhongtai International Securities Limited
19 Floor, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong SAR

Legal Advisers to Our Company

As to Hong Kong and U.S. laws:

Simpson Thacher & Bartlett
35/F, ICBC Tower
3 Garden Road
Central
Hong Kong SAR

As to PRC laws:

Commerce & Finance Law Offices
12-15th Floor, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing 100004
China

As to PRC cybersecurity and data compliance matters:

Commerce & Finance Law Offices
12-15th Floor, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing 100004
China

	As to Cayman Islands laws: **Appleby** Suites 3505-06 35/F, Two Taikoo Place 979 King's Road Quarry Bay Hong Kong
Legal Adviser to Partners Gourmet	*As to Hong Kong and U.S. laws:* **Fangda Partners** 26/F, One Exchange Square 8 Connaught Place Central Hong Kong *As to PRC laws:* **Fangda Partners** 24/F, HKRI Centre Two HKRI Taikoo Hui 288 Shi Men Yi Road Shanghai
Legal Advisers to the Joint Sponsors and the Underwriters	*As to Hong Kong and U.S. laws:* **Clifford Chance** 27/F, Jardine House One Connaught Place Central Hong Kong SAR *As to PRC law:* **Tian Yuan Law Firm** 5/F, Tower A, Corporate Square 35 Financial Street Xicheng District Beijing

Auditor and Reporting Accountants	**KPMG** *Certified Public Accountants* 8th Floor, Prince's Building 10 Chater Road Central Hong Kong SAR
Industry Consultant	**China Insights Consultancy Limited** 10F, Block B Jing'an International Center 88 Puji Road, Jing'an District Shanghai 200070 China
Receiving Bank	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong SAR

Registered Office	71 Fort Street PO Box 500 George Town Grand Cayman KY1-1106 Cayman Islands
Head Office in the PRC	No. 1 Lingyin Road Xihu District Hangzhou Zhejiang Province PRC
Principal Place of Business in Hong Kong SAR	Room 1918, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong SAR
Company's Website	**www.china-greentea.com.cn** *(The information on the website does not form part of this prospectus)*
Joint Company Secretaries	**Ms. Lu Juan (盧娟)** Room 402, No. 45 Tongbo New Village Songjiang District Shanghai PRC **Ms. Lai Siu Kuen (黎少娟)** (FCG HKFCG) Room 1918, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong SAR

Authorized Representatives	**Mr. Wang Qinsong (王勤松)** Room 101, Unit 1, No. 7 Building Chunxiao Garden, Guihua Cheng Wen'er Road West Wenxin Street, Xihu District Hangzhou, Zhejiang PRC
	Ms. Lai Siu Kuen (黎少娟) Room 1918, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong SAR
Audit Committee	Mr. Fan Yongkui *(Chairman)* Mr. Bruno Robert Mercier Mr. Shao Xiaodong
Remuneration Committee	Mr. Shao Xiaodong *(Chairman)* Mr. Wang Qinsong Mr. Fan Yongkui
Nomination Committee	Mr. Wang Qinsong *(Chairman)* Mr. Bruno Robert Mercier Mr. Shao Xiaodong
The Cayman Islands Principal Share Registrar and Transfer Office	**Appleby Global Services (Cayman) Limited** 71 Fort Street PO Box 500 George Town Grand Cayman KY1-1106 Cayman Islands
Hong Kong Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong SAR
Compliance Adviser	**Altus Capital Limited** 21 Wing Wo Street Central Hong Kong SAR

Principal Banks

Bank of Communications Hong Kong Branch
Wheelock House
20 Pedder Street
Central
Hong Kong SAR

United Rural Cooperative Bank of Hangzhou, Wushan Branch
221 Xihu Avenue
Shangcheng District
Hangzhou Zhejiang
PRC

Bank of Hangzhou, Haichuangyuan Branch
998 Wenyi Road West
Yuhang District
Hangzhou Zhejiang
PRC

Agricultural Bank of China, Nanshan Branch
1/F, Shandong Building
Nanhai Avenue
Shenzhen Guangdong
PRC

China Merchants Bank, Hangzhou Kejicheng Branch
84 Longyuan Road
Yuhang District
Hangzhou Zhejiang
PRC

Certain information and statistics presented in this section and elsewhere in this prospectus relating to the industry in which we operate are derived from the CIC Report prepared by CIC, an independent industry consultant which was commissioned by us, and from various official government sources. The information extracted from the CIC Report should not be considered as a basis for investments in the Offer Shares or as an opinion of CIC as to the value of any securities or the advisability of investing in our Company. Our Directors have confirmed, after making reasonable enquiries and exercising reasonable care, that there is no adverse change in the market information since the date of publication of the CIC Report or any of the other reports which may qualify, contradict or have an impact on the information in this section. On the other hand, information and statistics from official government sources have not been independently verified by us, the Selling Shareholder, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other parties involved in the Global Offering or their respective directors, officers, employees, advisers, or agents, and no representation is given as to the accuracy or completeness of such information and statistics. Accordingly, you should not place undue reliance on such information and statistics. Unless and except for otherwise specified, the market and industry information and data presented in this section is derived from the CIC Report.[(1)]

THE CATERING MARKET IN MAINLAND CHINA

Mainland China has become the world's second largest catering market with its annual catering revenue of RMB5.6 trillion in 2024. Total revenue of catering market in Mainland China has grown from RMB3,952.7 billion in 2020 to RMB5,571.8 billion in 2024, representing a CAGR of 9.0%. Although the catering market in Mainland China has been continuously affected by regional outbreaks of COVID-19 in 2022, which forced the temporary closures of many restaurants, Mainland China's catering industry has generally recovered since 2023 as the Chinese government eased the "zero-COVID" policy in December 2022. The revenue of catering market is expected to grow at a CAGR of 7.1% from 2024 to 2029, reaching RMB7,851.5 billion in 2029, primarily attributable to the growing consumption power of Chinese residents and their increasing frequency of dining out.

(1) The contract sum to CIC is RMB1,570,000 for the preparation and use of the CIC Report, and we believe that such fees are consistent with the market rate. CIC is an investment consulting company originally established in Hong Kong SAR. In compiling and preparing the CIC Report, CIC has adopted the following assumptions: (i) the overall social, economic, and political environment in Mainland China is expected to remain stable during the forecast period; (ii) related key industry drivers are likely to propel the continued growth in Mainland China's casual Chinese cuisine restaurant market, such as increasing demand for dining out, greater growth potential for chain restaurants, rapid development of commercial activities, expansion into tier two, tier three and lower tier cities, use of social media, rise of national style, advancement of technologies; and (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected in either a dramatic or fundamental way. CIC has conducted detailed primary research which involved discussing the status of the industry with leading industry participants and industry experts.

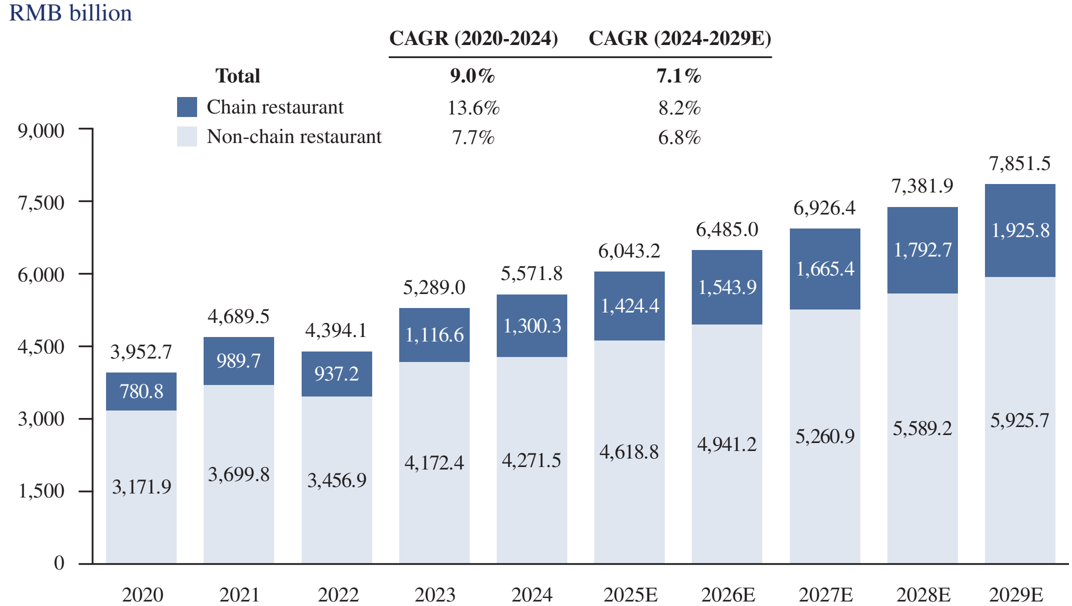
CIC has also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. CIC has obtained the figures for the projected total market size from historical data analysis plotted against macroeconomic data as well as specific related industry drivers.

The catering market in Mainland China can be divided into two categories based on operating model, chain restaurants and non-chain restaurants. Chain restaurants refer to a number of restaurants that operate under shared corporate ownership or franchise arrangement, leverage economies of scale and share brand awareness. Non-chain restaurants refer to standalone businesses that operate independently, serving customers in a specific location. The catering market in Mainland China is highly fragmented and dominated by non-chain restaurants. Chain restaurants in Mainland China accounted for only 23.3% of all restaurants in terms of revenue in 2024, demonstrating a huge growth potential as compared to 59.2% in the United States and 52.3% in Japan. In terms of concentration, the top 100 restaurant companies in Mainland China accounted for approximately 10% of total revenue of catering market in Mainland China in 2024, while in the United States, the top 100 restaurant companies accounted for approximately 30.0% of the total revenue of the catering market. These differences show that chain restaurants in Mainland China have great potential in expanding in terms of market share. With higher operating efficiency, more standardized food and services, better cost management and higher brand awareness, the total revenue of chain restaurants in Mainland China is expected to continue to grow at a CAGR of 8.2% from 2024 to 2029, faster than that of non-chain restaurants at a CAGR of 6.8%.

The following chart sets forth a breakdown of the catering market in Mainland China by operating model.

Breakdown of catering market in China by operating model in terms of revenue, 2020-2029E

RMB billion

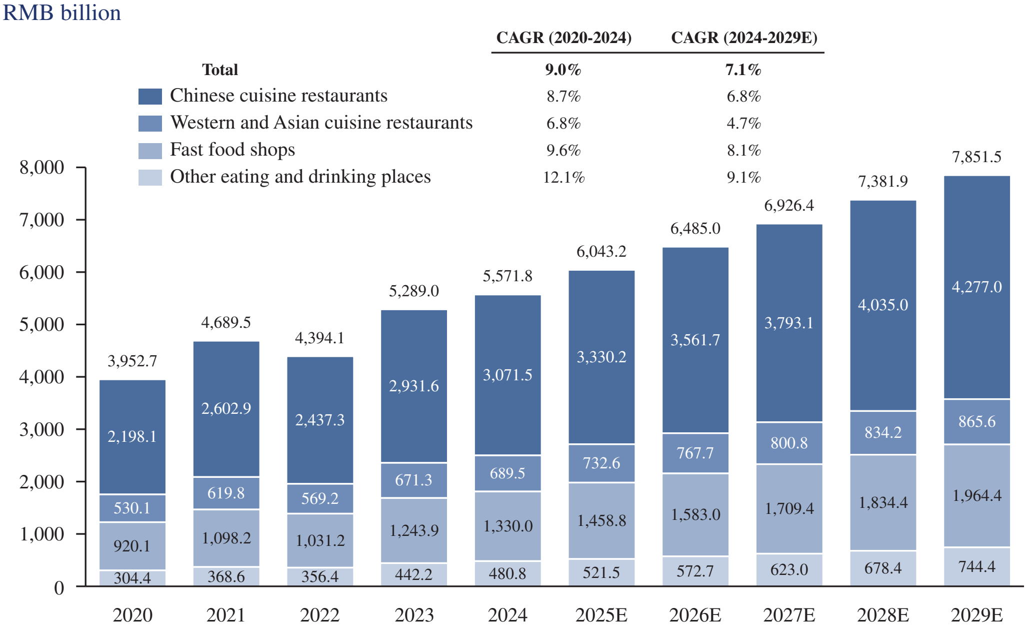


Source: National Bureau of Statistics, CIC Report

The catering market in Mainland China can also be divided into four segments based on cuisine and service type, including Chinese cuisine restaurants, Western and Asian (excluding Mainland China) cuisine restaurants, fast food shops and other eating and drinking places. Chinese cuisine restaurants constitute the largest segment in the catering market in Mainland China in terms of revenue, with a market share of approximately 55.1% in 2024. The total revenue of Chinese cuisine restaurant market increased from RMB2,198.1 billion in 2020 to RMB3,071.5 billion in 2024 representing a CAGR of 8.7%. In addition, Chinese cuisine restaurant market is expected to maintain a steady growth at a CAGR of 6.8% from 2024 to 2029, reaching RMB4,277.0 billion in 2029, maintaining its dominant position as the most popular type of cuisine in Mainland China. The following chart sets forth a breakdown of the catering market in Mainland China by cuisine and service type.

Market size of catering market in China by cuisine and service type in terms of revenue, 2020-2029E

RMB billion



Source: National Bureau of Statistics, CIC Report

(1) Including, among others, Chinese quick-service restaurants.

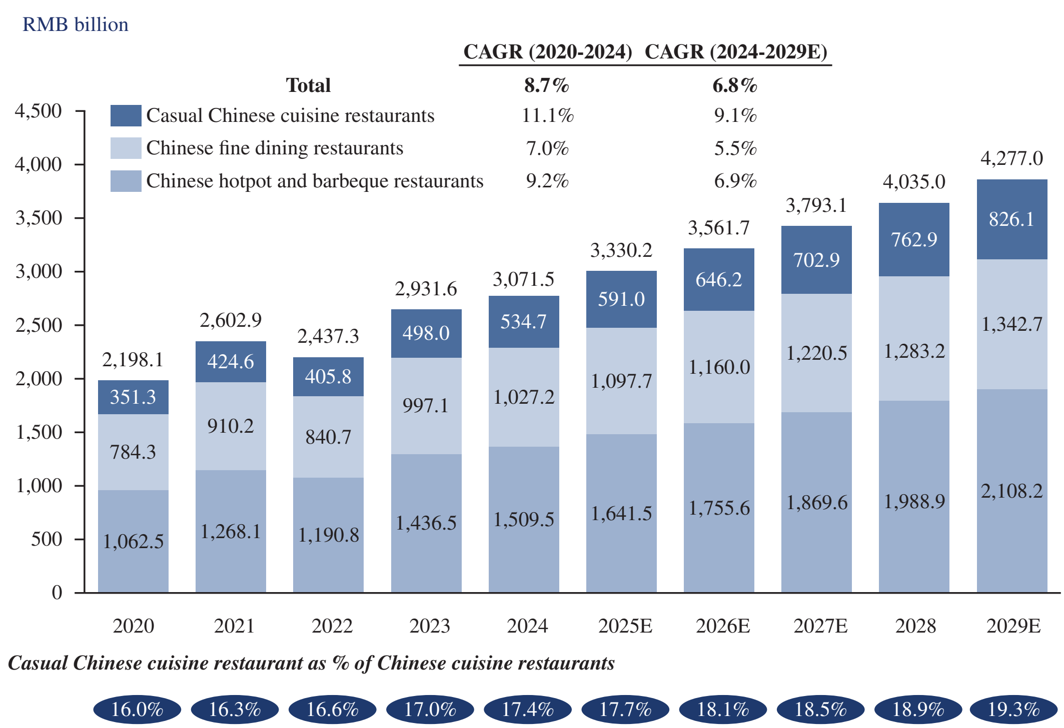
(2) Including, among others, cafeterias.

CASUAL CHINESE CUISINE RESTAURANT MARKET

The Chinese cuisine restaurants market can be further divided into three segments based on cuisine and service type, including casual Chinese cuisine restaurants, Chinese fine dining restaurants, and Chinese hotpot and barbeque restaurants. Casual Chinese cuisine restaurant refers to the catering segment where restaurants offer ready-to-eat Chinese cuisine at an affordable price with an average spending per guest in the range of RMB50 to RMB100. The other two sub-segments within the Chinese cuisine restaurants market are (i) Chinese fine dining restaurants, which offer ready-to-eat Chinese cuisine with an average spending per guest above RMB100 and (ii) Chinese hotpot and barbeque restaurants.

With faster pace of life and increasing spending power among consumers in Mainland China, casual Chinese cuisine restaurants are welcomed by consumers with their comfortable dining environment, affordable price and convenient and efficient dining experience, as compared to other Chinese cuisine restaurants, such as Chinese fine dining restaurants and hotpot restaurants. As a result, casual Chinese dining that has better value for money has the highest growth among all segments of Chinese restaurant market as consumers become more value conscious, and the casual Chinese cuisine restaurants market grew from a total revenue of RMB351.3 billion in 2020 to RMB534.7 billion in 2024, representing a CAGR of 11.1%. Going forward, the total revenue of casual Chinese cuisine restaurants is expected to maintain a steady growth at a CAGR of 9.1% from 2024 to 2029, reaching RMB826.1 billion in 2029. With the declined popularity of fine dining catering in the market, casual Chinese cuisine restaurants have gradually become mainstream, and their total revenue grew as a percentage of Chinese cuisine restaurants from 16.0% in 2020 to 17.4% in 2024 and is expected to further increase to 19.3% in 2029.

Market size of casual Chinese cuisine restaurant market in terms of total revenue, 2020-2029E



Source: National Bureau of Statistics, CIC Report

Note: Numbers in circles refer to market size of casual Chinese cuisine restaurants as a percentage of Chinese cuisine restaurants.

Casual Chinese Fusion Restaurants

Due to geographical and socioeconomic factors, consumers in Mainland China have diverse tastes and dining habits. As a result, diversified cuisine styles are developed to meet consumers' demand. A single regional cuisine style primarily targets consumers within that specific region, restricting its ability to serve people in other regions and resulting in limited growth potential. In comparison, fusion cuisine which combines flavors, ingredients and preparation techniques to create innovative dishes that can overcome cultural and geographic barriers, thereby catering to diverse consumer preferences and tastes in different regions and age groups. Furthermore, casual Chinese fusion restaurants which provide Chinese fusion cuisine at affordable price points innovate their menu designs and introduce creative fusion dishes to create dining environments that meet the demand of different dining scenarios. Guests looking for a quick and light lunch during weekdays, or a proper dinner for friends and family gatherings, or business meal can all find a pleasant experience. These casual Chinese fusion restaurants have achieved strong customer followings and developed a competitive edge in the following areas as compared with other casual Chinese cuisine restaurants that feature traditional regional cuisines:

- *Wider variety of tastes.* Casual Chinese fusion restaurants provide dishes that combine various elements from cuisines of different regions and adjust the taste to satisfy the preferences of a diverse consumer base.

- *Refreshing dining experience.* Casual Chinese cuisine restaurants typically feature beautiful decoration, creative dishes and high-quality and efficient service.

- *Wider range of consumer groups.* Casual Chinese fusion restaurants are positioned to target the mass market due to their flexibilities in serving a diverse consumer group.

COMPETITIVE LANDSCAPE OF CHINESE CUISINE MARKET AND CASUAL CHINESE CUISINE MARKET IN MAINLAND CHINA

The total revenue of Chinese cuisine restaurant market in Mainland China reached RMB3,071.5 billion in 2024, accounted for approximately 55.1% of the catering market in Mainland China. The Chinese cuisine restaurant market in Mainland China is extremely fragmented, with the three largest players holding approximately 1.8% of the total market share in 2024.

The total revenue of casual Chinese cuisine restaurant market reached RMB534.7 billion in 2024, accounted for approximately 17.4% of the Chinese cuisine restaurant market and 9.6% of the catering market in Mainland China. Casual Chinese cuisine restaurant market is also highly fragmented, with a large number of restaurant brands participating in the market. In 2024, the five largest brands accounted for approximately 3.9% of the total revenue of casual Chinese cuisine restaurant market.

In 2024, restaurants under our *Green Tea* brand achieved a total revenue of RMB3.8 billion and ranked fourth with a market share of 0.7% in the casual Chinese cuisine restaurant market in Mainland China. With a total of 465 restaurants at the end of 2024, we ranked third in terms of number of restaurants among casual Chinese cuisine restaurant brands in Mainland China. In addition, we are the largest player that focuses on offering fusion cuisine among the top five casual Chinese restaurant operators. The table below sets forth the five largest casual Chinese cuisine restaurant brands and their restaurant count, total revenue and market shares in 2024:

Brand	**Description of the brand**	**Average spending per guest**	**Restaurant Count**	**Total Revenue**	**Market Share[1]**
		(RMB)		*(in RMB billion)*	
Brand A	A non-listed restaurant brand established in 1988, headquartered in Beijing, and focusing on northwestern Chinese cuisine, such as noodles, lamb kebabs and rougamo.	80-90	363	5.5	1.0%
Xiaocaiyuan	A restaurant brand listed on the Stock Exchange, established in 2013, headquartered in Tongling, Anhui Province, and focusing on Anhui cuisine which caters to the mass Chinese population	60-70	667	5.2	1.0%
Tai Er	A restaurant brand listed on the Stock Exchange, established in 2015, headquartered in Guangzhou, Guangdong Province, and focusing on pickled Chinese sauerkraut fish	70-80	634	4.4	0.8%
Green Tea	See "Business" for more details	50-70	465	3.8	0.7%
Brand C	A non-listed restaurant brand established in 1998, headquartered in Hangzhou City, Zhejiang Province, and focusing on Zhejiang cuisine with authentic Hangzhou flavors	60-70	108	2.4	0.4%

Source: Annual Reports of Jiumaojiu International Holdings Limited and Xiaocaiyuan International Holding Ltd., CIC Report

Note:

(1) Market share is calculated based on the brands' revenue in 2024 divided by the total revenue of Chinese cuisine restaurant market in 2024

MARKET DRIVERS AND TRENDS

Key drivers and trends of the casual Chinese cuisine market and casual Chinese fusion restaurant market in Mainland China are set forth below:

- *Increasing demand for dining out.* Along with the rapid growth of urbanization, according to the National Bureau of Statistics, the per capita annual disposable income of urban households in Mainland China increased from RMB43,834.0 in 2020 to RMB54,188.0 in 2024 at a CAGR of 5.4%. Although dining out was once restricted because of the COVID-19 pandemic and the relevant restrictive measures imposed by the government, demand for dining out has rebounded since the government phased out the "zero-COVID" policy in December 2022. The per capita dining out expenditure also increased from RMB2,799.8 in 2020 to RMB3,956.5 in 2024 at a CAGR of 9.0%. Consumers in Mainland China are expected to continue to incorporate dining out consumption into their lifestyle, which will increase their dining out frequencies and promote dining out culture. By 2029, per capita annual disposable income of urban household and per capita dining out expenditure in Mainland China is expected to reach RMB70,171.0 and RMB5,619.5, respectively, at a CAGR of 5.3% and 7.3% from 2024 to 2029, respectively.

- *Greater growth potential for chain restaurants.* Generally, chain restaurants have better control of food quality and safety as compared to non-chain restaurants. Chain restaurants also typically have stronger capital support, control over supply chain and brand awareness. As consumers in Mainland China are placing increasing importance on food safety, quality, health and taste, chain casual Chinese cuisine restaurants are likely to have greater growth potential in the future.

- *Rapid development of commercial activities.* The rapid development of commercial activities generates new potential locations for casual Chinese fusion restaurants, including shopping malls, transportation hubs, tourist sites, office buildings and residential districts. These public places are expected to draw customer traffic and bring strong demand for catering services.

- *Expansion into tier two, tier three and lower tier cities.* Casual Chinese fusion restaurants are likely to continue to expand into tier two, tier three and lower tier cities. Nowadays, Chinese consumers value cost-effective dining experiences, quality of dishes, dining environment as well as dining services. As a result, casual Chinese fusion restaurants have become the ideal dine-out option for consumers by meeting the evolving demands of consumers for quality dishes with reasonable price and diversified tastes, especially in tier two, tier three and lower tier cities. Moreover, these cities typically have a large population base and growing economy.

With the continuous development of tier two, tier three and lower tier cities, demand for casual Chinese fusion restaurants is expected to increase as consumers in these cities increase the frequency of dining out. Meanwhile, the growth of economy in these cities also entails increase in consumer purchasing power, which is likely to lead to higher spending at restaurants.

- *Use of social media.* Online social media platforms, where consumers share comments about dining experiences, have significant influence over consumers' dining decisions. As such, social media platforms are expected to continue to be the main venue for restaurants to conduct their marketing activities and strengthen their brand awareness. In the meantime, restaurants with unique design and menu are usually more popular on social media platforms. Such restaurants may gain more customer traffic as a result of the increasing influence of social media platforms.

- *Rise of national style.* In recent years, the younger generations in Mainland China have demonstrated particular interest in domestic brands and products that display traditional Chinese culture elements, which is also known as the rise of "national style" (國潮). In order to attract these young customers and build brand image and loyalty, some restaurant chains have collaborated with other domestic brands to launch joint marketing events using elements of traditional Chinese culture. Overall, the rise of national style is expected to benefit domestic brands and bring more opportunities to Chinese cuisine restaurants.

- *Advancement of technologies.* Restaurants have increased their utilization of digital technology in their businesses to improve customers' dining experience and their own operational efficiency. Advanced technologies have proven to be effective in streamlining operation procedures, reducing consumers' waiting time and improving dining experience, and it is expected that restaurants will continue to utilize such technologies to optimize their operations.

ENTRY BARRIERS AND CHALLENGES

Although there may not be significant entry barriers to operating and managing a single restaurant, there are significant entry barriers and challenges in becoming a successful large-scale restaurant chain brand, including the following:

- *Ability to provide affordable high quality dining services.* Consumers in Mainland China are becoming more selective in choosing restaurants as their income and living standards improve. They prefer restaurants that provide both delicious cuisine and enjoyable dining environment with affordable prices. As such, the ability to meet the demand for high-quality service with affordable pricing will be essential to restaurants.

- *Ability to continuously innovate.* Innovation and creativity are at the core of the Chinese fusion concept. As a result of the fierce competition in the industry, restaurants that continue to incorporate innovation into the development of menu items will gain competitive advantages by meeting the demand of diversified dining scenarios and broaden their customer base.

- *Brand recognition and reputation.* Brand awareness has become increasingly important to catering business as it has great influence on consumers' dining decisions. Therefore, restaurants with strong brand awareness will have larger customer base to achieve market leading position. In addition, as existing market participants have already taken up favorable locations in busy areas, such as shopping malls and popular sites with a high consumer traffic, new entrants may find it difficult to occupy such locations with promising revenue and to gain marketing exposure. Considering that existing market participants have already established their brand recognition and reputation and taken up favorable locations, new entrants with newly established brands may find it hard to gain brand recognition from customers in the short term.

- *Control over food safety and quality.* Large restaurant chains typically have more comprehensive food safety and supply chain management systems to ensure consistent quality of food. With increasing public concern over food quality and safety, consumers prefer to consume in restaurants that provide reliable and high-quality food and services. In the meantime, the policies published by the government also promote food quality and safety in the catering industry. Casual Chinese restaurants that have a strong reputation for food safety and are able to offer healthy food options are expected to experience stronger growth. Meanwhile, new market players may not have enough resources to establish a comprehensive food safety and quality control system.

- *Supply chain management.* Supply chain management is crucial to restaurants operations to ensure food quality and safety, control purchase costs of supplies and timely delivery of necessary ingredients to restaurants. Extensive experience in supply chain management for large-scale operations and maintaining cost efficiencies are key entry barriers for new market players.

CATERING SUPPLY CHAIN OF CASUAL CHINESE CUISINE RESTAURANT MARKET

The catering supply chain of the casual Chinese cuisine restaurant market mainly involves food procurement, food processing and food distribution. The food processing segment can be further divided into three types of food processing arrangements, namely processing at central kitchen, processing by designated food processing companies and processing by local restaurant kitchen.

- *Processing at central kitchen.* This type of arrangement allows restaurant operators to prepare products at a centralized facility and then distribute the products to their restaurants. It is beneficial to the restaurant operators as it simplifies the storage of supplies and centralizes food processing procedures. Once the food products are ready, the restaurant operators can deliver these food products to several locations over a large geographic area.

- *Processing by designated food processing companies.* Under this type of arrangement, the designated food processing companies produce semi-processed food products according to the recipes and instructions given by the restaurant operators. Such arrangement can save restaurant operators from making significant upfront investment for building their own processing facilities or central kitchen. It also creates higher utilization of the processing facilities as compared to central kitchens.

- *Processing by local restaurant kitchen*. Under this type of arrangement, raw materials are directly delivered to the restaurant without any prior food processing, and the restaurant staff process the raw materials at the restaurant kitchen. Currently, only smaller restaurant operators use this type of arrangement.

As medium to large restaurant chains increase their utilization of third-party food processing arrangements, the percentage of expenditure on external supply chain services of the overall raw material expenditure of catering market has increased from 10.5% in 2020 to 15.7% in 2024, and is expected to further increase to 25.4% in 2029.

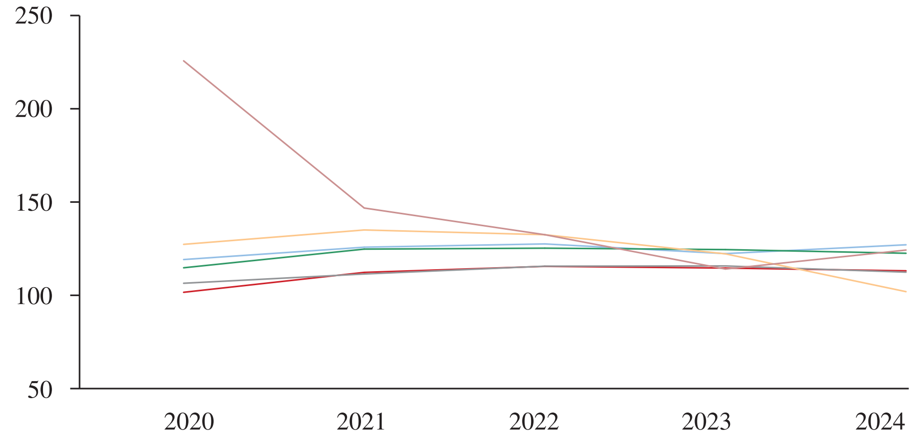
Leading catering supply chain service providers are moving towards specialization and diversification. With the development of the cold chain logistics industry, leading catering supply chain service providers have begun to offer trans-provincial operations. By partnering with these sizable catering supply chain service providers with trans-provincial operations, restaurant chains, such as our Company, are able to rapidly scale up and expand nationally with relatively low upfront investments, while maintaining the highest standard of food safety and quality.

COST OF RAW MATERIALS, LABOR AND COMMERCIAL RENT

The major food ingredients used in our restaurants include crop products, vegetables, aquatic products, beef, pork, and poultry. The price volatilities of such food ingredients are subject to factors such as domestic supply and demand, seasonality, weather conditions and natural disasters. Generally, the 2014 based consumption price index (the "**CPI**") (CPI, year of 2014 = 100) of food remained relatively stable from 2020 to 2024. Among the different food price indices, the food price index of pork has exhibited a notable decline from 2020 to 2024, primarily attributable to the increased availability of pork following the recovery from the impact of the COVID-19 pandemic.

Food Price Index of Raw Food Material, China, 2020-2024

Food Price Index (2014=100)



	2020	2021	2022	2023	2024
Crop production	100.4	111.0	114.3	113.4	111.9
Vegetables	117.9	124.5	126.2	121.1	125.8
Fishery Products	113.5	123.5	124.0	123.2	121.3
Beef	126.0	133.7	131.2	120.9	100.7
Pork	224.1	145.4	131.2	112.8	123.0
Poultry	105.2	110.2	114.4	114.5	111.2

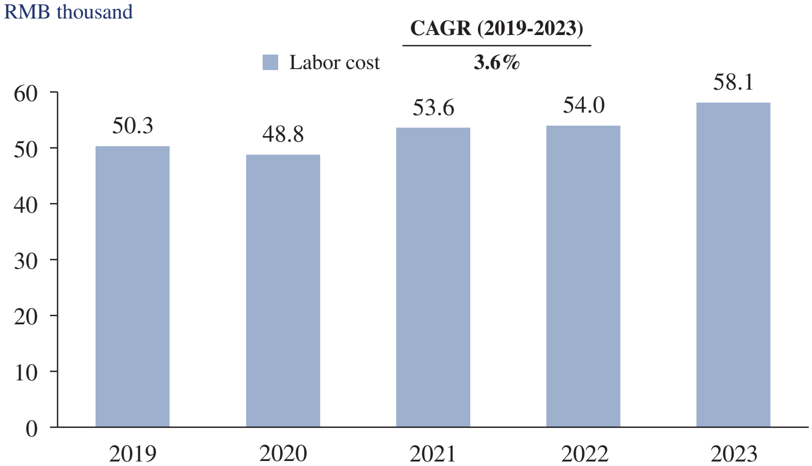
Source: National Bureau of Statistics

Note: The price indexes of crop products, vegetables, aquatic products, beef, pork and poultry refer to the price indexes of agricultural production.

In addition, the annual income of employees in the catering industry in urban areas in Mainland China has increased steadily from 2019 to 2023 at a CAGR of 3.6%. Labor cost is expected to keep growing in the coming five years due to the developing macro-economy, growing disposable income and CPI, as well as the inflation. The chart below sets forth the trend of labor cost of catering industry in urban areas in Mainland China for the periods indicated.

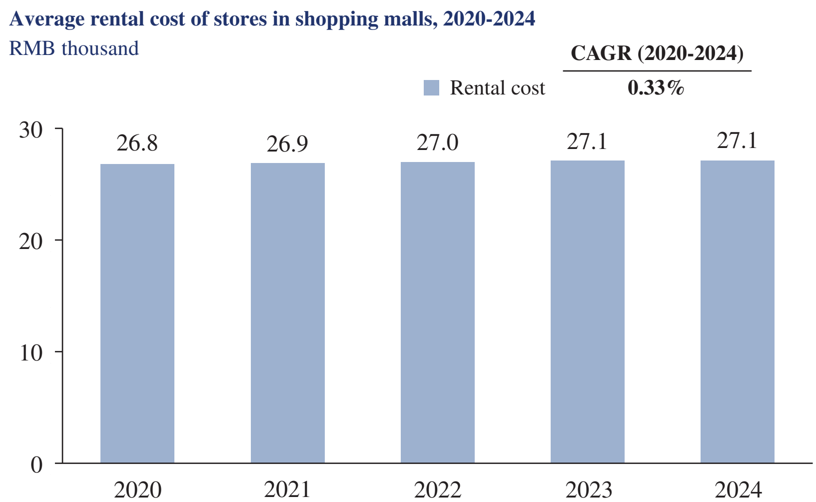
Labour cost of catering industry in urban area, 2019–2023

RMB thousand



Source: National Bureau of Statistics, CIC Report

The rental cost of a restaurant is also considered to be one of the major costs in Mainland China's catering industry. The average rental cost for stores in shopping malls in Mainland China remained stable at around RMB27.0 per m^2/day from 2020 to 2024 with a CAGR of 0.33%. With the further recovery of the consumer market, the average commercial rent of stores in shopping malls in Mainland China is expected to moderately increase in the future.



Source: China Real Estate Index System, CIC Report

Note: It refers to the average rental cost of stores in 100 typical shopping malls in Mainland China.

REGULATIONS ON FOREIGN INVESTMENT IN CATERING INDUSTRY

According to the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (the "Negative List", 《外商投資准入特別管理措施(負面清單)(2024年版)》) promulgated on September 6, 2024 and came into effect on November 1, 2024, the catering industry falls into the industries where foreign investment is not prohibited or restricted.

The Foreign Investment Law of the PRC (the "Foreign Investment Law", 《中華人民共和國外商投資法》) was promulgated by the National People's Congress (the "NPC") of the PRC on March 15, 2019, which came into force as of January 1, 2020. Under the Foreign Investment Law, the PRC adopts a system of pre-entry national treatment plus negative list with respect to foreign investment administration. Foreign investment and domestic industries outside the scope of the negative list would be treated equally.

LAWS AND REGULATIONS ON FOOD SAFETY AND LICENSING REQUIREMENTS FOR CATERING SERVICES

The Food Safety Law and Implementation Rules

In accordance with the Food Safety Law of the PRC (the "Food Safety Law",《中華人民共和國食品安全法》), which was promulgated on February 28, 2009 and amended on April 24, 2015, December 29, 2018 and April 29, 2021, respectively, food producers and traders must be liable for the safety of the food produced or traded by them and shall produce and trade food in accordance with relevant laws, regulations and food safety standards. Food producers and traders must ensure food safety, act in good faith and be self-disciplined, be accountable to society and the public, accept public supervision, and comply with their social responsibilities.

The Implementation Rules of the Food Safety Law (the "Implementation Rules",《中華人民共和國食品安全法實施條例》), which further specify the detailed measures to be taken and conformed to by food producers and business operators in order to ensure food safety, were promulgated on July 20, 2009 and came into effect on the same date, and were amended on February 6, 2016 and March 26, 2019, respectively. The Implementation Rules, which came into effect on December 1, 2019, introduced extra regulatory measures such as conducting random supervisory checks, improving the food safety violation reporting reward system, and establishing a blacklist system for food producers and business operators with serious food safety violations and a joint punishment mechanism against discreditable acts. The Implementation Rules state that food producers and operators have primary responsibility for food safety, detail the responsibilities of principals of enterprises, standardize food storage and transportation requirements, forbid false publicity of food, and optimize the administrative system for special food. The Implementation Rules also provide for strict legal liabilities for violating food safety-related laws and regulations.

In accordance with the Food Safety Law and the Implementation Rules, with the purpose of guaranteeing food safety and safeguarding the health and safety of the public, the PRC has set up a system for supervision, monitoring and appraisal of food safety risk, compulsory adoption of food safety standards, operating standards for food production, food inspection, food export and import and food safety accident response. Providers of food circulation services and consumer food services must comply with the aforementioned law and rules.

According to the Food Safety Law, the State Council shall establish a food safety committee whose duties shall be defined by the State Council. The food safety administration under the State Council shall exercise supervision and administration over food production and trading activities according to the duties defined by the Food Safety Law and the State Council itself. The health administrative department under the State Council shall organize the implementation of risk monitoring and risk assessment of food safety according to the duties defined by the Food Safety Law and the State Council, and shall formulate and issue national food safety standards together with the food and drug administration under the State Council. Other relevant departments under the State Council shall carry out relevant food safety work according to the duties defined by the Food Safety Law and the State Council.

As penalties for violation, the Food Safety Law sets out various legal liabilities in the form of warnings, orders to rectify, confiscations of illegal gains, confiscations of utensils, equipment, raw materials and other articles used for illegal production and operation, fines, recalls and destructions of food in violation of laws and regulations, orders to suspend production and/or operation, revocations of production and/or operation license, and even criminal punishment.

Food Operation Licensing and Filing

On June 15, 2023, State Administration for Market Regulation promulgated the Administrative Measures for Food Operation Licensing and Filing (《食品經營許可和備案管理辦法》). According to Administrative Measures for Food Operation Licensing and Filing, the issuing date of a food operation license is the date on which the decision on granting the license is made, and the license is valid for five years. Food operators shall hang or place their food operation license originals or display their electronic ones in prominent places of their operation sites. If the information indicated on the food operation license change, the food operator shall, within ten working days after the change, apply to the department for market regulation which originally issued the license for alteration of the operation license. If a food operator relocates its operation site, and engages in food operation in a site other than the original operation site, it shall apply for a food operation license again.

Measures for the Supervision and Administration of the Safety of Food Offered through Online Catering Services

Pursuant to Measures for the Supervision and Administration of the Safety of Food Offered through Online Catering Services (《網絡餐飲服務食品安全監督管理辦法》) effective on January 1, 2018, which was amended on October 23, 2020, online catering service providers must have their own physical stores and must have obtained food business licenses according to the law, and shall carry out business activities pursuant to the business forms and business items specified on their own food business licenses, and must not do business beyond their business scope. A catering service provider that runs its own website must file the record with the administration for market regulation at its locality at county level, within 30 working days of filing for record with the competent authority of communications.

Regulations On The Sanitation Of The Public Assembly Venue

The Regulation for the Administration of Sanitation of the Public Assembly Venue (《公共場所衛生管理條例》) effective on April 1, 1987 and as amended on February 6, 2016 and April 23, 2019, and the Implementation Rules for the Regulation for the Administration of Sanitation of the Public Assembly Venue (《公共場所衛生管理條例實施細則》) effective on May 1, 2011, and as amended on January 19, 2016 and December 26, 2017, were promulgated by the State Council and the Ministry of Health (later known as National Health Commission of the PRC) respectively. The said regulations were adopted to create favorable and sanitary conditions for the public assembly venues, prevent disease transmission and safeguard people's health. Depending on the requirements of the local health and family planning administrations, a restaurant is required to obtain a public assembly venue hygiene license from the local health authority after it applies for a business license to operate its business.

The Decision of the State Council on the Integration of Health permits and Food Business licenses in Public places for Restaurant Services (《國務院關於整合調整餐飲服務場所的公共場所衛生許可證和食品經營許可證的決定》), which was promulgated by the State Council on February 3, 2016, cancels the hygiene permits issued by the local health authorities to four kinds of public places, such as restaurants, cafes, bars and teahouses, and integrates the contents of the food safety permits into the food business licenses issued by the food and drug regulatory authorities.

Food Recall System

China Food and Drug Administration (now merged into the State Administration for Market Regulation) promulgated the Administrative Measures for Food Recall (the "Administrative Measures for Recall", 《食品召回管理辦法》) on March 11, 2015, which became effective on September 1, 2015 and amended on October 23, 2020. According to the Administrative Measures for Recall, where food operators find that the food involved thereby is unsafe, they must immediately suspend the operations, inform relevant food producers and operators of the suspension of production and operation, recommend consumers stop eating, and take necessary measures to prevent and control food safety risks. Food producers knowing that any food produced and traded thereby is unsafe must voluntarily recall such food. Food producers and operators must faithfully record the name, trademark, specification, production date, batch number, quantity and other contents of unsafe food subject to the suspension of production and operation, recall and disposal. Records must be kept for at least two years. Where food operators violate the Food Safety Law and the Administrative Measures for Food Recall 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 food and drug administrative authorities shall issue warnings to them and impose fines between CNY10,000 and CNY30,000 on them.

LAWS AND REGULATIONS ON FOOD ADVERTISEMENT

According to the Advertising Law of the PRC (the "Advertising Law", 《中華人民共和國廣告法》) promulgated by the Standing Committee of the NPC (the "SCNPC") on October 27, 1994 and most recently revised on April 29, 2021, no advertisement shall contain any false or misleading information, and shall not deceive or mislead consumers. Any advertiser, advertising agent or advertisement publisher shall, when engaging in advertising activities, comply with laws and administrative regulations, act in good faith, and conduct fair competition. In any advertisement, where there are statements regarding the performance, function, place of origin, purpose, quality, ingredients, price, producer, valid period and guarantees of the product, or the content, provider, form, quality, price and guarantees of the service, such statements shall be accurate, clear and explicit.

REGULATIONS ON LIQUOR CIRCULATION

The Guidance of the Ministry of Commerce on promoting healthy development of liquor circulation in the "13th Five-Year" period (《商務部關於"十三五"時期促進酒類流通健康發展的指導意見》), which was promulgated by the Ministry of Commerce on February 13, 2017, stipulates the elimination of the regional blockade of alcohol, the clean-up and abolition of any relevant regulations and practices that hinder the free circulation of alcohol, and the promotion of the establishment of a large market and a large circulation of alcohol.

However, liquor operators may be required by local governments to obtain local licenses for the distribution of alcoholic products. For example, pursuant to the Administrative Measures of Shanghai Municipality for Production and Sales of Alcohol Commodities (《上海市酒類商品產銷管理條例》), which was adopted by the Standing Committee of Shanghai People's Congress, local enterprises that engage in alcohol wholesaling must apply to the municipal wine monopoly bureau for an alcohol wholesale license, while local enterprises that engage in alcohol retailing must apply to the district wine administrative department for an alcohol retail license.

CYBER SECURITY LAW

The Cyber Security Law of the PRC (the "Cyber Security Law",《中華人民共和國網絡安全法》) was promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017. The Cyber Security Law applies to network construction, operation, maintenance and use of the network as well as to the supervision and administration of cyber security within PRC territory.

According to the Cyber Security Law, network operators, while carrying out business and service activities, must abide by laws and administrative regulations, show respect for social moralities, follow business ethics, act in good faith, comply with cyber security protection obligations, accept supervision by the government and society and comply with their social responsibilities. For the construction and operation of a network or the provision of services through a network, network operators shall comply with the provisions of laws, administrative regulations and mandatory national standards, and conduct technical and other necessary measures required to ensure the secure and stable operation of the network, effectively respond to cyber security incidents, prevent crimes committed on the network, and to maintain the integrity, confidentiality and availability of cyber data.

Network operators must keep users' personal information that they have collected strictly confidential, and establish and improve their system for the protection of users' information. To collect and use personal information, network operators must follow the principles of legitimacy, integrity and necessity, disclose their rules of data collection and use, clearly express the purpose, means and scope of collecting and using the information, and obtain the consent of the persons whose data is gathered. Network operators must adopt technical and other necessary measures to ensure the security of the personal information they have collected and to prevent such information from being divulged, damaged or lost. If personal information has been or may be divulged, damaged or lost, it is necessary to take immediate remedial measures and inform users promptly according and report the same to the relevant competent departments. Network operators who do not comply with the Cyber Security Law may be subject to fines, suspension of their businesses, shutdown of their websites, and revocation of their business licenses.

On July 30, 2021, the State Council promulgated the Regulations for Safe Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the "Safe Protection Regulations") which came into effect on September 1, 2021. Pursuant to the Safe Protection Regulations, critical information infrastructure refers to important network infrastructure and information system in public telecommunications, information services, energy sources, transportation and other critical industries and domains, in which any destruction or data leakage will have severe impact on national security, the nation's welfare, the people's living and public interests.

According to the Cybersecurity Review Measures (2021) (《網絡安全審查辦法(2021)》) jointly promulgated by the Cyberspace Administration of China and other relevant authorities on December 28, 2021 and effective on February 15, 2022, critical information infrastructure operators who purchase network products and services that affect or may affect national security shall report to the cybersecurity review office for a cybersecurity review. Online platform operators possessing personal information of more than 1 million users must report to the cybersecurity review office for a cybersecurity review before going public abroad. Furthermore, where members of the cybersecurity review working mechanism believe that network products and services and data processing activities affect or are likely to affect national security, the Cybersecurity Review Office shall report to the Central Cyberspace Affairs Commission for approval as per procedure, and then conduct a cybersecurity review in accordance with the Cybersecurity Review Measures. According to the Cyber Data Security Administration Regulations (Draft for Comment) (《網絡數據安全管理條例(徵求意見稿)》) promulgated by the Cyberspace Administration of China on November 14, 2021 but not yet effective, any data processors processing personal information of more than one million individuals and seeking to go public abroad, or any data processors seeking to go public in Hong Kong SAR, affect or may affect national security are subject to a cybersecurity review in accordance with relevant national regulations. On September 24, 2024, the State Council promulgated the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the "Data Security Regulations"), which is applicable to network data processing activities and the security supervision and administration thereof conducted within the territory of the People's Republic of China and took effect on January 1, 2025. The Data Security Regulations stipulate that network data processors engaging in network data processing activities that affect or may affect national security shall be subject to national security review in accordance with relevant laws and regulations and do not include the content related to cybersecurity review for listings in Hong Kong SAR that as presented in the Cyber Data Security Administration Regulations (Draft for Comment).

REGULATIONS RELATING TO PERSONAL INFORMATION OR DATA PROTECTION

On December 29, 2011, the MIIT issued *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), which became effective on March 15, 2012. *Several Provisions on Regulating the Market Order of Internet Information Services* provides that an internet information service provider may not collect any user's personal information or provide any such information to third parties without such user's consent. Pursuant to the Several Provisions on Regulating the Market Order of Internet Information Services, internet information service providers are required to, among others, (i) expressly inform the users of the method, content and purpose of the collection and processing of such users' personal information and may only collect such information necessary for the provision of its services; and (ii) properly maintain the users' personal information, and in case of any leak or possible leak of a user's personal information, online service providers must take immediate remedial measures and, in severe circumstances, make an immediate report to the telecommunications regulatory authority.

On August 22, 2019, the CAC issued the *Provisions on the Cyber Protection of Children's Personal Information* (兒童個人信息網絡保護規定), which became effective on October 1, 2019 and apply to the collection, storage, use, transfer and disclosure of the personal information of the minors under the age of 14, or the Children, via the Internet.

On November 28, 2019, the Secretary Bureau of the CAC, the General Office of the MIIT, the General Office of the Ministry of Public Security and the General Office of the SAMR jointly issued the Notice on the *Measures for Determining the Illegal Collection and Use of Personal Information through Mobile Applications* (App違法違規收集使用個人信息行為認定方法), which aims to provide reference for supervision and administration departments and provide guidance for mobile applications operators' self-examination and self-correction and social supervision by netizens, and further elaborates the forms of behavior constituting illegal collection and use of the personal information through mobile applications including: (i) failing to publish the rules on the collection and use of personal information; (ii) failing to explicitly explain the purposes, methods and scope of the collection and use of personal information; (iii) collecting and using personal information without the users' consent; (iv) collecting personal information unrelated to the services they provide and beyond the necessary principle; (v) providing personal information to others without the users' consent; (vi) failing to provide the function of deleting or correcting the personal information according to the laws or failing to publish information such as ways of filing complaints and reports.

Pursuant to the *Notice of the Ministry of Industry and Information Technology on the Record-filing of Mobile Internet Apps* (工業和信息化部關於開展移動互聯網應用程序備案工作的通知), promulgated by the MIIT on July 21, 2023 and took effective on the same day, any operator of APP (including mini programs and quick applications) that engages in Internet information services within the territory of the PRC shall go through the record-filing formalities in accordance with the *Law of the People's Republic of China Against Telecommunications and Internet Frauds* (中華人民共和國反電信網絡詐騙法), the *Administrative Measures on Internet-based Information Services* (互聯網信息服務管理辦法) and other regulations. Any APP operator that fails to complete the record-filing formalities shall not engage in APP Internet information services.

Pursuant to the *Ninth Amendment to the Criminal Law* (刑法修正案(九)), issued by the SCNPC on August 29, 2015, which became effective on November 1, 2015, any Internet service provider that fails to fulfill its obligations related to Internet information security administration as required under applicable laws and refuses to rectify upon orders shall be subject to criminal penalty. In addition, *Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Personal Information* (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 and effective as of June 1, 2017, clarified certain standards for the conviction and sentencing of the criminals in relation to personal information infringement.

In addition, on May 28, 2020, the National People's Congress of the PRC approved the *PRC Civil Code* (中華人民共和國民法典), which came into effect on January 1, 2021. Pursuant to the PRC Civil Code, the collection, storage, use, process, transmission, provision and disclosure of personal information should follow the principles of legality, legitimacy and necessity. The personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain such personal information of others when necessary and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

On July 30, 2021, the state council promulgated the *Regulations on Protection of Critical Information Infrastructure* (關鍵信息基礎設施安全保護條例), which became effective on September 1, 2021. Pursuant to the Regulations on Protection of Critical Information Infrastructure, a critical information infrastructure refers to an important network facilities or information systems in important industries or fields such as public communication and information service, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage. In addition, competent departments and administration departments of each important industry and field, or Protection Departments, shall be responsible to formulate determination rules and identify the critical information infrastructure in the respective important industry or field. The results of the determination of critical information infrastructure shall be informed to the operator, and notify the public security department of the State Council.

On August 20, 2021, the SCNPC promulgated the *PRC Personal Information Protection Law* (個人信息保護法), which took effect on November 1, 2021. Pursuant to the Personal Information Protection Law, "personal information" refers to any kind of information related to an identified or identifiable individual as electronically or otherwise recorded but excluding the anonymised information. The processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information. The Personal Information Protection Law applies to the processing of personal information of natural persons within the territory of the PRC, as well as personal information processing activities outside the territory of PRC, for the purpose of providing products or services to natural persons located within Mainland China, or for analysing or evaluating the behaviors of natural persons located within Mainland China, or for other circumstances as prescribed by laws and administrative regulations. A personal information processor may process the personal information of this individual only under the following circumstances: (i) where consent is obtained from the individual; (ii) where it is necessary for the execution or performance of a contract to which the individual is a party, or where it is necessary for carrying out human resource management pursuant to labor rules and regulations formulated in accordance with the law or a collective contract legally concluded; (iii) where it is necessary for performing a statutory responsibility or statutory obligation; (iv) where it is necessary in response to a public health emergency, or for protecting the life, health or property safety of a natural person in the case of an emergency; (v) where the personal information is processed within a reasonable scope to carry out any news reporting, supervision by public opinions or any other activity for public interest purposes; (vi) where the personal information, which has already been disclosed by an individual or otherwise legally disclosed, is processed within a reasonable scope; or (vii) any other circumstance as provided by laws or administrative regulations. In principle, the consent of an individual must be obtained for the processing of his or her personal information, except under the circumstances of the aforementioned items (ii) to (vii). Where personal information is to be processed based on the consent of an individual, such consent shall be a voluntary and explicit indication of intent given by such individual on a fully informed basis. If laws or administrative regulations provide that the processing of personal information shall be subject to the separate consent or written consent of the individual concerned, such provisions shall prevail.

On June 10, 2021, the SCNPC passed the Data Security Law (數據安全法), which became effective as of September 1, 2021. The Data Security Law clarifies the scope of data to cover a wide range of information records and requires that data collection shall be conducted in a legitimate and proper manner, and the theft or illegal collection of data is not permitted. Data processors shall establish and improve whole-process data security management rules, organize and implement data security education and training and take appropriate technical measures and other necessary measures to protect data security. In addition, data processing activities shall be conducted on the basis of the graded protection system for cybersecurity. Monitoring of data processing activities shall be strengthened, and remedial measures shall be taken immediately in case of discovery of risks regarding data security related defects or bugs. In case of data security incidents, responsive measures shall be taken immediately, and disclosure to users and report to the competent authorities shall be made in a timely manner.

On July 7, 2022, the CAC promulgated the *Measures for Data Cross-border Transfer Security Assessment* (數據出境安全評估辦法), which became effective on September 1, 2022. According to the Measures for Data Cross-border Transfer Security Assessment, where a data processor transfers data abroad, the data processor shall apply to the CAC for a data cross-border transfer security assessment through the local CAC at the provincial level when: (i) a data processor transfers important data abroad; (ii) a critical information infrastructure operator or a data processor processing the personal information of more than one million persons transfers personal information abroad; (iii) a data processor has provided a total of 100,000 persons' personal information or 10,000 persons' sensitive personal information abroad since January 1 of the previous year; or (iv) under other circumstances as stipulated by the CAC.

On March 22, 2024, the CAC promulgated the *Provisions on Promoting and Regulating Cross-border Data Flows* (促進和規範數據跨境流動規定), which became effective the same day. According to the Provisions on Promoting and Regulating Cross-border Data Flows, where a data processor transfers data abroad, it may be exempted from applying for a data cross-border transfer security assessment, concluding a standard contract for personal information to be provided abroad or passing a security certificate for protection of personal information if it satisfies any of the following conditions: (i) where it is really necessary to provide personal information abroad for the purpose of concluding or performing a contract to which an individual concerned is a party, such as cross-border shopping, cross-border delivery, cross-border remittance, cross-border payment, cross-border account opening, air ticket and hotel reservation, visa handling and examination services; (ii) where it is really necessary to provide employees' personal information abroad for the purpose of conducting cross-border human resources management in accordance with the employment rules and regulations and collective contracts formulated in accordance with the law; (iii) where it is really necessary to provide personal information abroad in an emergency to protect the life, health and property safety of a natural person; or (iv) where a data processor other than a critical information infrastructure operator provides abroad the personal information (excluding sensitive personal information) of not more than 100,000 persons accumulatively as of January 1 of the current year.

On February 12, 2025, the CAC published the Administrative Measures for the Compliance Audit of Personal Information Protection, which took effect on May 1, 2025. According to the Administrative Measures for the Compliance Audit of Personal Information Protection, the term "compliance audit of personal information protection" refers to the supervision activities that review and evaluate whether the personal information processing activities by personal information processors comply with laws and administrative regulations. And personal information processors that process the personal information of more than 1 million individuals shall carry out the compliance audit of personal information protection at least once every two years. Personal information processors, in any of the following circumstances, may be required by Cyberspace Administration and other departments performing personal information protection duties (hereinafter collectively referred to as the "Protection Departments") 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 OVERSEAS SECURITIES OFFERING AND LISTING

On February 17, 2023, the CSRC promulgated Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and five supporting guidelines, which came into effect on March 31, 2023.

Pursuant to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either directly or indirectly, are required to fulfill the filing procedure with the CSRC and report the relevant information through filing reports and legal opinions. The Overseas Listing Trial Measures provides that an overseas listing or offering is explicitly prohibited, if any of the following: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as scrutinized and determined in accordance with law by competent authorities under the State Council; (iii) the domestic company intending to make the securities offering and listing, or the controlling shareholder(s) and the actual controller of such company, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

The Overseas Listing Trial Measures also provides that the overseas securities offering and listing will be deemed as an indirect overseas offering by PRC domestic companies if (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year are accounted for by PRC domestic companies; and (ii) the issuer's principal business activities are conducted in the PRC, or its principal place(s) of business are located in the PRC, or the senior executives responsible for its business operations and management are mostly Chinese citizens or persons domiciled in the PRC. Where an issuer submits an application for offering or listing to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted to the overseas regulators. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on any material events, such as change of control, investigation or punishment taken by overseas securities regulatory authorities or other competent authorities, change of listing status or listing plate, or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

If domestic companies fail to fulfill the above-mentioned filing procedures or offer and list in an overseas market against the prohibited circumstances, they would be ordered to rectify, warned, and fined between RMB1 million and RMB10 million. The directly liable personnel would be warned and fined between RMB0.5 million and RMB5 million. The controlling shareholders and actual controllers of such domestic companies that organize or instruct the aforementioned violations would be warned and fined between RMB1 million and RMB10 million. The directly liable personnel would be fined between RMB0.5 million and RMB5 million. The securities companies and securities service providers failing to supervise the domestic companies for compliance of relevant rules would be warned and fined between RMB0.5 million and RMB5 million. The directly liable personnel would be warned and fined between RMB0.2 million and RMB2 million. Also, if there is any false records, misleading statement or any material omission in the filing documents, the domestic companies would be ordered to rectify, warned, and fined between RMB1 million and RMB10 million. The directly liable personnel would be imposed warnings and fined between RMB0.5 million and RMB5 million. The controlling shareholders and actual controllers of such domestic companies who organize or instruct the aforementioned violations or conceal the relevant matters leading to the occurrence of the aforementioned violations would be warned and fined between RMB1 million and RMB10 million. The directly liable personnel would be fined between RMB0.5 million and RMB5 million. The securities companies or securities service providers who fail to act with due diligence, make false records, misleading statements or material omissions in the documents produced and issued domestically, or in the documents produced and issued overseas which led to disruption of the domestic market order and infringement on the lawful rights and interests of domestic investors, would be, amongst others, fined up to 10 times of the service fees or between RMB0.5 million and RMB5 million if there are no service fees or the service fees are less than RMB0.5 million. The directly liable personnel would be warned and fined between RMB0.2 million and RMB2 million.

REGULATIONS ON FIRE PREVENTION

According to the Fire Prevention Law of the PRC (the "Fire Prevention Law", 《中華人民共和國消防法》) promulgated by the NPC on April 29, 1998 and amended on October 28, 2008, April 23, 2019 and April 29, 2021, respectively, and the Interim Provisions on Design Inspection and Acceptance of Fire Protection of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020 and amended on August 21, 2023, for the restaurants, teahouses or coffee houses with more than 500 square meters and with entertainment functions are special construction projects, which must have their fire protection design reviewed by the competent fire protection design review and acceptance authority. This authority is legally responsible for the results of the review. If a special construction project has not undergone fire protection design review or if the review is not passed, neither the construction unit nor the construction company is allowed to commence construction.

According to the revised Fire Prevention Law (revised in 2019 and 2021), the competent housing and urban-rural development authority replaced fire prevention and rescue departments to monitor and administer the fire protection as-built acceptance check and filing. Upon completion of construction of a development project which is required to apply for fire safety inspection and acceptance as stipulated by the housing and urban-rural development authority, the developer shall apply to the housing and urban-rural development authority for fire safety inspection and acceptance. For other development projects, the developer shall complete filing formalities with the housing and urban-rural development authority following the inspection and acceptance, the housing and urban-rural development department shall conduct spot check. Pursuant to the Fire Prevention Law, the construction project that fails to complete as-built acceptance check on fire prevention shall be ordered by the relevant government authorities to close and shall be fined not less than CNY30,000 but not more than CNY300,000. The construction project that fails to complete fire safety filing shall be ordered to rectify and be subject to a fine of up to CNY5,000.

The Opinion on the Deepening the Reform of Fire Control Law Enforcement (《關於深化消防執法改革的意見》) promulgated jointly by the General Office of the CPC Central Committee and the General Office of the State Council on May 30, 2019, provides for the simplification of the fire protection inspections of public gathering places before their use and operation, and management in the form of a notification and a representation to safety standards. Fire protection authorities shall formulate the standards for fire safety in public gathering places and disclose such standards to the public, making available the text in the form of the letter of notification and representation to safety standards. A public gathering place shall, after obtaining the business license or being qualifying for use and operation under the law, commence use or operation by making a representation to the fire protection authorities that it has reached the standards for fire safety through an application face-to-face or via the online governmental affairs service platform. In practice, the relevant authority at its locality may formulate and implement relevant fire protection policies or implementation rules according to local conditions. Pursuant to the Fire Prevention Law amended on April 29, 2021, the fire safety inspection of public gathering places before they are put into use and open for business shall be subject to the management of notification and representation. Before the use or commencement of the business operations of public gathering places, the construction entities or the entities using such places shall file an application for fire safety inspection with the fire rescue agencies of the local people's governments of such places at or above the county level, and make a representation that the place meets the fire control technical standards and management regulations, and submit the requisite materials and be responsible for the authenticity of their representations and the submitted materials. The fire rescue agency inspects the materials submitted by the applicant, if the application materials are complete and conform to legal forms, approval shall be granted. Fire rescue agencies shall, in accordance with fire control technical standards and management regulations, conduct timely verification on the public gathering places that have made representations. If the applicant chooses not to take the form of notification and representation, the fire rescue agency shall inspect the site in accordance with fire control technical standards and management regulations within 10 working days from the date of accepting the application. Approval shall be given to those meeting the fire control safety requirements through inspection. Public gathering places shall not be put into use or open for business without approval of fire rescue agencies. If the public gathering places are put into use or open for business without approval of fire rescue agencies, or the use or business conditions of such places are found to be inconsistent with the contents promised after the verification of fire rescue agencies, such places shall be ordered to discontinue the use, production or operation and be fined not less than RMB30,000 but not more than RMB300,000.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the PRC (the "Environmental Protection Law", 《中華人民共和國環境保護法》) was promulgated and effective on December 26, 1989, and amended on April 24, 2014. This Legislation has been formulated for the purpose of protecting and improving both the living environment and the ecological environment, preventing and controlling pollution, other public hazards and safeguarding people's health.

According to the provisions of the Environmental Protection Law, in addition to other relevant laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts take charge of administering and supervising said environmental protection matters. According to the provisions of the Environmental Protection Law, the environmental impact statement shall be made for any such construction project and construction projects which have not carried out environmental impact assessment shall not commence construction.

Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal part of the project.

Installations for the prevention and control of pollution shall not be dismantled or left idle without authorization.

The Environmental Protection Law makes it clear that the liabilities for any violation of said law include, fine, rectification within a time limit, compulsory ceasing of operations, compulsory shutout or closedown, restitution, or even criminal punishment.

Law on Environment Impact Assessment

Pursuant to Law of the PRC on Environment Impact Assessment (《中華人民共和國環境影響評價法》), which was issued on October 28, 2002 and amended on July 2, 2016 and December 29, 2018, the State implements a classification-based management on the environmental impact assessment (the "EIA") of construction projects according to the impact of the construction projects on the environment. Construction units shall prepare the Environmental Impact Report (the "EIR") or the Environmental Impact Statement (the "EIS") or fill out the Environmental Impact Registration Form (the "EIRF") (hereinafter collectively referred to as the "EIA documents") according to the following rules: 1. For projects with potentially serious environmental impacts, an EIR shall be prepared to provide a comprehensive assessment of their environmental impacts; 2. For projects with potentially mild environmental impacts, an EIS shall be prepared to provide an analysis or specialized assessment of their environmental impacts; and 3. For projects with very small environmental impacts so that an EIA is not required, an EIRF shall be filled out.

The EIR or EIS of a construction project shall be submitted by the construction unit in accordance with the regulations of the State Council to the ecological environment department with powers to approve the project for review and approval. The State shall implement a record-filing-based management on EIRF. However, according to the Catalogue for the Classified Administration of the Environmental Impact Assessment of Construction Projects (2021) (《建設項目環境影響評價分類管理名錄(2021年版)》), construction projects with regard to the catering industry are no longer required to submit the EIA documents.

Law on the Environmental Protection of Construction Projects

According to the Administrative Regulations on the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) effective as of November 29, 1998 and as amended on July 16, 2017, after the completion of a construction project for which an environmental impact report or environmental impact statement is prepared, the construction unit shall make an acceptance check of the matching environmental protection facilities and prepare an acceptance report according to the standards and procedures stipulated by the competent administrative department of environmental protection under the State Council.

A construction unit shall be punished in accordance with the Law of the PRC on Environmental Impact Assessment if it: 1. commences construction before submitting the environmental impact report or environmental impact statement of the construction project for approval or re-examination in accordance with the law; 2. commences construction without authorization before the environmental impact report or environmental impact statement of the construction projects is approved or approved after re-examination; or 3. fails to file the environmental impact registration form of the construction project for record in accordance with the law.

Law on Prevention and Control of Water Pollution

The Law on Prevention and Control of Water Pollution of the PRC (the "Water Pollution Prevention and Control Law", 《中華人民共和國水污染防治法》) first came into effect as of November 1, 1984 and was subsequently amended on May 15, 1996, February 28, 2008, and June 27, 2017, respectively. The law applies to the prevention and control of pollution of rivers, lakes, canals, irrigation channels, reservoirs and other surface water bodies and groundwater within the PRC. According to the provisions of the Water Pollution Prevention and Control Law and other relevant laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts at or above county level shall take charge of the administration and supervision on the matters of prevention and control of water pollution.

Enterprises that engage in the activities of industry, construction, catering, and medical treatment, etc. that discharges sewage into urban drainage facilities shall apply to the relevant competent urban drainage department for collecting the permit for discharging sewage into drainage pipelines under relevant laws and regulations, including the Regulations on Urban Drainage and Sewage Disposal (《城鎮排水與污水處理條例》), which was promulgated on October 2, 2013 and came into force on January 1, 2014, and the Measures for the Administration of Permits for the Discharge of Urban Sewage into the Drainage Network (《城鎮污水排入排水管網許可管理辦法》), which came into force on March 1, 2015 and was subsequently amended on December 1, 2022. Drainage entities covered by urban drainage facilities shall discharge sewage into urban drainage facilities in accordance with the relevant provisions of the state. Where a drainage entity needs to discharge sewage into urban drainage facilities, it shall apply for a drainage license in accordance with the provisions of these Measures. The drainage entity that has not obtained the drainage license shall not discharge sewage into urban drainage facilities. Urban residents that discharge domestic sewage are not required to apply for the drainage license.

LAWS AND REGULATIONS ON LABOR

Labor Contract Law

According to the Labor Contract Law of the PRC (the "Labor Contract Law", 《中華人民共和國勞動合同法》), which was implemented on January 1, 2008 and amended on December 28, 2012, labor contracts must be concluded in writing if labor relationships are to be or have been established between enterprises or institutions and the laborers. Enterprises and institutions are forbidden to force the laborers to work beyond the time limit and the employers must pay laborers compensation for working overtime in accordance with national regulations. Labor wages must not be lower than local minimum wage standards and must be paid to the laborers in a timely manner. According to the Labor Law of the PRC (《中華人民共和國勞動法》) effective as of January 1, 1995, as amended on August 27, 2009 and December 29, 2018, enterprises and institutions must establish and perfect their system of work place safety and sanitation, strictly abide by state rules and standards and educate laborers regarding the same. Workplace safety and sanitation facilities must comply with state-fixed standards.

Production Safety Law

Pursuant to the Law on Work Safety of the PRC (the "Law on Work Safety",《中華人民共和國安全生產法》) (Order No. 70 of the PRC President, effective on November 1, 2002 and amended on August 27, 2009, August 31, 2014 and June 10, 2021 respectively), enterprises engaged in production activities must strengthen safety production management, establish and improve the responsibility system for safe production and ensure a safe production environment. The State establishes and implements a system for the accountability of production safety accidents. If the company fails to comply with the provisions of the Law on Work Safety, the supervisory authority on production safety may issue a rectification order, impose a fine, order the company to cease production and operation, or revoke the relevant permit.

Regulations on Social Insurance and Housing Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) effective as of July 1, 2011 and as amended on December 29, 2018, the Regulations on Occupational Injury Insurance (《工傷保險條例》) effective as of January 1, 2004 and as amended on December 20, 2010, the Interim Measures concerning Maternity Insurance for Enterprise Employees (《企業職工生育保險試行辦法》) effective as of January 1, 1995, the Interim Regulations concerning the Levy of Social Insurance (《社會保險費徵繳暫行條例》) effective as of January 22, 1999 and as amended on March 24, 2019 and the Regulations concerning the Administration of Housing Fund (《住房公積金管理條例》) effective as of April 3, 1999, and amended on March 24, 2002 and March 24, 2019, enterprises and institutions in the PRC must provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance, as well as a housing fund and other welfare plans.

LAWS ON INTELLECTUAL PROPERTY RIGHTS

Trademarks

Trademarks are protected by the PRC Trademark Law (《中華人民共和國商標法》) which was adopted in 1982 and subsequently amended in 1993, 2001, 2013 and 2019, respectively, as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted in 2002 and amended in 2014 by the State Council. The Trademark Office under National Intellectual Property Administration (the "NIPA") handles trademark registrations and grants a term of ten years to registered trademarks which may be renewed for consecutive ten-year periods upon request by the trademark owner. The trademark registrant may, by concluding a trademark licensing contract, authorize other persons to use the registered trademark. The licensor shall supervise the quality of the goods for which the licensee uses the licensor's registered trademark, and the licensee shall guarantee the quality of the goods for which the registered trademark is used. The party authorized to use another's registered trademark must indicate the name of the licensee and the place of origin on the goods that bear the registered trademark. When granting others use of the registered trademarks, the licensor shall file the trademark license with the Trademark Office for their records, and the Office shall announce the same. Without putting the trademark license on record, the trademark may not be used to defend a bona fide third party.

Domain Names

The Measures for the Administration of Internet Domain Names (the "Domain Name Measures", 《互聯網域名管理辦法》) was promulgated by the Ministry of Industry and Information Technology of the PRC on August 24, 2017 and came into effect on November 1, 2017. The Implementation Rules for National Top-level Domain Name Registration (the "Implementation Rules for Registration", 《國家頂級域名註冊實施細則》) was promulgated by the China Internet Network Information Center on June 18, 2019 and came into effect on the same date. The Domain Name Measures regulate the registration of domain names. Application for registration of national top-level domain names ".CN" and ".China" and provision of national top-level domain name registration related services shall further comply with the Implementation Rules for Registration.

Patent

The SCNPC adopted the PRC Patent Law (《中華人民共和國專利法》) in 1984 and amended it in 1992, 2000, 2008 and 2020, respectively. A patentable invention or utility model must meet three conditions, e.g. novelty, inventiveness and practical applicability. Patents will not be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds or substances obtained by means of nuclear transformation. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining and approving patent applications. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model, or a fifteen-year term for a design, starting from the application date. Except for certain specific circumstances provided by law, any third-party users must obtain consent or a proper license from the patent owners to use the patent, otherwise the use of patent will constitute an infringement of the rights of the patent holder.

REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》), as amended in August 5, 2008, the RMB is freely convertible for current account items, including for the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside the PRC, unless prior approval of the State Administration of Foreign Exchange ("SAFE") is obtained and prior registration with SAFE is made.

Pursuant to the Circular on Relevant Issues concerning Foreign Exchange Administration of Overseas Investment and Financing and Return Investments Conducted by Domestic Residents through Overseas Special Purpose Vehicles (the "SAFE Circular No. 37", 《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》), promulgated by SAFE and which became effective on July 4, 2014, (a) a PRC resident ("PRC Resident") shall register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle ("Overseas SPV"), that is directly established or controlled by the PRC Resident for the purpose of conducting investment or financing; and (b) 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 the Overseas SPV's PRC Resident shareholder(s), name of the Overseas SPV, term of operation, or any increase or reduction of the Overseas SPV's registered capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular No. 37, failure to comply with these registration procedures may result in penalties.

According to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment ("Circular 13", 《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was promulgated on February 13, 2015 and with effect from June 1, 2015, enterprises are not required to get foreign exchange registration approval under domestic direct investment or overseas direct investment. Domestic investors (including domestic foreign-invested enterprises, domestic investing entities of foreign enterprises) should carry out foreign exchange registration of direct investment with banks.

According to the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises ("Circular 19",《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) promulgated on March 30, 2015 and effective on June 1, 2015 and the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement under Capital Accounts ("Circular 16",《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated and effective on June 9, 2016, domestic enterprises (including Chinese-funded enterprises and foreign-invested enterprises, excluding financial institutions) may go through foreign exchange settlement formalities for their foreign debts at their discretion. Where the current regulations contain any restrictive provisions on the foreign exchange settlement of foreign exchange receipts under capital accounts of domestic institutions, such provisions shall prevail. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. The SAFE may adjust the above proportion in due time according to the balance of payments. While being eligible for discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous transaction (including discretionary settlement and payment-based settlement) of such institution.

The Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation ("Circular 28", 《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) was promulgated and became effective on October 23, 2019. According to the Circular 28, non-investment foreign-funded enterprises are allowed to lawfully make domestic equity investments using their capital if the domestic investment projects are in compliance with the prevailing special administrative measures for access of foreign investments and the relevant regulations.

LAWS AND REGULATIONS ON EMPLOYEE INCENTIVE PLANS

On February 15, 2012, the SAFE promulgated the Circular on Issues concerning the Administration of Foreign Exchange Used for Domestic Individuals' Participation in Equity Incentive Plans of Companies Listed Overseas ("Circular 7", 《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》). According to Circular 7 and other relevant provisions and rules, Chinese residents participating in the equity incentive plans of overseas listed companies must file a registration and carry out other certain procedures with the SAFE or its local institutions. Chinese residents participating in equity incentive plans must employ a qualified Chinese agent, which may be the Chinese affiliated company of such overseas listed company or any other qualified domestic organization appointed by such affiliate, to file the registration and carry out other procedures related to equity incentive plans on their behalf.

The participants must employ an overseas entrusted organization to deal with the execution of share options, transactions relating to shares or rights, fund transfers, etc. In addition, if any material changes are made to the equity incentive plan, Chinese agent or overseas entrusted organization, the Chinese agent shall file the change registration concerning the equity incentive plan. The Chinese agent shall, on behalf of the Chinese resident who has the right to exercise the employee's share options, apply to the SAFE or its local branch for the amount of annual foreign exchange payment in respect of the foreign currency payment related to the exercise of the employee's share options by the Chinese resident. The foreign exchange income received by the Chinese resident from the sale of shares under the equity incentive plan and the dividends received from overseas listed companies shall be remitted to the bank account opened in Mainland China by the Chinese agent before distribution to such Chinese residents.

TAXES

Corporate Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was promulgated on March 16, 2007 and last amended on December 29, 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) which was promulgated on December 6, 2007 and further amended on April 23, 2019, the income tax rate for both domestic and foreign-invested enterprises is 25%. Furthermore, resident enterprises, which are enterprises that are set up in accordance with PRC law, or that are set up in accordance with the law of a foreign country (region) but with their actual administration institution in the PRC, must pay enterprise income tax originating both within and outside the PRC. While non-resident enterprises that have set up institutions or premises in the PRC shall pay enterprise income tax in relation to their income originating from the PRC and obtained by their institutions or establishments, and their income incurred outside the PRC but where there is an actual relationship with the institutions or establishments set up by such enterprises. Non-resident enterprises that have not set up institutions or establishments in the PRC, or where institutions or establishments are set up but where there is no actual relationship with the income obtained by the institutions or establishments set up by such enterprises, they must pay enterprise income tax in relation to the income originating from the PRC at the rate of 10%.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated on December 13, 1993 and last amended on November 19, 2017 and its implementation rules, all entities or individuals in the PRC engaging in the sale of goods, the provision of processing services, repairs and replacement services, and the importation of goods are required to pay value-added tax (the "VAT"). Pursuant to the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (《關於全面推開營業稅改徵增值稅試點的通知》) promulgated on March 23, 2016 and as amended on July 11, 2017, December 25, 2017 and March 20, 2019 respectively, upon approval of the State Council, as of May 1, 2016, the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner, and all taxpayers of business taxpayers engaged in the building industry, the real estate industry, the financial industry and the life service industry shall be included in the scope of the pilot program with regard to payment of value-added tax instead of business tax.

Pursuant to the Provisional Regulations on Value-added Tax of the PRC, the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax, the Circular of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) promulgated by Ministry of Finance and State Administration of Taxation on April 4, 2018 and became effective on May 1, 2018, and the Announcement on Relevant Policies for Deepening Value-Added Tax Reform《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》 promulgated by the Ministry of Finance, the State Administration of Taxation and General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, with respect to VAT taxable sales of a VAT general taxpayer, the applicable VAT rates are 13%, 9% and 6% respectively.

OVERVIEW

We are a well-known operator of casual Chinese restaurants in Mainland China. Our Company was incorporated in the Cayman Islands on June 4, 2015 and is the holding company of our Group. Our business history traces back to 2008 when Mr. Wang and Ms. Lu (the spouse of Mr. Wang), our co-founders, started our first *Green Tea* restaurant under the brand "Green Tea" by the beautiful West Lake in Hangzhou, Zhejiang province. Prior to the opening of Green Tea restaurant, Mr. Wang and Ms. Lu operated a youth hostel next to the West Lake in Hangzhou, Zhejiang province where they explored the opportunity of setting up a business venture in food and beverage industry focusing on innovative modern Chinese fusion cuisine. Please refer to section headed "Directors and Senior Management – Directors – Executive Directors" for the relevant industry experience of Mr. Wang and Ms. Lu.

Over the years, we have gradually expanded our restaurants, covering 21 provinces, four municipalities and two autonomous regions in the PRC, as well as Hong Kong SAR. As of the Latest Practicable Date, our restaurant network consisted of 493 restaurants, covering Hong Kong SAR, as well as all tier one cities, 15 new tier one cities, 31 tier two cities, and 90 tier three cities and below in the PRC.

BUSINESS MILESTONE

The following is a summary of our key business development milestones since our inception:

Year	Event
2008	We established our first Green Tea restaurant in Hangzhou, Zhejiang province
2009	Our Green Tea restaurant was awarded 2009 Top 50 Most Popular Restaurant (2009年度最受歡迎餐廳 Top 50) by Dianping.com (大眾點評)
2010	We opened our first Green Tea restaurant in Beijing, China and started building our presence in tier one cities of China
2011	We opened our first Green Tea restaurant in Shanghai, China
2013	We opened our first Green Tea restaurant in Shenzhen, China
2015	Our Green Tea restaurant was awarded 2015 Top 10 Creative Culture Restaurants (2015年度(「中國服務」)十佳創意文化餐廳) by Chinese Culinary Association
2018	We opened our 100th Green Tea restaurant in Mainland China

Year	Event
2020	"Green Tea" brand was recognized as "Top 50 Most Influential Chain Brand in China" (中國連鎖品牌影響力50強) by Committee of Development of China Brand Chain Conference (中國品牌連鎖發展大會委員會)
2021	We were recognized as Dianping's "Must-Eat List" Restaurants (大眾點評"必吃榜"餐廳) by Dianping.com (大眾點評)
2023	We were awarded Meituan Waimai Best Category Innovation Award of the Year of 2022 (美團外賣年度最佳品類創新獎) by Meituan Waimai (美團外賣)
2023	We were recognized as "Consumer's Favorite Brand" (消費者青睞品牌) by Meituan (美團)
2024	We were awarded Red Eagle Award – Top 100 Catering Brands in 2024 (紅鷹獎2024年度餐飲品牌力百強) by Hong Can Industry Research Institute (紅餐產業研究院)
2024	We were recognized as "Annual Influential Brand" (年度影響力品牌) by Meituan (美團)

INFORMATION ON MEMBERS OF OUR GROUP

As of the Latest Practicable Date, we have a total of 402 intermediate holding companies and subsidiaries in the PRC, the Republic of Seychelles and Hong Kong SAR. We set forth below information on our subsidiaries that made material contribution to our results of operations during the Track Record Period:

	Name of subsidiary	Date of establishment	Place of establishment	Ownership as of the date of this prospectus	Principal business activities
1.	HK Green Tea Group	August 21, 2015	Hong Kong SAR	100%	Investment holding
2.	Hangzhou Dinghuan	March 27, 2017	PRC	100%	Restaurant operations
3.	Green Tea WFOE	December 23, 2015	PRC	100%	Investment holding

	Name of subsidiary	Date of establishment	Place of establishment	Ownership as of the date of this prospectus	Principal business activities
4.	Tibet Green Tea F&B	March 30, 2016	PRC	100%	Restaurant operations
5.	Zhejiang Lvqin	December 29, 2020	PRC	100%	Food procurement

We describe below the major changes in the shareholding of our Company and our material operating subsidiaries up to the date of this prospectus:

Our Company

Our Company is the holding company of our Group. Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on June 4, 2015. At the time of incorporation, our Company had an authorized share capital of US$50,000 divided into 50,000 ordinary shares of a nominal or par value of US$1.00 each. On July 9, 2015, one ordinary share of our Company was issued and allotted to an initial subscriber, who on the same day transferred the same to Time Sonic. On July 9, 2015, our Company allotted and issued 9,999 ordinary shares, each with a par value of US$1.00, at par to Time Sonic.

Since the incorporation of our Company, we have completed one round of Strategic Investment. On May 25, 2017, our Company repurchased 2,688 ordinary shares from Time Sonic for an aggregate consideration of US$2,688.0 which was paid out of the proceeds from the issuance of new Series-A Preferred Shares to Time Sonic (the "**Repurchase**") as described below. Upon completion of the Repurchase, the repurchased shares were cancelled. On the same date following the Repurchase, the authorized share capital of US$50,000 was re-designated and divided into 46,867 ordinary shares of a nominal or par value of US$1.00 each and 3,133 Series-A Preferred Shares of a nominal or par value of US$1.00 each (the "**Re-designation**").

After the Re-designation on May 25, 2017, pursuant to the Strategic Investment, 2,688 and 445 Series-A Preferred Shares were issued and allotted to Time Sonic and Partners Gourmet with a consideration of US$2,688.0 and US$10,036,686.7, respectively. On the same date, Time Sonic transferred 2,688 Series-A Preferred Shares to Partners Gourmet with a consideration of US$60,594,465.7 which was determined based on arm's length negotiations between the parties after taking into account the then operating results and prospect of our business and operating entities. Upon completion of the Strategic Investment, a total of 7,312 ordinary shares and 3,133 Series-A Preferred Shares were held by Time Sonic and Partners Gourmet, accounting for approximately 70.0% and 30.0% of the equity interests in our Company, respectively. For further details, see the paragraphs headed "Strategic Investment" and "Reorganization" in this section.

On March 22, 2021, in preparation of the Listing, each ordinary share of par value US$1.00 each was sub-divided into 50,000 Shares of par value US$0.00002 each, and each Series-A Preferred Share with a par value of US$1.00 each was subdivided into 50,000 Series-A Preferred Shares with a par value of US$0.00002 each. Accordingly, the authorized share capital of the Company comprises 2,343,350,000 Shares with a par value of US$0.00002 each and 156,650,000 Series-A Preferred Shares with a par value of US$0.00002 each.

HK Green Tea Group

HK Green Tea Group was incorporated in Hong Kong SAR with limited liability on August 21, 2015. Upon incorporation, 10,000 shares were issued and allotted to Everlasting Thrive Limited. As of the Latest Practicable Date, HK Green Tea Group was wholly owned by Everlasting Thrive Limited. During the Track Record Period, our Company has exercised control over Everlasting Thrive Limited.

Hangzhou Dinghuan

Hangzhou Dinghuan was established as a limited liability company in the PRC on March 27, 2017 with a registered capital of RMB10.0 million and was wholly owned by HK Green Tea Group. As of the Latest Practicable Date, Hangzhou Dinghuan was wholly owned by HK Green Tea Group.

Green Tea WFOE

Green Tea WFOE was established as a wholly foreign-owned in the PRC on December 23, 2015 with a registered capital of RMB0.5 million and was wholly owned by HK Green Tea Group. The registered share capital was increased to RMB10.0 million by injection of additional capital by HK Green Tea Group in July 12, 2018. As of the Latest Practicable Date, Green Tea WFOE was wholly owned by HK Green Tea Group.

Tibet Green Tea F&B

Tibet Green Tea F&B was established as a limited liability company in the PRC on March 30, 2016 with a registered capital of RMB10.0 million and was wholly owned by Green Tea WFOE. The registered capital of Tibet Green F&B was increased to RMB20.0 million in April 13, 2017 by injection of additional capital of RMB10.0 million by Hangzhou Dinghuan. As a result of the above capital injection, Tibet Green Tea F&B was owned by Hangzhou Dinghuan and Green Tea WFOE as to 50.0% and 50.0%, respectively. The registered capital of Tibet Green F&B was increased to RMB20.4 million in February 27, 2023 by injection of additional capital of RMB408,200 by Hangzhou Dinghuan. As a result of the above capital injection, Tibet Green Tea F&B was owned by Hangzhou Dinghuan and Green Tea WFOE as to 51.0% and 49.0%, respectively. As of the Latest Practicable Date, Tibet Green Tea F&B was held as to 51.0% by Hangzhou Dinghuan and as to 49.0% by Green Tea WFOE.

Zhejiang Lvqin

Zhejiang Lvqin was established as a limited liability company in the PRC on December 29, 2020 with a registered capital of RMB10.0 million and was owned by Tibet Green Tea Enterprise and Shenzhen Green Tea Trading as to 99.9% and as to 0.1%, respectively. As of the Latest Practicable Date, Zhejiang Lvqin was held as to 99.9% by Tibet Green Tea Enterprise and 0.1% by Shenzhen Green Tea Trading.

Major Acquisitions and Disposals

We did not conduct any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

STRATEGIC INVESTMENT

Pursuant to the subscription and purchase agreement dated January 17, 2017 ("**Subscription and Purchase Agreement**") entered into among our Company, Time Sonic, our Controlling Shareholders and Partners Gourmet, Time Sonic transferred 2,688 Series-A Preferred Shares, representing approximately 25.74% of the then total issued shares of our Company on a fully diluted basis after the completion of subscription, to Partners Gourmet and our Company issued 445 Series-A Preferred Shares, representing approximately 4.26% of the then total issued shares of our Company on a fully diluted basis after the completion of subscription. After the transfer and the subscription, our Company was held as to approximately 30.0% by Partners Gourmet.

Principal Terms of the Strategic Investment

The following table sets out a summary of the principal terms of the equity investment by Partners Gourmet:

Completion of the subscription and payment date of the consideration	:	May 25, 2017
Amount of consideration paid	:	USD70,631,152.4

Basis of determining the consideration	:	The consideration was determined based on arm's length negotiations between Partners Gourmet, our Company and the Controlling Shareholders after taking into consideration the then consolidated operating results from 2013 to 2016, the scale of operation of our Company, enterprise value to EBITDA multiples with reference to comparable private and public companies in the market, and prospect of our business and operating entities. Such valuation has not been assessed by any third party.
Cost per Share paid(1)	:	USD0.45
Discount to the Offer Price	:	51.6%
Shareholding in the Company immediately after the investment	:	Approximately 30.0%
Shareholding in the Company immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised)	:	Approximately 15.76%
Use of strategic investment proceeds	:	The proceeds are intended to be utilized towards our general working capital and expansion of restaurant network. As of the Latest Practicable Date, all of the proceeds from the strategic investments had been utilized.
Strategic benefits to the Company	:	Our Directors are of the view that our Company would benefit from the additional capital provided by Partners Gourmet in our Company and their investments serve as an endorsement of our Company's strength and prospects.

Note:

(1) The approximate cost per Share is calculated based on the amount of consideration paid by Partners Gourmet divided by the number of Shares to be held by it as at the date of this prospectus.

Special Rights Granted to Partners Gourmet

With respect to the Strategic Investment, Partners Gourmet has been granted certain special rights in relation to our Company, including, rights of first refusal, right of first offering, co-sale rights, information rights and inspection rights, nomination rights, veto rights on certain matters relating to our Group and redemption rights. The redemption rights shall terminate and be of no further force or effect immediately before the Company submits its application for the listing of our Shares on the Stock Exchange (the "**Submission**"), provided in the event where the Submission is withdrawn, rejected, lapses and is not renewed within a prescribed period of time, or the Company fails to consummate the Global Offering, such redemption rights shall automatically be reinstated in full. All other special rights will be terminated automatically upon completion of the Global Offering.

Each Series-A Preferred Share will be converted into one ordinary Share of US$0.00002 par value pursuant to Preferred Shares Conversion.

Information about Partners Gourmet

Partners Gourmet was incorporated under the laws of Cayman Islands on December 8, 2016, and was an investment holding company jointly owned by Partners Group Global Value SICAV (tradable fund, no limited partners) as to 32.2%, Partners Group Barrier Reef, L.P. (with one general partner and one limited partner) as to 31.8%, Partners Group Global Value 2014 (EUR) S.C.A., SICAR (with one general partner and 23 limited partners) as to 13.2%, SEDCO Partners Group Opportunities Fund, L.P. (with one general partner and two limited partners) as to 12.8%, Partners Group Global Growth 2014, L.P. Inc. (with one general partner and 18 limited partners) as to 4.3%, Partners Group Emerging Markets 2015, L.P. Inc. (with one general partner and 13 limited partners) as to 4.3%, and Partners Group Access 564 L.P. (with 74 limited partners) as to 1.4%, which are investment vehicles managed and/or advised by entities ultimately controlled by Partners Group. Partners Group is a global private market investment manager listed on the SIX Swiss Exchange and has approximately USD152 billion in assets under management as of December 31, 2024. Its investment sector coverage includes private equity, private debt, private real estate and private infrastructure. Other than its strategic investment in our Company, Partners Group has also invested in (i) a chain retailer that offers a one-stop solution of baby products, (ii) a service provider that engages in design, manufacturing and installation of retail display fixtures, and (iii) a cross-border logistics service provider, in the PRC.

We became acquainted with Partners Group in 2015 through introduction by private equity investment team of Partners Group through their professional network. After its assessment of the restaurant industry in Mainland China in 2015 and various meetings with our Directors over the course of two years, Partners Gourmet decided to invest in our Company after taking in account (i) the *Green Tea* brand reputation with nationwide coverage; (ii) standardized and scalable business model; and (iii) the strong fit and aligned objectives between our Company and Partners Group. Following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Partners Gourmet will be interested in 106,140,800 Shares, representing approximately 15.76% of the total number of our Shares in issue. As Partners Gourmet will be a substantial shareholder of our Company, hence the Shares held by Partners Gourmet will not be treated as part of the public float of our Company following Listing for the purpose of Rule 8.08 of the Listing Rules. Partners Gourmet will be subject to a lock-up period of six months after Listing. The share price offered to Partners Gourmet was substantially lower than the Offer Price because the then scale of operation of our Company was relatively smaller with a total of 61 restaurants in 2016, and has reflected the equity risk assumed by Partners Gourmet in investing in an unlisted company. Although the share price offered to Partners Gourmet was substantially lower than the Offer Price and the valuation has not been assessed by any third party, the Directors consider that the basis of determination of the consideration was fair and reasonable as the valuation was determined based on earnings before interest, taxes and amortization (EBITDA) of the Company in 2016 and enterprise value to EBITDA multiples with reference to comparable private and public companies. Our Company, having taken into consideration that (i) the strategic investment and the additional expertise would be beneficial to the future business development at the prevailing time; (ii) the Listing is conditional and may or may not go forward; (iii) the equity risk assumed by Partners Gourmet in investing in an unlisted company; and (iv) the basis of determination of the consideration as disclosed above, believes that despite the significant discount to the Offer Price, it is in our commercial interests to enter into the strategic investment.

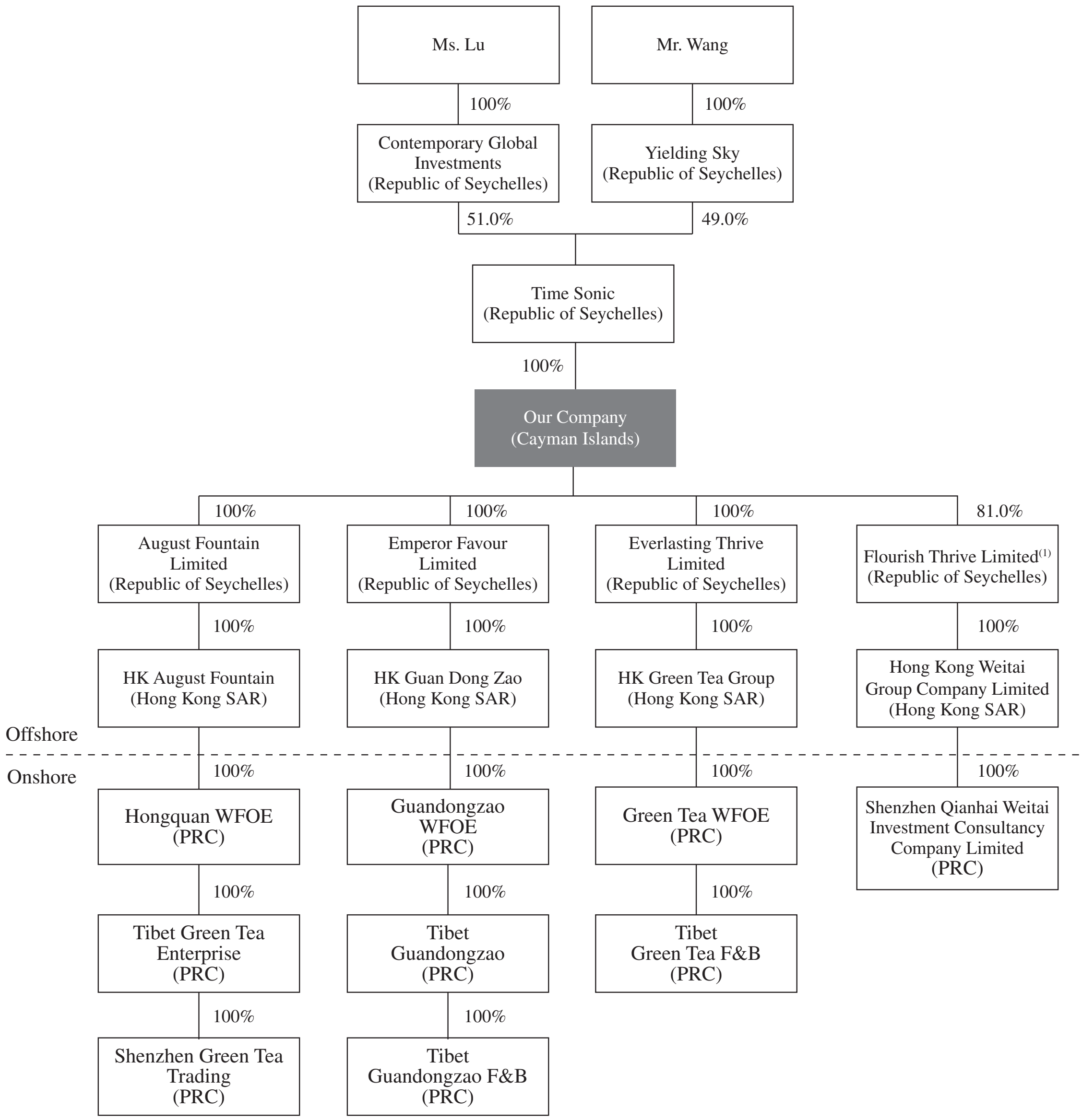
Compliance with the Guide

The Joint Sponsors have confirmed that the terms of the strategic investment as described above are in compliance with the Chapter 4.2 under the Guide.

REORGANIZATION

In anticipation of the Listing, we underwent the Reorganization pursuant to which our Company became the holding company and listing vehicle of our Group.

Set forth below is a diagram of our corporate structure immediately before the Reorganization:



Note:

(1) The remaining 10.0% and 9.0% equity interest in Flourish Thrive Limited was ultimately held by Mr. Shen Lian and Mr. Zhou Hailong, all of which were independent third parties, respectively.

We underwent the following steps in effecting the Reorganization:

1. Acquisition and subscription of Series-A Preferred Shares by Partners Gourmet

On January 17, 2017, our Company, Time Sonic, Mr. Wang, Ms. Lu and Partners Gourmet entered into a subscription and purchase agreement for the transfer and subscription of Series-A Preferred Shares of our Company. See "Information on Members of our Group – Our Company" and "Strategic Investment" above for further details.

2. Establishment of Hangzhou Dinghuan and increase of registered capital in Tibet Green Tea F&B by Hangzhou Dinghuan

Please see paragraph headed "Information on Members of our Group – Hangzhou Dinghuan" and "Information on Members of our Group – Tibet Green Tea F&B" above for more details.

3. Disposal of Flourish Thrive

As part of the Reorganization, in order to simplify our corporate structure, our Group had disposed of Flourish Thrive, which is an investment holding company and incorporated under the laws of Seychelles that had no business operations. Pursuant to the share purchase agreement dated December 31, 2017, George Eugene Dent III, an independent third party, purchased 81.0% equity interest in Flourish Thrive from our Company at a nominal consideration of US$1.00 which was determined based on arm's length negotiation among the parties as Flourish Thrive did not have any business operation. After the completion of the said transfer on December 31, 2017, Flourish Thrive ceased to be a subsidiary of our Company and no longer formed part of our Group.

4. Establishment of Green Tea Family Trust

Green Tea Family Trust was established by Mr. Wang and Ms. Lu as the settlors and Vistra Trust as the trustee. On March 5, 2021, Time Sonic allotted and issued 11,988,000 shares at par value of US$1.00 each to Absolute Smart Ventures, which is wholly owned by East Superstar, representing 99.9% of the share capital of Time Sonic. East Superstar is wholly owned by Vistra Trust. Green Tea Family Trust is a discretionary trust and the beneficiaries of which are Yielding Sky, a wholly-owned holding company of Mr. Wang, and Contemporary Global Investments, a wholly-owned holding company of Ms. Lu.

5. Establishment of onshore PRC subsidiaries

Since November 19, 2020, we have established 280 onshore PRC subsidiaries mainly to conduct restaurant operations. Please see note 13 to Accountants' Report set forth in Appendix I for further details and particulars of the onshore PRC subsidiaries which principally affected the results, assets or liabilities of the Group.

Under the Green Tea Family Trust, certain discretions of Vistra Trust as the trustee are only exercisable by it at the direction of the respective settlors, namely Mr. Wang and Ms. Lu. Based on the terms of the trust deed, for so long as Vistra Trust holds or controls any Shares, all voting rights attaching to such Shares shall be exercised by Mr. Wang and Ms. Lu and/or such other person(s) as Mr. Wang and Ms. Lu may wish to appoint.

As confirmed by our PRC Legal Advisers, we have obtained and completed all necessary approvals and/or registrations in all material aspects from the relevant PRC regulatory authorities in respective of the steps of the Reorganization as to PRC laws in relation to our PRC subsidiary as described above.

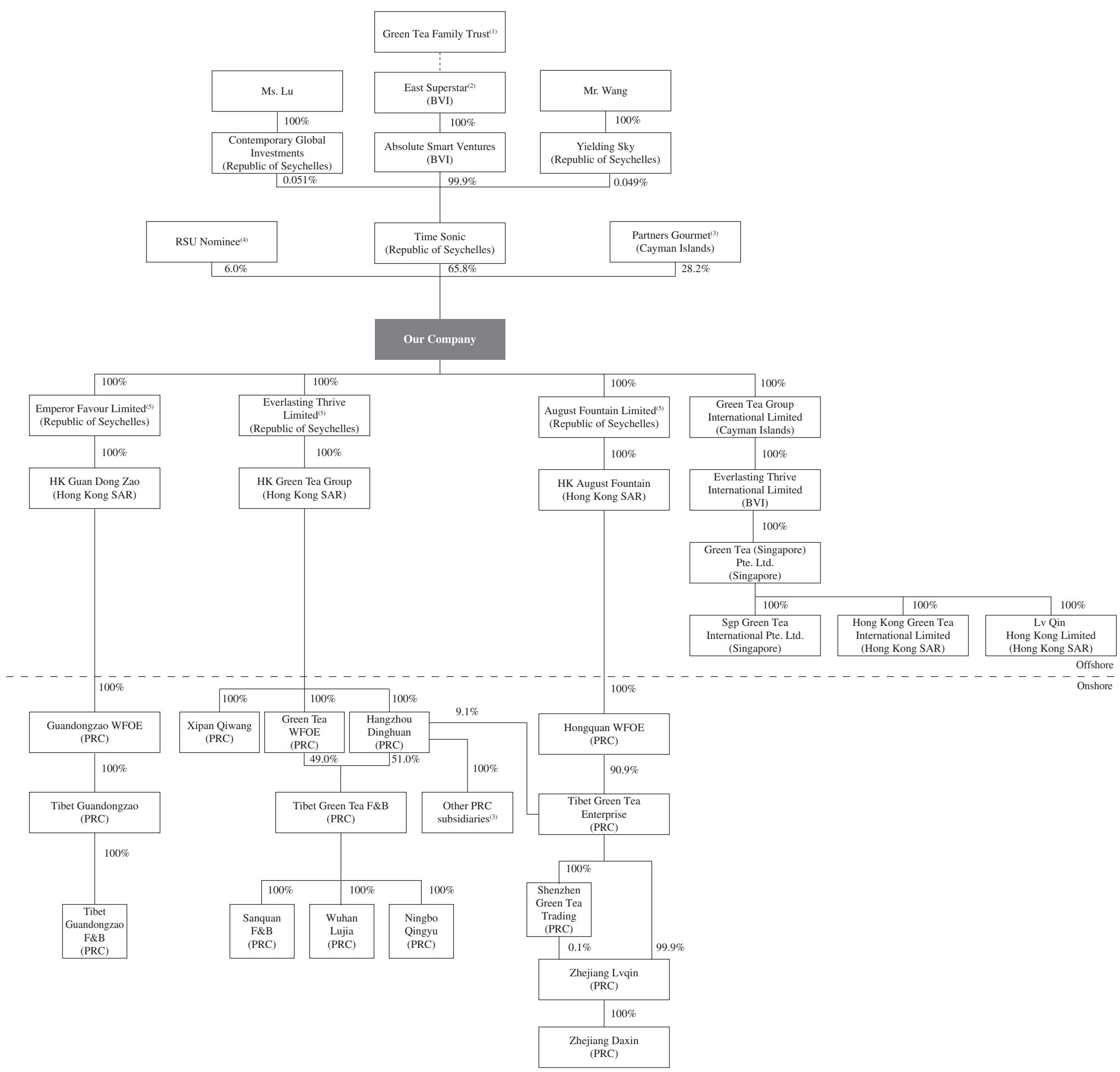
RSU SCHEME

We adopted the RSU Scheme on February 28, 2020, which was further amended and approved on May 20, 2022 and April 30, 2025, respectively to motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests of the Company. Longjing Memory Limited (the "**RSU Nominee**") was established in the BVI for the purpose of holding Shares for grant under the RSU Scheme. On March 1, 2021, our Company entered into a trust deed (the "**Trust Deed**") with The Core Trust Company Limited (the "**RSU Trustee**"), pursuant to which the RSU Trustee has agreed to act as the trustee to administer the RSU Scheme and to hold the Shares underlying the RSU Scheme through the RSU Nominee. On March 17, 2021, the Company issued 667 ordinary shares to the RSU Nominee, and subsequently on March 22, 2021, each ordinary shares of par value US$1.00 each was sub-divided into 50,000 Shares of par value US$0.00002 each. As a result, 33,350,000 ordinary Shares were held by the RSU Nominee, representing approximately 4.95% of the total issued share capital of our Company upon the completion of the Global Offering. RSU Nominee will be ultimately beneficially owned by the eligible participants under the RSU Scheme upon vesting and exercise of the RSUs under the RSU Scheme, including employees, Directors or officers of the Company or any of its subsidiaries or any eligible person as maybe designated by the Board who receive an award under the RSU Scheme. The Shares held by the RSU Nominee will not be counted towards the public float of our Company upon Listing. For details, please see section headed "Statutory and General Information – D. Share Incentive Scheme" in Appendix IV to this prospectus. Our Company will issue announcements according to applicable Listing Rules, disclosing particulars of any RSUs granted under the RSU Scheme, including the date of grant, number of Shares involved, the vesting period, the appointment and arrangement with the Trustee and comply with Chapter 14A and Chapter 17 of the Listing Rules.

Partners Gourmet exerted its influence on our Company as a passive investor primarily through Mr. Liu Sheng, our non-executive Director, Ms. Xu Ruijie, our non-executive Director, Mr. Tao Ye, our former non-executive Director, and Mr. Tim Pihl Johannessen, our former non-executive Director, who have been appointed since May 2017, since December 2023, from September 2021 to December 2023, and from May 2017 to September 2021, respectively, and as board representatives of Partners Gourmet, they were not involved in the day-to-day management of our Company and were responsible for providing strategic guidance and specialist advice. Accordingly, there was no material change in Partners Gourmet's influence on our management and the actual dynamics between Partners Gourmet, our Controlling Shareholders and the management team of our Company during the Track Record Period. Based on the above, our Directors are of the view that the decrease in Partners Gourmet's shareholding upon establishment of the RSU Scheme to approximately 28.2% does not affect the Company's ownership continuity under Rule 8.05(1)(c) of the Listing Rules. Based on the reasoning above, the Joint Sponsors agree with the Directors' view above.

CORPORATE STRUCTURE IMMEDIATELY BEFORE THE GLOBAL OFFERING

Set forth below is our corporate structure upon completion of the Reorganization and immediately before completion of the Global Offering:



Notes:

(1) A discretionary trust established by Mr. Wang and Ms. Lu as the settlors, with Vista Trust as trustee and with Yielding Sky and Contemporary Global Investments as the beneficiaries.

(2) East Superstar is wholly owned by Vistra Trust, the trustee of the Green Tea Family Trust.

(3) Partners Gourmet mortgaged all its Shares as security for a term loan facility provided by J.P. Morgan SE.

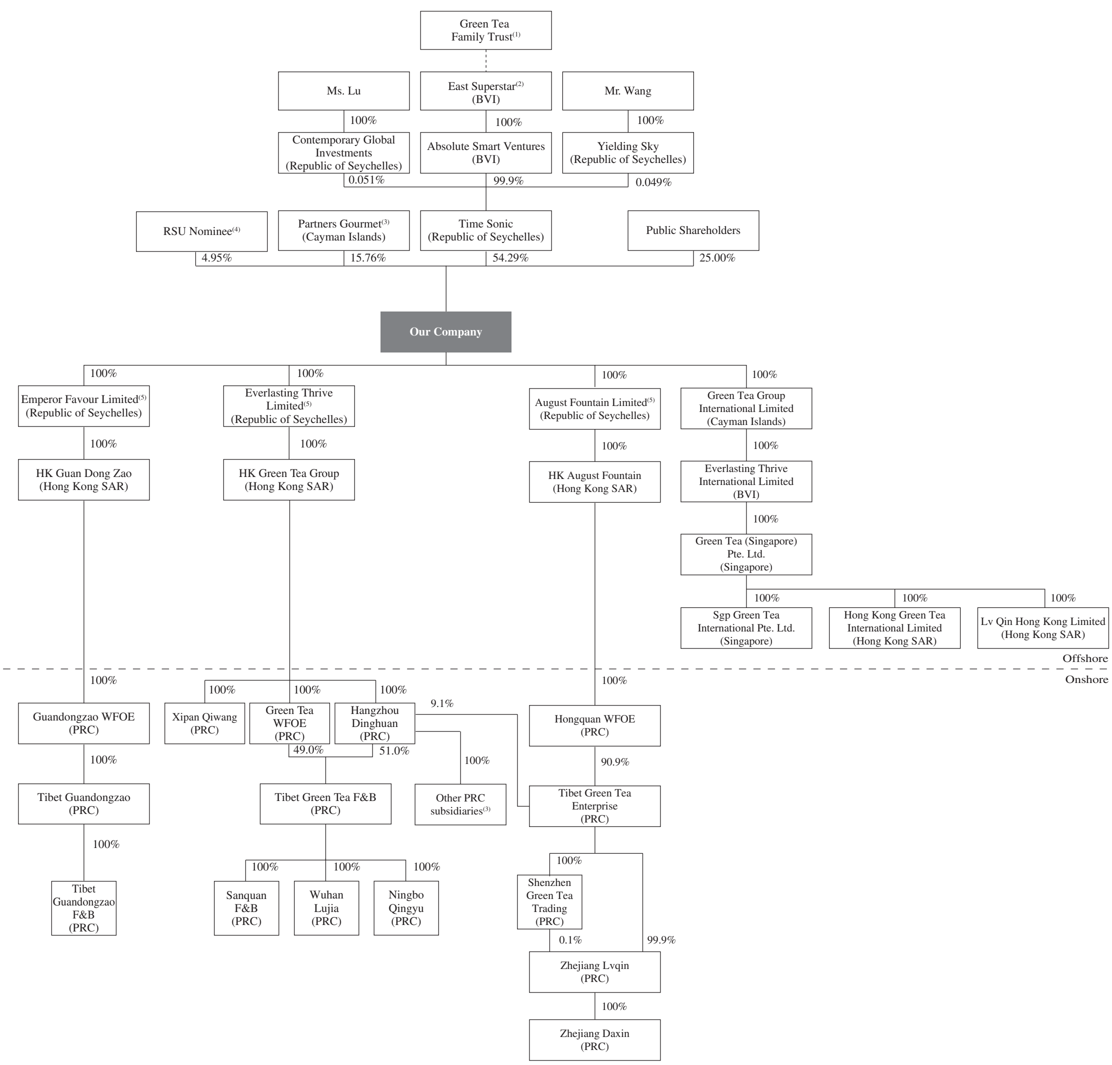
(4) RSU Nominee was held by RSU Trustee for the benefit of the eligible participants under RSU Scheme as of the Latest Practicable Date.

(5) These subsidiaries are investment holding companies of our Group and our Company incorporated these subsidiaries in the Republic of Seychelles due to lower set up and administrative cost. As of the Latest Practicable Date, other than restaurants in Hong Kong SAR, our Group did not have any overseas business and operation.

(6) Please see section headed "Accountants' Report" in Appendix I for further details and particulars of our other PRC subsidiaries which principally affected the results, assets or liabilities of the Group.

CORPORATE STRUCTURE UPON COMPLETION OF THE GLOBAL OFFERING

Set forth below is our corporate structure immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised):



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(6) Please see section headed "Accountants' Report" in Appendix I for further details and particulars of our other PRC subsidiaries which principally affected the results, assets or liabilities of the Group.

PRC REGULATORY REQUIREMENTS

Reorganization of the Domestic Equity Companies of the Proposed Listed Company

In accordance with the Rules on the Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**") which was promulgated by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation of PRC, the State Administration for Industry and Commerce of PRC, China Securities Regulatory Commission and the State Administration of Foreign Exchange of PRC, which took effect on September 8, 2006 and was subsequently amended on June 22, 2009 by the MOFCOM, a foreign investor was required to obtain necessary approvals when (i) a foreign investor acquires equity in a domestic non-foreign invested enterprise thereby converting it into a foreign-invested enterprise, or subscribes for new equity in a domestic enterprise via an increase of registered capital thereby converting it into a foreign-invested enterprise; or (ii) a foreign investor establishes a foreign-invested enterprise which purchase and operates the assets of a domestic enterprise, or which purchases the assets of a domestic enterprise and injects those assets to establish a foreign-invested enterprise.

According to Article 11 of the M&A Rules, where a domestic company or enterprise, or a domestic natural person, through an overseas company established or controlled by it/him, acquires a domestic company which is related to or connected with it/him, approval from Ministry of Commerce of PRC is required. Parties are not allowed to circumvent M&A Rules through domestic investments by a foreign-invested enterprise. However, the indirect investments of the proposed listed company to establish the domestic equity companies does not fall in the Article 11 of the M&A Rules, and therefore is no need to obtain approval, permission or other approval procedures from the China Securities Regulatory Commission and the Ministry of Commerce.

Overseas Investments by Domestic Residents

Pursuant to the Circular on Relevant Issues concerning Foreign Exchange Administration of Overseas Investment and Financing and Return Investments Conducted by Domestic Residents through Overseas 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》, promulgated by SAFE and which became effective on July 4, 2014, a PRC resident shall apply for going through procedures for foreign exchange registration of overseas investments with the local SAFE branch before he or she contributes his or her legal domestic or overseas assets or equity interests to an overseas special purpose vehicle.

Pursuant to the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies 《關於進一步簡化和改進直接投資外匯管理政策的通知》(the "**Circular 13**"), which was promulgated on February 13, 2015 and with effect from June 1, 2015, the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment is directly reviewed and handled by banks in accordance with the Circular 13 and the attached Foreign Exchange Business Guidelines for the Direct Investment under Capital Accounts (Bank Version) (《資本項目直接投資外匯業務操作指引》(銀行版)), and the SAFE and its branches shall perform indirect regulation over the foreign exchange registration via banks.

As advised by our PRC Legal Adviser, Mr. Wang and Ms. Lu have duly completed the relevant registrations as required under SAFE Circular No. 37 and Circular 13.

OVERVIEW

We are a well-known operator of casual Chinese restaurants in Mainland China. We create customer value by providing fusion cuisine at accessible price points and decoration inspired by Chinese traditional culture. With this vision, we opened our first *Green Tea* restaurant in 2008 by the beautiful West Lake in Hangzhou, and have built a nationwide restaurant network consisting of 493 restaurants and covering 21 provinces, four municipalities and two autonomous regions in the PRC, as well as Hong Kong SAR as of the Latest Practicable Date. We ranked third in terms of number of restaurants and fourth in terms of revenue among casual Chinese restaurant brands in Mainland China in 2024, according to the CIC Report. According to the CIC report, casual Chinese cuisine restaurant market is highly fragmented due to a large number of market participants, and we had a market share of 0.7% in 2024. In addition, according to the CIC report, casual Chinese cuisine restaurants have an average spending per guest in the range of RMB50 to RMB100.

The vision for *Green Tea* restaurants was conceived by our co-founders, Mr. Wang Qinsong (王勤松) and Ms. Lu Changmei (路長梅), during their days of managing Green Tea Youth Hostel, which they established near the West Lake of Hangzhou in 2004. Surrounded by beautiful tea farms, the hostel attracted backpackers from across Mainland China and the rest of the world. As our co-founders came to know their diverse guests, they gradually realized that fusion cuisine was best suited to their restaurant. Therefore, they started to experiment with fusion food and developed several popular dishes, such as roasted chicken and grilled shrimp. Besides the food, guests loved the hostel restaurant because of its beautiful views of natural sceneries. As the restaurant primarily served young backpackers, the menu items were offered at accessible prices. The hostel restaurant was highly popular and became the prototype for *Green Tea* restaurants.

Today, we operate a nationwide restaurant network, and we have remained true to our original vision. Leveraging the flexibility of Chinese fusion cuisine, we regularly update our menu to refresh and enhance our guests' dining experience. We infuse the timeless elements of Chinese traditional art and natural landscape into the decoration of our restaurants, offering a dining experience that differentiates us from other casual restaurants. We also firmly believe that gourmet should not be a privilege, and we have kept our menu items at accessible prices.

Fusion food, restaurant decoration, accessible pricing and close focus on food safety have been the recipe for our success. We will keep applying this recipe to each of our restaurants.

Restaurant Network Expansion

Our restaurant network experienced substantial growth during the Track Record Period. Our total restaurants increased from 276 as of December 31, 2022 to 465 as of December 31, 2024, representing a CAGR of 29.8%. The number of our restaurants in operation further increased to 493 as of the Latest Practicable Date. During the Track Record Period, we primarily focused on establishing our market presence in three key regions, namely Eastern China, Guangdong province and Northern China, which are the major economic centers of Mainland China. We took advantage of our brand reputation in these regions and opened new restaurants in districts with high pedestrian traffic. We also opened a number of restaurants in other regions during the Track Record Period as part of our effort to understand the market conditions and customer preferences in such regions. We expect such effort will serve as a foundation for our future expansion in these new markets. In addition to different geographical regions, we also focused on penetrating the market in each region by developing our market presence in tier two, tier three and lower tier cities. During the Track Record Period, we opened a total of 158 restaurants in tier two, tier three and lower tier cities.

We opened 120 new restaurants in 2024 and we plan to open 150, 200 and 213 new restaurants in 2025, 2026 and 2027, respectively. We aim to increase our market share by further penetrating our existing markets as well as expanding our business into new markets.

Results of Operations

In 2022, our results of operations were affected by the impact of the COVID-19 pandemic, the relevant restrictive measures imposed by the relevant government authorities and the business strategies we deployed in response to the COVID-19 pandemic. Our revenue increased by 51.1% from RMB2,375.5 million in 2022 to RMB3,589.2 million in 2023, primarily attributable to (i) the strong recovery of our customer traffic due to a significant surge in consumer spending in the first half of 2023 following the easing of government-imposed restrictions related to COVID-19 in December 2022 and (ii) an increase in the number of our restaurants in operation due to our restaurant expansion. Our revenue also increased by 6.9% from RMB3,589.2 million in 2023 to RMB3,838.2 million in 2024, primarily attributable to an increase in the number of our restaurants in operation. In addition, as a result of our successful operation, we recorded net cash generated from operating activities of RMB347.6 million, RMB793.2 million and RMB734.0 million in 2022, 2023 and 2024, respectively.

COMPETITIVE STRENGTHS

Well-known and fast-growing operator of casual Chinese restaurants in Mainland China

We are a well-known operator of casual Chinese restaurants in Mainland China. Our iconic *Green Tea* brand is synonymous with a refreshing dining experience that combines Chinese fusion cuisine with decoration inspired by Chinese traditional culture, which resonates well with consumers across Mainland China. We ranked third in terms of number of restaurants and fourth in terms of revenue among casual Chinese restaurant brands in Mainland China in 2024, according to the CIC Report.

Our fusion cuisine offerings are designed to address Mainland China's entire casual Chinese cuisine restaurant market, which had a size of RMB534.7 billion in 2024 and is expected to grow at a CAGR of 9.1% from 2024 to 2029. Our Chinese fusion concept provides us with a competitive edge and enables us to satisfy diverse customer preferences and tastes in different regions and age groups. Because of our origin from Hangzhou, our menu is influenced by Hangzhou and Zhejiang cuisine, and we also draw inspirations from other parts of Mainland China, as well as cuisines from across the world. For example, *Green Tea Roasted Chicken* (綠茶烤雞) has been our signature dish since the early days of our business. Based on both Chinese and Western culinary techniques, the dish was an instant success and remains highly popular among guests of all age groups. Our focus on Chinese fusion cuisine also offers us a competitive advantage in geographic expansion, as we have the flexibility to localize our menu when entering into a new region. For example, we introduced *Sautéed Beef with Cold Noodles* (小炒牛肉拌粉) to our restaurants in Nanchang, and the dish is inspired by a popular local street food. Leveraging our flexible menu, we have built a nationwide restaurant network, with strong presence in Eastern China, Guangdong province and Northern China, which are the major economic centers of Mainland China. Our restaurants can also be found in all other major geographic regions of Mainland China, such as Harbin in the northeast, Lanzhou in the west, Kunming in the southwest, Zhengzhou and Wuhan in central China and the satellite cities of these major cities. In addition, we have developed a variety of designs for restaurants of different sizes and layouts, which makes us well positioned to occupy new sites across Mainland China.

As a result of our Chinese fusion concept and refreshing dining experience, we were able to significantly expand our restaurants from 276 as of December 31, 2022 to 493 as of the Latest Practicable Date.

Fusion menu offerings and value-for-money experience to attract a broad base of customers

We are dedicated to bringing fusion menu items to customers at accessible price points, and we have lived up to this aspiration since our inception. As a result of such longstanding dedication and our Chinese fusion concept, our *Green Tea* brand has become a household name in the casual Chinese cuisine restaurant market. We have strategically designed our menu to achieve an average spending per guest of approximately RMB50 to RMB70. Our value-for-money pricing positions us well in competing in the casual Chinese cuisine restaurant market.

Guests looking for a quick and light lunch during weekdays, or a proper dinner for friends and family gatherings, or business meals with clients can all find a pleasant experience in our restaurants. We tailor our menu and pricing based on different local conditions, with the goal of maintaining our competitive advantage in value-for-money pricing. Our flexible pricing strategy enhances our ability to expand into tier two, tier three and lower tier cities, where the catering market has demonstrated stronger growth as compared with tier one cities.

When designing our menu items, we enjoy the full freedom to draw inspirations from regional cuisines in Mainland China and other parts of the world. In the meantime, we respect China's culinary traditions to ensure the popularity of our food. As a result of our balance between innovation and tradition, we are able to create food that satisfies the evolving preferences of our diverse customer base. Our guests come from all age groups, and we have something for everyone to enjoy. For example, young children may find our *Bread Temptation* (麵包誘惑) irresistible, while our *Stone Pot Tofu with Chicken Soup* (石鍋雞湯豆腐) is particularly popular among elderly guests. Our Chinese fusion model also provides us with the flexibility to adjust our menu based on price and availability of ingredients, thereby enabling us to maintain food quality, achieve robust financial performance and enhance our adaptability in expanding in new markets. Typically, each of our restaurants offers 50 to 80 menu items, which mainly consist of signature dishes, appetizers, soups, main courses, vegetable dishes, desserts and beverages.

Our strong menu development capability has been the engine of our growth. We have devoted significant resources to menu development. Our menu development team is directly led by our co-founder and chairman, Mr. Wang Qinsong (王勤松), and the team members have over 17 years of experience in the catering industry on average. We also engage external consultants, including award-winning chefs, to develop new menu items for us and advise on menu improvement. While some recipes are designed for our nationwide restaurant network, others are developed by our restaurant staff, which cater to local tastes.

Our menu development efforts are informed by analysis of market data. We analyze sales results and other data collected from restaurants to understand our target guests from different regions and their food preferences. In addition, we constantly experiment with different elements to enhance our menu and continuously drive growth in customer flow and revenue. For example, we incorporate traditional Chinese medicine concepts into our menu and roll out dishes that suit the philosophies of traditional Chinese medicine. We typically engage in four menu development cycles each year, with each cycle taking three to four months and consisting of key steps including project proposal, committee approval and trial launch. We follow a rigorous menu development process to ensure the quality of our menu items. Our tasting committee evaluates dishes proposed by our menu development team based on visual presentation, taste, profitability, marketability, preparation process and other relevant factors and then selects the new items that will be launched at selected restaurants on a trial basis. If a new item does not generate satisfactory sales results after the trial launch, our menu development team will typically adjust the recipe based on customer preferences or take it off our menu. We usually update around 20% of our menu items each year, and we introduced 172, 168 and 203 new menu items in 2022, 2023 and 2024, respectively.

In addition to bringing culinary delights to our guests, our menu development efforts are also guided by certain pragmatic principles. We develop our menu around ingredients that meet our rigorous food safety standards and can be procured from stable sources. Furthermore, we focus on developing menu items that can be prepared through standardized procedures. Such practical approach ensures the consistency in food quality as well as the highest standard of food safety throughout our restaurant network.

Dining environment infused with elements of Chinese traditional art to build our iconic brand and strong customer traffic

Our mission is to establish a warm and compassionate brand image and offer a comfortable dining environment for our guests. We believe in the lasting and universal appeal of tradition and nature. Therefore, we infuse the timeless elements of Chinese traditional art and natural landscape into the decoration of our restaurants. We typically choose among six design templates to decorate our new restaurants. For example, our *Longjing Boat Banquet* template (龍井船宴) features the essential elements of a beautiful Jiangnan water town, such as boats, waterways and bridges. Our *Jiangnan Landscape* template (水墨江南) follows a minimalist style and features screens with natural sceneries, as well as grey bricks and black tiles, which are the hallmarks of traditional Jiangnan architecture. Our *Bamboo Breeze* template (清風竹影) is inspired by the elegant bamboo forest in spring. It resembles the tranquil scenery of dappled morning light which shines through Hangzhou bamboo groves abounding in breeze, and creates an immersive yet refreshing dining experience. Inspired by the same design philosophy, our design templates allow us to maintain a consistent brand image across Mainland China.

We believe our dining environment and iconic brand image provide us with the following competitive advantages:

- *Participation in the rise of national style (國潮)*. In recent years, elements of Chinese traditional art are gaining popularity in fashion, interior design and other aspects of mass culture. Our restaurants attract young consumers who are passionate about Chinese traditional culture, as well as other guests who value the aesthetic aspect of their dining experience. Our dining experience satisfies not only our guests' palate but also their pursuit of a memorable cultural experience. Some guests are dressed in Hanfu (漢服), a type of Chinese traditional costume, while dining at our restaurants and take selfies to record the memorable occasion.

- *Strong brand image*. Our restaurant designs create an immersive dining experience for our guests. Our decoration offers a dining experience that differentiates our brand from other casual restaurants. As our guests take pictures and share their dining experience on social media, they help enhance our brand image and attract more customer traffic to our restaurants.

- *Flexibility*. Our design templates can be easily adapted to sites of various sizes and layouts. The flexibility of our design templates enables us to standardize the design and renovation process for our restaurants, thereby enhancing our ability to rapidly expand our restaurant network. It typically takes 55 to 75 days to complete the renovation project for a new restaurant.

- *Favorable lease terms*. Our proven track record and strong reputation make us an attractive tenant in a wide variety of large-scale shopping malls, which allows us to negotiate favorable lease terms. In tier two, tier three and lower tier cities, we are often offered the opportunity to select the most desirable location of a shopping mall, as well as reimbursement of renovation cost.

Highly standardized and scalable business model supported by flexible supply chain arrangement

We have built a highly standardized and scalable business model, which has been instrumental to our success in achieving value-for-money pricing and rapid restaurant network expansion. In particular, we standardize the taste and quality of our dishes through a flexible combination of third-party food processing and direct procurement. We have been collaborating with third-party food processing companies for many years, and have developed strong expertise in such arrangements. As of the Latest Practicable Date, we collaborated with 205 third-party food processing companies. We pay close attention to food preparation processes in menu development and whenever feasible, allocate the major portion of the preparation process for the ingredients to the highly automated facilities of these third-party processing food companies. As a result, food products supplied by them require relatively few steps of standardized preparation at our restaurants before cooking and serving to our guests, which enables us to maintain consistent taste and quality and increase operating efficiency at our restaurants.

Currently, some of our signature dishes involve preparation of semi-processed food products and bakery products by third-party food processing companies. For example, our signature dish *Green Tea Roasted Chicken* (綠茶烤雞) only requires our kitchen staff to marinate the chicken with prepared sauce packet and roast it in an oven for a set amount of time.

Certain food ingredients, such as vegetables and fruits, have relatively short shelf lives, and we procure them directly from local suppliers to ensure the freshness of such ingredients. The preparation of menu items relating to such ingredients still often involves our food processing partners to improve operating efficiency. To enhance our ability to source fresh ingredients at competitive prices, we have established a direct procurement center in Hangzhou in January 2021. The direct procurement center is managed and supervised by our supply chain management department and is responsible for selecting and managing suppliers and procuring semi-processed food products, bakery products and fresh ingredients, such as vegetables and fruits. Our direct procurement center is also in charge of matching suppliers with our restaurants and settling payments with our suppliers.

We believe our supply chain arrangement provides us with the following competitive advantages:

- *Consistency*. Centralized food preparation enables us to provide our food with consistent taste, quality and presentation across our nationwide restaurant network. Variation in skills and styles of trained kitchen staff at different restaurants would have minimum impact on our guests' dining experience.

- *Food safety*. Centralized food preparation also allows us to efficiently implement our food safety measures through careful selection and close monitoring of the relevant food processing companies. We require our food processing partners to implement stringent supplier selection criteria, and we periodically inspect the quality of food ingredients that they procure. We also conduct site visits to confirm that the facilities of our food processing partners have proper equipment and procedures in place to ensure food safety. In addition, centralized food preparation allows us to easily identify the party responsible for any deficiency in food safety and take the appropriate corrective measures.

- *Efficiency*. Our collaboration with food processing companies enables us to focus on developing new menu items and food processing procedures. Centralized food preparation also standardizes our kitchen operations and reduces our reliance on highly skilled chefs to a certain extent. As such, the limited supply in highly skilled chefs does not present a bottleneck to our expansion plan. We further enhance efficiency by adopting standard procedures for dish preparation at our kitchens. Each member of our kitchen staff focuses on the preparation of a limited number of menu items, and their specialization results in higher productivity.

- *Fast expansion*. We form collaboration with professional food processing companies by signing framework agreements with such companies. Our collaboration with food processing companies enables us to accelerate the expansion of our restaurant network across Mainland China at a relatively low cost. We avoid the large upfront investments related to the construction of self-operated central kitchens. Furthermore, while food processing companies are typically able to deliver their products across Mainland China, the role of central kitchens is constrained by a limited service radius. As such, our food processing partners help us effectively maintain consistency in the taste, quality and safety of our food while expanding into new cities. Our collaboration with food processing partners also allows us to take advantage of the well-established supply chain of such partners. We only need to manage a limited number of food processing partners instead of numerous suppliers in different regions, thereby freeing up our management capacities and resources.

Comprehensive and stringent food and operational safety control

We believe health and safety of our guests are fundamental to our long-term success. We have established a comprehensive set of standards and specifications with respect to each aspect of our operations, including procurement, storage and logistics and restaurant operations to ensure our food and operational safety.

We have a safety center at our headquarters which oversees food safety, fire safety and production safety matters, as well as disciplinary matters, throughout our Group and hire external food safety consultant with experience working at the relevant regulatory authorities to provide professional advice on such matters. Our safety center directly reports to our co-founder and chairman, Mr. Wang Qinsong (王勤松). We also designate an employee in each region as food safety manager, who is responsible for ensuring that the day-to-day operations at the restaurant in the region are in accordance with our food safety requirements.

We set comprehensive standards for the selection of suppliers and the inspection of different categories of food ingredients and other supplies to ensure their safety and quality. In addition to the quality inspection carried out by us, we also require our suppliers to provide us with reports of food tests and regularly engage third parties to conduct quality inspections. Our procurement team based at our headquarters is primarily responsible for coordinating and monitoring the purchase, storage and delivery of supplies throughout our restaurant network. We also rely on restaurant staff to inspect food ingredients and other supplies from our suppliers.

Restaurant operations management is key to safeguarding our food and operational safety. In 2019, we established a central monitoring team and installed a comprehensive video monitoring system to visually monitor operations of all of our restaurants through closed-circuit television. We also have a restaurant patrol team that conducts unannounced inspections of our restaurants to identify and rectify potential quality and food safety issues. The team evaluates, among other things, the storage condition of food ingredients and the quality and hygiene of food to be served to guests. If the restaurant patrol team identifies any serious issue, we may terminate employment with the manager of the relevant restaurant. In addition, we rely on continuous training programs for our restaurant staff to ensure their understanding of and compliance with our food safety and quality standards. Our employees and restaurant staff are also required to obtain certain relevant certificates and qualifications.

Digitalized restaurant and operations management

We have made significant investments to establish our technological infrastructure, which serves as a foundation of our restaurant management and overall business operations. We are committed to digitalize our restaurants by leveraging such technological infrastructure. Our technological infrastructure supports various aspects of our business operation, including but not limited to supply chain management, restaurant management, kitchen management, delivery management, equipment management, as well as overall operation analysis.

We believe our technological infrastructure enables us to improve operational efficiency and reduce cost by streamlining, digitalizing and automating our operations at both our headquarters and restaurant level, which in turn improve the overall dining experience of our customers.

We have implemented the following measures to digitalize our restaurants.

- *Mobile-enabled restaurant experience*. We were among the first major restaurant chains in Mainland China to enable ordering through mobile phones, according to the CIC Report. Mobile ordering system allows us to shorten the ordering time for each table. Such system enables us to not only efficiently track guest orders but also use such data to understand customer preferences and improve our menu offerings. Furthermore, we allow our guests to use mobile payment and therefore streamline our checkout process. Such mobile payment also includes payments settled by cash vouchers our guest purchased from third-party platforms and through our WeChat mini-program. In 2024, approximately 98.9% of the total amount paid by our dine-in guests was settled through mobile payment.

- *Digital supply system*. We have implemented an efficient digital supply system that is controlled by our procurement team and collects orders for supplies from our restaurants and automatically assigns orders to specific suppliers. The system enables our restaurant staff to order supplies based on the situations of their respective restaurants and receive supplies on a timely basis. The system also enables our procurement team to continuously monitor consumption patterns across our restaurant network, as well as costs, procurement amount and inventory level at each restaurant to reduce waste.

- *Restaurant management*. We have established a comprehensive monitoring system that enables the staff of the central monitoring room at our headquarters to visually monitor all of our restaurants through closed-circuit television. This system allows us to ensure efficient and quality services are provided at our restaurants and make timely adjustments to the restaurant operations as necessary. In addition, we have implemented a menu and order management platform for enhancing the precision of and standardizing the information on our dishes and menus. Furthermore, for better management of our restaurant properties, we integrated a lease management platform in our operation.

- *Operation management*. We have implemented a business intelligence system, which collects the operational information and data of restaurants in real time, and perform business and financial analysis. Such analysis provides our management with comprehensive insights into the operations of our entire restaurant network and assist our management with decision making in optimizing our restaurant operations. For example, our business intelligence system automatically push the restaurants operating report for the previous day to each regional manager and the relevant management personnel at our headquarters. Such report typically includes information such as revenue, sales of our signature dishes and customer complaints. With this information, our regional managers can quickly identify restaurants with unsatisfactory performance, understand the situation and make necessary adjustments in terms of marketing and promotional strategies, dish preparation training and service quality, which will improve our operational management efficiency.

- *Kitchen management*. Our kitchen management system digitally monitors the status of orders, which enables us to prevent errors such as missed orders and duplicative orders.

- *Delivery management*. We have implemented a comprehensive system that connects our delivery management and kitchen management to create a seamless and more efficient delivery operation.

- *Equipment management*. We introduced an equipment repair and maintenance tracking system in our restaurants, which automatically sorts and dispatches repairing orders entered into the system by restaurant staff to corresponding maintenance team or maintenance suppliers, streamlining and ensuring the repair and maintenance work orders being handled in a timely manner, as well as optimizing equipment management.

Experienced and professional management team with zeal to excel

An experienced and professional management team has been instrumental to our success. Our chairman and co-founder, Mr. Wang Qinsong (王勤松), has over 20 years of experience in the hospitality and catering industries. Mr. Wang Qinsong (王勤松), together with his spouse Ms. Lu Changmei (路長梅), started their business career by founding Green Tea Youth Hostel in the West Lake Scenic Area in 2004 to provide customers from all over Mainland China and the world with accommodations and restaurant services. In 2008, they opened the first *Green Tea* restaurant and spearheaded our development into a well-known restaurant brand with their zeal to excel and their deep understanding and expertise of the Chinese culinary culture and modern culinary techniques. Meanwhile, we have assembled a talented senior management team with substantial experience across a broad range of disciplines, including menu development, marketing, restaurant operations, finance and accounting and supply chain management. Most of our senior management personnel have over 10 years of experience in the restaurant or catering industries and they are equipped with diverse professional experience and complementary expertise. Our management team has driven our past success and will continue to be a critical force in our future expansion and pursuit of excellence.

GROWTH STRATEGIES

Strategically expand our restaurant network to deliver sustainable growth

We plan to open 150, 200 and 213 new restaurants in 2025, 2026 and 2027, respectively.

Our restaurants are typically located at shopping malls. We will continue to identify suitable sites with significant pedestrian traffic, such as department stores and shopping malls. According to the CIC Report, the number of department stores and shopping malls in Mainland China amounted to approximately 11,900 in 2024 and is expected to increase to over 13,000 in 2029. As of the Latest Practicable Date, substantially all of our restaurants were located in shopping malls. We are also exploring the opportunities to open restaurants in major tourist sites across Mainland China. According to the CIC report, the number of certified tourist sites in Mainland China amounted to approximately 15,700 in 2024. Furthermore, we may also explore the opportunities to open restaurants in major transport hubs, such as airports and train stations in the future. According to the CIC Report, there are approximately 260 airports and 3,300 railway hubs in Mainland China, providing ample growth opportunities for us.

Our expansion strategy consists of the following initiatives:

- *Increase market share in existing geographic markets*. During the Track Record Period, we primarily focused on establishing our market presence in three key regions, namely Eastern China, Guangdong province and Northern China, which are the major economic centers of Mainland China. We plan to increase our market share in existing geographic markets by expanding into selected new locations within these markets, including tier one and tier two cities, as well as lower tier cities. In particular, our value-for-money pricing gives us a competitive advantage when expanding into lower tier cities. For example, during the Track Record Period, we opened 92 new restaurants in Eastern China, of which 67 are located in tier two, tier three or lower tier cities. We plan to follow a hub-and-spoke strategy, under which we will penetrate a market by concentrating our resources in certain major commercial districts to create an "operating cluster," and gradually penetrate adjacent areas afterwards. We also plan to leverage on our existing infrastructure, local market expertise and brand recognition in the cities where we currently operate and expand into adjacent cities efficiently. With our strong brand recognition and ability to attract customer traffic, we will also benefit from the lower labor cost at such cities. As a result, we expect to achieve higher restaurant level profit margin in lower tier cities. See "– Our Business – Restaurant Network Expansion" for further details.

- *Expand into new geographic markets*. Our Chinese fusion concept enables us to adjust our menu items to satisfy diverse customer preferences and tastes in different regions. When we enter a new geographic market, we will initially open a limited number of restaurants to develop insights as to the local customers. After we identify the appropriate approach for serving the market, we will open more restaurants to further penetrate the market. As we have established ourselves as an attractive tenant to shopping malls with our proven track record and strong brand recognition, we are well positioned to secure premium locations with favorable lease terms. Even during the COVID-19 pandemic, we managed to continue our expansion by opening restaurants in certain new markets. As a result, the total number of our restaurants in other regions had increased to 169 as of December 31, 2024. As of the Latest Practicable Date, we had opened four restaurants in Hong Kong SAR, and we plan to open a total of around 28 new restaurants overseas from 2025 to 2027. We may continue to selectively open new restaurants in overseas metropolises where we expect our brand will resonate with a critical mass of local consumers.

- *Increase number of restaurants at tourist sites*. We plan to increase the number of our restaurants located at famous tourist sites to further enhance our brand image and increase our opportunities to further expand our restaurant network. Such approach is also in line with the government policy of the PRC to promote tourism industry. According to CIC, restaurants located at tourist sites in general have longer lease term and higher table turnover rate compared to restaurants located elsewhere. The nine restaurants that we had opened at tourist sites as of the Latest Practicable Date had achieved higher profitability compared to our other restaurants. As such, we plan to leverage our dining environment, which is complementary to the landscape of tourist sites of historical value, to open more restaurants at such tourist sites. In addition to the nine restaurants that we had opened as of the Latest Practicable Date, we had signed the lease agreements for two restaurants at tourist sites as of the Latest Practicable Date. We expect to open a total of 17 such restaurants from 2025 to 2027.

- *Increase number of small restaurants*. Going forward, we plan to focus on opening restaurants with smaller floor areas. Small restaurants are expected to have higher table turnover rate and lower operating costs, thereby enabling us to pursue a more flexible expansion strategy.

Drive sales and customer traffic flow by continuing to offer quality and value-for-money gourmet

We are committed to enhancing our operating performance through further menu development and value creation. A main reason why guests keep coming back to our restaurants is that they can often discover new culinary delights at accessible price points. For example, we rolled out *Signature Prawns with Vermicelli* (招牌粉絲裹蝦) in August 2021 and *Dongpo Pork Ribs* (東坡仔排) in March 2024. Such dishes became our top five dishes in terms of sales within the first month after their debut and still remained our top five dishes as of the Latest Practicable Date. As such, we will continue to devote substantial resources to menu development, and we will continue to update at least 20% of our menu items each year. In particular, we plan to introduce a number of special menu items in different regional markets based on local tastes while continuing to offer our signature dishes across the nation. Furthermore, we will continuously fine-tune our menu based on customer behavior. By giving popular menu items greater prominence, we expect to reduce customers' ordering time and enhance the operating efficiency of our kitchen staff.

We also plan to diversify our menu items to increase sales and table turnover rate. We plan to design menu items for specific customer segments and occasions, such as guests who dine alone and business gatherings. We will also develop menu items to address customer demands outside regular mealtime. In addition, we plan to design menu items for deliveries outside regular mealtime.

The comfortable ambience of our restaurants is integral to the *Green Tea* dining experience. We plan to refresh our design templates periodically to incorporate new design elements, and we apply such designs to our new restaurants. In addition, we explore efficient ways to give our existing restaurants new looks. We typically renovate a restaurant after it has been in operation for five years. We also periodically change some decorations or furniture to enhance guests' dining experience.

Enhance operating efficiency through supply chain optimization

Our centralized food preparation model has been instrumental to our success. To maintain consistency in food quality and enhance operating efficiency across our expanding restaurant network, we plan to implement the following initiatives:

- *Increase cooperation with large scale food processing companies*. Large scale food processing partners offer several advantages, including high level of standardization in production process, mature supply chain, stringent food safety standards and economies of scale. We plan to increase our purchases from large scale food processing companies that are capable of serving our restaurants across the nation or a large part of it.

- *Standardize food preparation procedures at restaurants*. Our collaboration with food processing partners enable us to provide food with consistent quality and taste. We will continue to develop menu items that require relatively few steps of standardized preparation at our restaurants before serving to our guests, while maintaining the taste and quality of these menu items. Without compromising the taste, such menu items enable us to enhance the operating efficiency of our kitchen staff.

- *Optimize supply chain for fresh ingredients*. With respect to fresh ingredients, we plan to increase our direct procurement from local sources, which will enable us to save cost and reduce the risk of food spoilage. We have established a direct procurement center in January 2021, which enables us to purchase fresh ingredients at competitive prices from local suppliers. For example, we identified a supplier of shrimps and started to procure shrimps directly from such supplier in 2023. We will also continuously identify and engage new suppliers to ensure stable supply of fresh ingredients.

- *Establish a self-operated food processing facility*. We plan to establish our own centralized food processing facility in Zhejiang Province, which is expected to be completed in the second quarter of 2026. We plan to install state-of-the-art food processing equipment at the facility, such as machines that automatically wash, cut and marinate various types of raw materials. We will selectively prepare semi-processed food products and bakery products at the facility, while continuing to cooperate with third-party food processing companies. By establishing the facility, we expect to achieve significant cost savings, enhance our menu development capabilities and explore new retail offerings.

- *Achieve better pricing*. As our business expands, we expect to enjoy stronger bargaining power during price negotiations, which will in turn enhance our profit margin.

- *Continue to ensure food safety*. We will continue to prioritize on the health and safety of our guests and explore new and more effective food safety measures. For example, we are developing new kitchen designs to further enhance kitchen hygiene.

Continuous investment in technology and digital marketing

We will continue to invest in and upgrade our technology infrastructure to further digitize our operations. We plan to optimize our customer relationship management system to better analyze sales results and other data collected from restaurants. Our data insights will enable us to further improve our food and service. In addition, we launched our own WeChat mini-program in December 2020, which has enhanced our membership management and offers new retail functions. We established a data-driven management platform connecting the operation system, financial system and supply chain system to improve data decision-making efficiency. Additionally, we also introduced a menu and order management platform for enhancing the precision of and standardizing the information on our dishes and menus. For better management of our restaurant properties, we integrated a lease management platform in our operation. We plan to upgrade and enhance the functions in the data-driven management platform, the menu and order management platform and the lease management platform. We also plan to continue to enhance the cost management platform for better cost control management and increase operational efficiency and profitability. Our other technological initiatives include enhancing our restaurant patrolling platform, adopting a uniform format for electronic invoices, further integration of various information technology functions and upgrading our financial system.

We will also dedicate more resources to raise our profile on social media. We will continue to engage key opinion leaders ("**KOLs**") to promote our restaurants on popular social media platforms. For example, we produce short videos of KOLs' dining experience at our restaurants and post such videos on social media.

OUR BUSINESS

We are a well-known operator of casual Chinese restaurants in Mainland China. During the Track Record Period, we primarily generated our revenue from restaurant operations and delivery service. We also generated revenue from certain other sources, such as cell phone charging services, sales of products such as cooking oil, condiments and gift boxes, and parking services. The following table sets forth the components of our revenue for the periods indicated.

	For the year ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except percentages)					
Restaurant operations	1,976,519	83.2	3,059,989	85.3	3,099,173	80.8
Delivery service	397,114	16.7	517,153	14.4	723,057	18.8
Others[(1)]	1,820	0.1	12,036	0.3	15,972	0.4
Total revenue	**2,375,453**	**100.0**	**3,589,178**	**100.0**	**3,838,202**	**100.0**

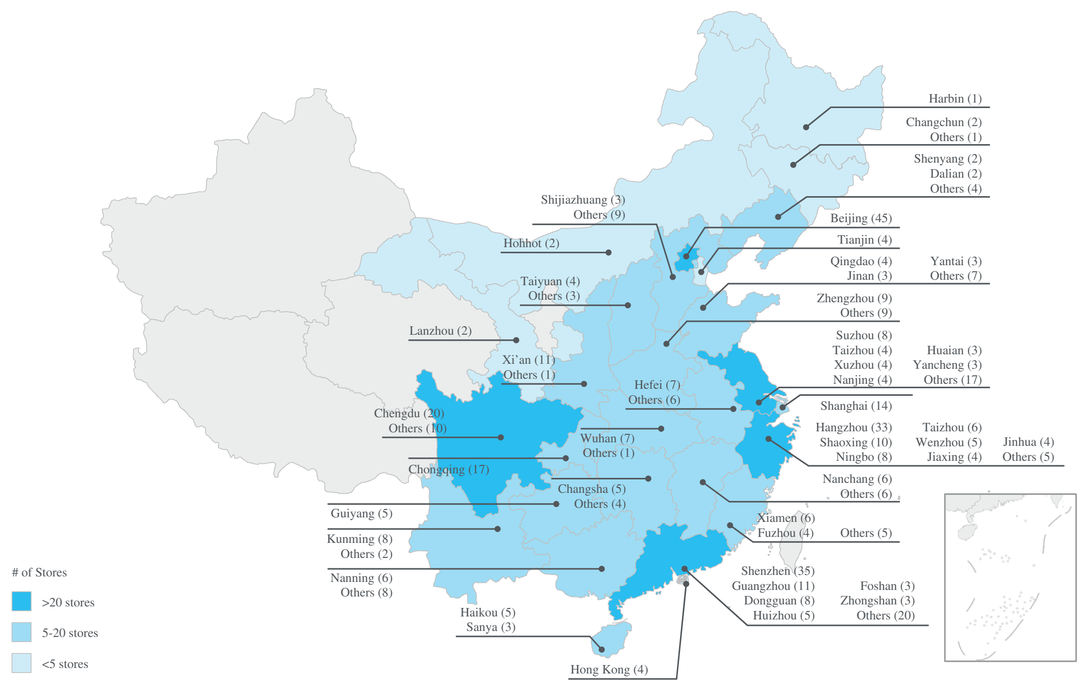
Note:

(1) Primarily consists of (i) commissions received from certain providers of cell phone charging services, (ii) sales of products such as cooking oil, condiments and gift boxes and (iii) fees for parking services.

Restaurant Network

We opened our first *Green Tea* restaurant in 2008 by the beautiful West Lake in Hangzhou, Zhejiang province, and have gradually expanded our restaurants to 21 provinces, four municipalities and two autonomous regions in the PRC, as well as Hong Kong SAR. As of the Latest Practicable Date, our restaurant network consisted of 493 restaurants, covering Hong Kong SAR, as well as all tier one cities, 15 new tier one cities, 31 tier two cities, and 90 tier three cities and below in the PRC.

During the Track Record Period, we primarily focused on establishing our market presence in three key regions, namely Eastern China, Guangdong province and Northern China, which are the major economic centers of Mainland China. The map below illustrates the geographic location of restaurants in our network that are in operation as of the Latest Practicable Date.



The *Green Tea* Dining Experience

The *Green Tea* dining experience is defined by flavorful menu items showcasing Chinese fusion cuisine and decoration that distills the eternal beauty of Chinese traditional art for a modern customer base. In addition, our restaurants offer value-for-money pricing to our guests. We also try to make every guest feel at home through attentive service. Because of the broad appeal of the *Green Tea* dining experience, guests may visit our restaurants for a variety of casual occasions, such as meals with colleagues during weekdays and gatherings with family members and friends during weekends. Guests may also come to our restaurants for business gatherings, especially in tier three cities and below.

Cuisine and Menu

We strive to offer our guests a wide selection of menu items that are flavorful and with quality. Featuring Chinese fusion cuisine, our menu broadly appeals to guests from across Mainland China and most age groups. We enjoy full creative freedom when designing our menu items. Because of our origin from Hangzhou, our menu is influenced by Hangzhou and Zhejiang cuisine, particularly its emphasis on balanced flavors and fresh ingredients. We also draw inspirations from other parts of Mainland China, as well as cuisines from across the world. In the meantime, we respect Mainland China's culinary traditions to ensure the popularity of our food. As a result of our balance between innovation and tradition, we are able to create food that satisfies the evolving preferences of our diverse customer base.

We use quality ingredients to prepare our food, and our menu items are offered at accessible price points to bring value-for-money proposition to our guests. We have strategically designed our menu to achieve an average spending per guest of approximately RMB50 to RMB70. Typically, each of our restaurants offers 50 to 80 menu items, which mainly consist of signature dishes, appetizers, soups, main courses, vegetable dishes, desserts and beverages. Our signature dishes are the highlights of our menu and have demonstrated enduring popularity among our guests. The menu at our restaurants may differ from one another based on food preferences and the size of our restaurants in the region considering our high standards for freshness, quality and food safety. Set forth below are pictures and information with respect to some of our popular menu items.

Signature Prawn with Vermicelli (招牌粉絲裹蝦). The recipe draws inspiration from traditional Cantonese cooking style, which allows the ingredients to absorb our special seafood sauce in the cooking process to create succulent prawns and juicy vermicelli. Garnished with our secret garlic sauce and served in a sizzling pot, this dish brings a waft of wonderful aroma and deliciousness to our customers.

Dongpo Pork Ribs (東坡仔排) The recipe was inspired by the renowned Hangzhou dish of braised pork belly, Dongpo Rou (東坡肉). We carefully select high-quality pork ribs, fry and braise them to perfection at our restaurants. After the braising process, the tender pork ribs absorb the rich and aromatic sauce, creating a delightful melt-in-the-mouth deliciousness.

Green Tea Barbeque Pork (綠茶烤肉). We marinate pork belly with special spices sourced from Southwest China and cook the dish using Western barbeque method. The dish features a balanced mixture of lean and fatty meat and has proven its popularity among our guests across Mainland China.

Stone Pot Tofu with Chicken Soup (石鍋雞湯豆腐). The recipe combines the culinary techniques of Hangzhou cuisine and Cantonese cuisine. We enhance the flavor of tofu with thick chicken soup, and the dish appeals to guests of all demographic backgrounds.

Green Tea Roasted Chicken (綠茶烤雞). Based on both Chinese and Western culinary techniques, the recipe involves marinating fresh chicken with over a dozen condiments and then roasting it in a German-manufactured oven. Featuring flavorful, juicy and tender meat, *Green Tea Roasted Chicken* has garnered enduring popularity among our guests.

Bread Temptation (麵包誘惑). Another iconic menu item inspired by Western cuisine, the dessert features soft bread cubes topped by a scoop of ice cream. While our guests enjoy the dessert, the ice cream gradually melts and soaks all bread cubes in sweet and delicious cream.

Leveraging the flexibility of Chinese fusion cuisine, we regularly update our menu to refresh and enhance our guests' dining experience and adapt to the latest trends. For details, see "– Product and Menu Development."

Ambience and Service

The comfortable ambience of our restaurants is integral to our warm and compassionate brand image. We believe in the lasting and universal appeal of tradition and nature. Therefore, we infuse the timeless elements of Chinese traditional culture and natural landscape into the decoration of our restaurants, offering a dining experience that differentiates us from other casual restaurants. Our design philosophy is validated by the rise of national style (國潮) in recent years, as elements of Chinese traditional art is gaining popularity in fashion, interior design and other aspects of mass culture. Our restaurants attract young consumers who are passionate about Chinese traditional culture, as well as other guests who value the aesthetic aspect of their dining experience.

We typically choose among six design templates to decorate our new restaurants. Inspired by the same design philosophy, these design templates allow us to maintain a consistent brand image across Mainland China, while maintaining the flexibility to accommodate a variety of site layouts. We collaborate with third-party studios to develop our design templates. We have long-term relationships with such studios, which have developed a deep understanding of our vision and design philosophy. We refresh our design templates periodically to incorporate new design elements and adapt to the evolving taste of our guests.

Set forth below is the picture and information with respect to our *Bamboo Breeze* (清風竹影) template.

Bamboo Breeze (清風竹影) is inspired by the elegant bamboo forest in spring. It resembles the tranquil scenery of dappled morning light which shines through Hangzhou bamboo groves abounding in breeze, and creates an immersive yet refreshing dining experience.

Set forth below is the picture and information with respect to our *Longjing Boat Banquet* (龍井船宴) template.

Longjing Boat Banquet (龍井船宴) features the iconic elements of a beautiful Jiangnan water town, such as boats, waterways and bridges. The design reminds our guests of their soothing trips to Jiangnan water towns.

Set forth below is the picture and information with respect to our *West Lake Banquet* (西湖盛宴) template.

West Lake Banquet (西湖盛宴) is inspired by the iconic natural sceneries of the West Lake of Hangzhou. The design features traditional Chinese landscape paintings as wall decorations, as well as classic style furniture and lamps.

We aim to deliver warm hospitality and attentive service to our guests. We have adopted a set of strict table service standards to meet the expectations of our guests that include every step from welcoming the guests when they walk into the restaurant to properly saying goodbye. We also utilize our IT system and technologies to enhance service efficiency. Orders from our guests are collected by our central IT system, which is connected to both our restaurant kitchen and cashier to reduce error and ensure the efficiency of service. Our restaurants also support smart QR code menu ordering, which enables our customers to place orders with their smart phones. Such orders are transmitted to both the restaurant kitchens and cashiers on a real time basis.

Restaurant Network Expansion

In 2022, 2023, 2024 and the period from January 1, 2025 to the Latest Practicable Date, we opened 47, 89, 120 and 32 new restaurants, respectively. The following table sets out the total number of our restaurants and their movement during the Track Record Period and up to the Latest Practicable Date.

	For the year ended December 31,			From January 1, 2025 to the Latest Practicable Date
	2022	**2023**	**2024**	
Number of restaurants at the beginning of the period	236	276	360	465
Number of new restaurants opened during the period	47	89	120	32
Number of restaurants closed during the period	(7)	(5)	(15)	(4)
Number of restaurants at the end of the period	276	360	465[(1)]	493[(1)]

Note:

(1) Including restaurants opened under the *Mang Gang Le* brand.

We slowed down the pace of restaurant expansion in 2022 due to the regional outbreaks of COVID-19 and opened 47 new restaurants in 2022. We resumed the pace of restaurant expansion in 2023 after the impact of COVID-19 pandemic started to subside and opened 89 and 120 new restaurants in 2023 and 2024, respectively. For details, see "– Expansion Plan and Management."

In addition, as of the Latest Practicable Date, we opened four restaurants in Eastern China under a new brand called "*Mang Gang Le*." *Mang Gang Le* restaurants focus on offering Dim Sum with an average spending per guest of approximately RMB30 to RMB40. We do not plan to expand this new brand in the near future as we aim to continue focusing on the development of our *Green Tea* restaurants while trial running the existing *Mang Gang Le* restaurants.

During the Track Record Period, we primarily focused on establishing our market presence in three key regions, namely Eastern China, Guangdong province and Northern China, which are the major economic centers of Mainland China. We increased market share in these existing geographical markets by expanding into selected new locations within these markets while increasing restaurant density in certain cities. In addition, we managed to continue our expansion by opening restaurants in certain new markets during the Track Record Period. As a result, the total number of our restaurants in other regions had increased to 169 as of December 31, 2024. In addition, we also started to focus on expanding our restaurant network in tier two, tier three and lower tier cities and the number of our restaurants in tier two, tier three and lower tier cities had increased from 113 as of December 31, 2022 to 234 as of December 31, 2024. Going forward, we will continue to explore expansion opportunities in untapped locations to increase our footprint. The table below sets forth our market shares in each geographical regions during the Track Record Period according to CIC:

	For the year ended December 31,		
	2022	**2023**	**2024**
Eastern China[(1)]	0.51%	0.67%	0.80%
Guangdong province	1.37%	1.51%	1.61%
Northern China[(2)]	1.30%	1.55%	1.46%
Other[(3)]	0.29%	0.41%	0.39%

Notes:

(1) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(2) Consisting of Beijing, Hebei and Tianjin.

(3) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

We believe the increase in restaurant density in a city will deliver operational synergies from economies of scale and improved restaurant level profitability, which will be driven by more efficient and flexible staffing. Regional managers can re-deploy staff members among nearby restaurants in cities with three or more restaurants to address short-term surges in customer traffic, thereby achieving efficient distribution of staff among different restaurants within the cluster. Restaurants located in different parts of a city, such as business districts and residential neighborhoods, tend to have different peak hours. As our restaurant staff receive standard training, a staff member does not need to undergo further training after being deployed to a different restaurant and can start working immediately.

Our staff costs mainly consists of restaurant level staff cost and other staff cost, which includes salaries and benefits payable to all other employees and staff, including Directors, senior management and headquarters personnel. The restaurant level staff cost in cities with three or more restaurants as a percentage of our revenue from restaurant operations and delivery service was 1.7, 1.2 and 1.7 percentage points lower in 2022, 2023 and 2024, respectively, when compared to that in cities with fewer than three restaurants, thereby improving our restaurant level profitability. The table below sets forth the breakdown of our staff costs during the periods indicated.

	For the year ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Restaurant level staff cost	548,939	804,516	868,451
Other staff cost	77,458	106,512	120,557
Staff costs	**626,397**	**911,028**	**989,008**

The table below sets forth our restaurant level staff cost as a percentage of our revenue from restaurant operations and delivery service during the periods indicated in cities with different level of restaurant density.

	For the year ended December 31,		
	2022	2023	2024
Cities with fewer than three restaurants	24.4%	23.4%	22.8%
Cities with three or more restaurants	22.7%	22.2%	21.1%
Overall	**23.1%**	**22.5%**	**21.5%**

Historically, we operated certain restaurants owned by our connected persons pursuant to our cooperation agreements with such parties. As of December 31, 2022 and 2023, four and four of the restaurants in our restaurant network were operated under such arrangements, respectively. Such cooperation agreements had been terminated on December 25, 2024, following our acquisition of 100% of equity interest in Hangzhou Greentea, which allows us to own and directly operate such restaurants without any cooperative arrangement.

We closed a total of seven, five, 15 and four restaurants in 2022, 2023, 2024 and the period from January 1, 2025 to the Latest Practicable Date, respectively. The closing down of most of such restaurants was determined on a case-by-case basis and primarily due to (i) the expiration of the relevant lease agreements and our business decisions not to renew such lease agreements, (ii) performance and other commercial reasons, including the impact of the COVID-19 pandemic, or (iii) winding down of certain landlords' operations.

RESTAURANT PERFORMANCE

Key Performance Indicators

The following table sets forth certain key performance indicators of our restaurants by location during the Track Record Period. Where applicable, the revenue in the table represents revenue from restaurant operations and delivery service.

	For the year ended December 31,		
	2022	**2023**	**2024**
Revenue (in thousands of RMB)[1]			
Eastern China[2]	710,137	1,107,548	1,265,491
Guangdong province	621,811	814,699	762,035
Northern China[3]	517,146	708,494	626,798
Other[4]	524,539	946,401	1,167,906
Total	**2,373,633**	**3,577,142**	**3,822,230**

<table>
<tr><th></th><th colspan="4">For the year ended December 31,</th></tr>
<tr><th></th><th>2022</th><th>2023</th><th>2023</th><th>2024</th></tr>
<tr><td>Revenue growth (%):</td><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td>Eastern China[2]</td><td colspan="2">56.0</td><td colspan="2">14.3</td></tr>
<tr><td>Guangdong province</td><td colspan="2">31.0</td><td colspan="2">(6.5)</td></tr>
<tr><td>Northern China[3]</td><td colspan="2">37.0</td><td colspan="2">(11.5)</td></tr>
<tr><td>Other[4]</td><td colspan="2">80.4</td><td colspan="2">23.4</td></tr>
<tr><td>Overall</td><td colspan="2">50.7</td><td colspan="2">6.9</td></tr>
</table>

	As of December 31,		
	2022	**2023**	**2024**
Number of restaurants			
Eastern China(2)	84	115	155
Guangdong province	63	72	83
Northern China(3)	55	56	58
Other(4)	74	117	169
Total	**276**	**360**	**465**
Number of restaurants			
Tier one and new tier one cities(5)	163	187	231
Tier two cities	59	84	115
Tier three and lower tier cities	54	89	119
Total	**276**	**360**	**465**
Number of restaurants			
Small restaurants(6)	100	174	284
Large restaurants(7)	176	186	181
Total	**276**	**360**	**465**

	For the year ended December 31,		
	2022	**2023**	**2024**
Average daily restaurant sales per store (in thousands of RMB)(8)			
Eastern China(2)	23.9	27.2	21.5
Guangdong province	24.5	28.6	22.7
Northern China(3)	21.7	28.9	24.6
Other(4)	22.4	25.0	20.2
Overall	**23.2**	**27.2**	**21.7**
Total guests served (thousand)(9)			
Eastern China(2)	11,363	17,594	22,016
Guangdong province	9,804	13,184	14,355
Northern China(3)	8,261	11,469	10,937
Other(4)	8,358	15,675	20,763
Overall	**37,786**	**57,922**	**68,071**

	For the year ended December 31,		
	2022	**2023**	**2024**
Average guests served per day per restaurant[10]			
Eastern China[2]	441	508	471
Guangdong province	476	550	537
Northern China[3]	457	566	551
Other[4]	404	470	420
Overall	**444**	**516**	**477**
Average spending per guest (RMB)[11]			
Eastern China[2]	62.6	63.0	57.5
Guangdong province	63.5	61.8	53.1
Northern China[3]	62.7	61.8	57.3
Other[4]	62.8	60.4	56.2
Overall	**62.9**	**61.8**	**56.2**
Table turnover rate (times/day)[12]			
Eastern China[2]	2.71	3.11	2.82
Guangdong province	3.06	3.37	2.93
Northern China[3]	2.78	3.52	3.38
Other[4]	2.72	3.28	3.04
Overall	**2.81**	**3.30**	**3.00**

Notes:

(1) Representing revenue generated from restaurant operation and delivery service.

(2) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(3) Consisting of Beijing, Hebei and Tianjin.

(4) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

(5) For the purpose of this breakdown, including Hong Kong SAR.

(6) Refers to restaurants with GFA of less than 450 square meters.

(7) Refers to the restaurants with GFA of 450 square meters or more.

(8) Calculated by dividing revenue from restaurant operations for the period by the total restaurant operation days for the period in the same region.

(9) Including dine-in guests and customers who order take-outs for the period in the same region. We count one delivery order as one guest.

(10) Calculated by dividing the total guests served for the period by the total restaurant operation days for the period in the same region. For further details on how we calculate total guests served, see note (8).

(11) Calculated by dividing revenue generated from restaurant operation and delivery service for the period by total guests served, including both dine-in customers and customers who order take-outs, for the period in the same region. For further details on how we calculate total guests served, see note (8).

(12) Calculated by dividing the total dine-in orders served for the period by the sum of products of total restaurant operation days for the period and table count of each restaurant during the period in the same region.

The COVID-19 pandemic and the restrictive measures imposed by the Chinese government in response to the pandemic have been major factors that affected our results of operations in 2022.

After the Chinese government phased out the "zero-COVID" policy in December 2022, our results of operation showed a strong recovery in 2023 due to a significant surge in consumer spending in the first half of 2023 following the COVID-19 pandemic. According to CIC, the strong performance in the catering industry in the first half of 2023 is primarily due to such significant surge in spending. In 2023, none of our restaurants suspended operation due to the COVID-19 pandemic and our customer traffic rebounded. As a result, our table turnover rate recovered to 3.30 in 2023, which was at similar level as the table turnover rate of 3.34 in 2019 before the COVID-19 pandemic. As our total guests served and table turnover rate increased in 2023 as compared with that in 2022, we recorded an increase in our revenue from restaurant operations and delivery service by 50.7% from RMB2,373.6 million in 2022 to RMB3,577.1 million in 2023.

In 2024, our restaurant performance declined in general as compared to that in 2023, primarily due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment. According to CIC, the industry in general also showed the same trend. As a result, our overall average spending per guest decreased from RMB61.8 in 2023 to RMB56.2 in 2024; and our overall table turnover rate also decreased from 3.30 in 2023 to 3.00 in 2024. On the other hand, our overall total guests served increased from 57.9 million in 2023 to 68.1 million in 2024, primarily attributable to the increase in the number of our restaurants in operation. Meanwhile, our delivery orders increased from 2023 to 2024 as we strategically increased our focus on delivery services in 2024. As a result of the foregoing, our revenue from restaurant operations and delivery service increased by 6.9% from RMB3,577.1 million in 2023 to RMB3,822.2 million in 2024.

Initial Breakeven Period and Cash Investment Payback Period

Over 95% of our restaurants opened during the Track Record Period and in operation as of the Latest Practicable Date achieved initial breakeven within two months. For the purpose of providing a meaningful analysis, we did not include the only higher-end restaurant in our restaurant network that generally has higher average spending per guest of above RMB500 when analyzing the average time to achieve initial breakeven. Among the restaurants which have achieved cash investment payback as of the Latest Practicable Date, the average cash investment payback period for our restaurants opened during the Track Record Period and in operation as of the Latest Practicable Date was 17.0 months. After the COVID-19 pandemic, our restaurant level performance showed a strong recovery. As such, among the restaurants which have achieved cash investment payback as of the Latest Practicable Date, the average cash investment payback period for our restaurants opened in 2023 and 2024 and in operation as of the Latest Practicable Date was 14.3 months.

The table below sets forth the information relating to breakeven of our restaurants opened during the periods indicated:

	For the year ended December 31,		
	2022	**2023**	**2024**
Number of restaurants that commenced operation during the year	47	89	120
Number of restaurants that did not achieve breakeven as of the end of the year	10	7	1
When all of the restaurants that commenced operation during the year achieved initial breakeven	January 2023	March 2024	January 2025

During the Track Record Period, we opened a total of 256 restaurants. As of the Latest Practicable Date, all of our restaurants have achieved initial breakeven.

Same Store Sales

The following table sets forth details of our same store sales by location of the restaurants during the Track Record Period.

	For the year ended December 31,			
	2022	**2023**	**2023**	**2024**
Number of same stores[1]				
Eastern China[2]	45		61	
Guangdong province	44		43	
Northern China[3]	46		45	
Other[4]	40		48	
Overall	**175**		**197**	
Same store sales (in thousands of RMB)[5]				
Eastern China[2]	446,473	563,046	676,972	601,465
Guangdong province	447,320	524,034	516,138	451,301
Northern China[3]	455,595	599,169	571,576	532,779
Other[4]	361,778	473,505	504,633	449,498
Overall	**1,711,166**	**2,159,754**	**2,269,319**	**2,035,043**
Same store sales growth (%)				
Eastern China[2]	26.1%		(11.2%)	
Guangdong province	17.1%		(12.6%)	
Northern China[3]	31.5%		(6.8%)	
Other[4]	30.9%		(10.9%)	
Overall	**26.2%**		**(10.3%)**	
Average same store sales per restaurant (in thousands of RMB)				
Eastern China[2]	9,922	12,512	11,098	9,860
Guangdong province	10,166	11,910	12,003	10,495
Northern China[3]	9,904	13,025	12,702	11,840
Other[4]	9,044	11,838	10,513	9,365
Overall	**9,778**	**12,341**	**11,519**	**10,330**

Notes:

(1) Consisting of restaurants that were open for more than 300 days during the years under comparison and had the same number of tables during the years under comparison.

(2) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(3) Consisting of Beijing, Hebei and Tianjin.

(4) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

(5) Refers to the aggregate revenue generated from restaurant operation and delivery service at our same stores for the period indicated.

Explanation for changes in same store sales

In 2023, the same store sales in all three key regions increased as compared with that in 2022, as a result of the strong recovery of our customer traffic due to a significant surge in consumer spending in the first half of 2023 following the easing of government-imposed restrictions related to COVID-19 in December 2022. According to CIC, the strong performance in the catering industry in the first half of 2023 is primarily due to such significant surge in spending.

In 2024, we recorded decreases in same store sales in all regions. Such decreases were primarily due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment, which led to decreases in our table turnover rate and average spending per guest in all regions. According to CIC, we outperformed the majority of our industry peers in terms same store sales growth in 2024.

For details, see “Financial Information – Factors Affecting Our Financial Condition and Results of Operations.”

Top 10 Restaurants

The table below sets forth our top 10 restaurants in terms of revenue by region and their key operating data for the period indicated.

	Revenue	Percentage of total revenue	Average time to achieve initial breakeven[1]	Cash investment payback period[1]	Table turnover rate	Total guests served	Average spending per guest
	(RMB'000)	*(%)*	*(months)*	*(months)*		*(thousand)*	*(RMB)*
2022							
Eastern China[2]	158,090	7%	1.6	13.1	3.88	2,432	65.0
Guangdong province	159,906	7%	2.0	12.4	3.79	2,526	63.3
Northern China[3]	137,638	6%	2.0	21.2	2.95	2,168	63.5
Other[4]	125,843	5%	1.7	15.7	3.53	1,889	66.6
2023							
Eastern China[2]	204,608	6%	1.6	12.2	4.32	3,107	65.9
Guangdong province	197,287	5%	1.5	10.8	4.44	3,137	62.9
Northern China[3]	174,475	5%	1.8	19.2	3.65	2,747	63.5
Other[4]	166,469	5%	1.9	18.4	4.59	2,554	65.2
2024							
Eastern China[2]	192,891	5%	2.2	13.8	4.29	2,940	65.6
Guangdong province	170,866	4%	1.4	13.7	4.11	3,146	54.3
Northern China[3]	155,761	4%	2.2	20.5	3.26	2,633	59.1
Other[4]	145,213	4%	2.0	18.9	4.03	2,457	59.1

Notes:

* We did not include the only higher-end restaurant in our restaurant network that generally has higher average spending per guest of above RMB500 when analyzing the top 10 restaurants.

(1) Calculated based on the relevant data relating to the restaurants opened during the Track Record Period and are in operation as of the Latest Practicable Date that are among the top 10 restaurants in terms of revenue in each region during the year. For the purpose of providing a meaningful analysis, we only include restaurants that had achieved cash investment payback as of the Latest Practicable Date when analyzing the average cash investment payback period for our restaurants.

(2) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(3) Consisting of Beijing, Hebei and Tianjin.

(4) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

Loss-Making Restaurants

The table below sets forth the number of loss-making restaurants, which refer to restaurants that were in operation during the relevant period and recorded loss for the relevant period, and the key operating data relating to such restaurants for the periods indicated.

	As of/for the year ended December 31,		
	2022	**2023**	**2024**
Number of loss-making restaurants	54	30	26
Revenue of the loss-making restaurants (in RMB thousands)	187,935	59,614	73,129
As a percentage of total revenue (%)	7.9%	1.7%	1.9%
Restaurant level operating loss[1] (in RMB thousands)	(48,344)	(9,897)	(6,973)
Table turnover rate	2.35	3.03	2.31
Total guests served (thousand)	2,836	988	1,393
Average spending per guest (RMB)	66.3	60.3	52.5

Note:

(1) Calculated by subtracting restaurant level revenue by the following restaurant level costs and expenses: (i) staff costs, (ii) cost of raw materials, (iii) depreciation, (iv) rental expenses, (v) utilities expenses, (vi) delivery service expenses and (vii) other restaurant related expenses.

We had a total of 54, 30 and 26 restaurants that recorded restaurant level operating loss in 2022, 2023 and 2024, respectively. The reasons for such restaurants' financial results were (i) we had 28, 29 and 18 newly-opened restaurants that had limited time of operation in 2022, 2023 and 2024, respectively, and were still in the ramp-up phase, (ii) we had 22 restaurants that were affected by the COVID-19 pandemic in 2022, (iii) we had one restaurant that recorded restaurant level operating loss in 2022 as it had suspended operation due to lack of relevant fire safety inspection approvals, and (iv) we had three, one and eight restaurants that recorded restaurant level operating loss primarily due to unsatisfactory operating performance in 2022, 2023 and 2024, respectively.

The average turnaround period for the loss-making restaurants during the Track Record Period and were in operation as of the Latest Practicable Date was 1.1 months, 1.5 months and 1.4 months in 2022, 2023 and 2024, respectively. The turnaround period for a previously loss-making restaurant represents the amount of time for such restaurant to achieve its first monthly restaurant level operating profit after the relevant loss-making period. All of our restaurants opened in 2024 and in operation as of the Latest Practicable Date achieved first monthly restaurant level operating profit after the relevant loss-making period. The restaurant level operating profit mentioned above is prepared in accordance with the IFRS and reflects adjustments in accordance with the IFRS, including the effect of IFRS 16 *Leases*, and deducted depreciation and amortization.

As of the Latest Practicable Date, among the 26 restaurants that recorded restaurant level operating loss in 2024, (i) 14 restaurant had recorded its first monthly restaurant level operating profit, (ii) 12 restaurants had not recorded restaurant level operating profit, of which five restaurants had limited time of operation during the period and seven restaurants had unsatisfactory operating performance. These seven restaurants had unsatisfactory operating performance primarily due to insufficient customer traffic of the shopping malls where those relevant restaurants located.

DELIVERY SERVICE

We offer our delivery services primarily through two major third-party online food delivery platforms in the PRC. According to our agreements with these third-party online food delivery platforms, we have agreed to pay 10% to 18% of the revenue generated through their platforms as commission fee. We are responsible for costs and expenses incurred during food preparation. Because we conduct all food preparation for orders made on these platforms, we will be responsible for any liabilities related to these orders.

Our delivery service is catered to the demand of our delivery guests and we have developed special dishes and combinations for such guests. During the Track Record Period, we did not devote significant effort in promoting our delivery service due to (i) our focus on dine-in customer experience and (ii) the increasing commission fees charged by third-party online food delivery platform. For the years ended December 31, 2022, 2023 and 2024, revenue from delivery service totaled RMB397.1 million, RMB517.2 million and RMB723.1 million, respectively, and the average spending per order for our delivery services was around RMB58, RMB59 and RMB53, respectively. Revenue from delivery service increased across all regions in 2024 as we strategically increased our focus on delivery services in 2024. Going forward, we may increase the scale of our delivery service to complement our dine-in service.

OTHER SOURCES OF REVENUE

During the Track Record Period, we also generated revenue from certain other sources. For example, we collaborate with certain providers of cell phone charging services, and we receive commissions from such service providers based on our guests' usage of their services at our restaurants. We also generate revenue from sales of products such as cooking oil, condiments, flour and gift boxes, and parking services. Revenue from other sources amounted to RMB1.8 million, RMB12.0 million and RMB16.0 million for the years ended December 31, 2022, 2023 and 2024, respectively.

PRODUCT AND MENU DEVELOPMENT

Leveraging the flexibility of Chinese fusion cuisine, we regularly update our menu to refresh our guests' dining experience and adapt to the latest trends. Our ability to continuously introduce new and popular menu items drives guests' enthusiasm towards our restaurants and differentiates us from other casual restaurants. We introduced 172, 168 and 203 new menu items in 2022, 2023 and 2024, respectively.

To ensure culinary creativity, we devote significant resources to menu development. Our menu development team is directly led by our co-founder and chairman, Mr. Wang Qinsong (王勤松), and constantly experiments with high-quality, fresh ingredients to create proprietary recipes. We also engage external consultants, including award-winning chefs, to develop new menu items for us and advise on menu improvement. While some recipes are designed for our nationwide restaurant network, others are developed by our restaurant staff, which cater to local tastes. In addition, we frequently introduce menu offerings that reflect the concept of a healthy diet based on the philosophies of Chinese traditional medicine.

Our menu development efforts are informed by analysis of market data. We analyze sales results and other data collected from our restaurant network to understand our target guests. For example, we compare the sales results of same menu items across different regions to gain insights as to food preferences in each region. We also track the product and menu development of our competitors to gather further information as to market trends.

Besides bringing culinary delights to our guests, our menu development efforts are also guided by the following principles.

- *Food safety*. We place the highest priority on food safety, and we avoid ingredients that are prone to food safety issues.

- *Stable supply of ingredients*. We only use ingredients of which we are able to obtain a stable supply. For example, we have selected chicken as an important ingredient for our menu offerings, because there has been a stable supply of chicken in Mainland China.

- *Feasibility of standardization*. We strive to maintain the consistency in taste, food quality and presentation of our food across our restaurant network. To this end, many of our menu items are designed to require relatively few steps of standardized preparation at our restaurants for serving. For example, an oven can be operated through simple and standard procedures, so we have designed a variety of popular menu items that only require our kitchen staff to roast or bake the food.

We typically engage in four menu development cycles each year, with each cycle taking three to four months and consisting of the following key steps.

- *Project proposal*. Based on the principles described above and thorough analysis of market data, our menu development team proposes a number of new items for each menu development cycle.

- *Committee approval.* The proposed dishes will be presented to a tasting committee at our headquarters. The tasting committee comprises of our co-founder and chairman, Mr. Wang Qinsong (王勤松), and members of our senior management and other menu development specialists. Our tasting committee will evaluate the proposed dishes based on visual presentation, taste, profitability, marketability, preparation process and other relevant factors. Once a new dish is approved by the tasting committee, our menu pricing committee will assess and determine the price of such dish. The menu pricing committee comprises of Mr. Wang Qinsong (王勤松), Ms. Yu Liying and Ms. Tai Fang, vice presidents of our Company, and regional managers.

- *Trial launch.* We conduct trial launches in selected restaurants and have adopted a set of strict criteria. If a new menu item does not generate satisfactory sales results after the trial launch, our menu development team will typically adjust the recipe based on customer preferences or take it off our menu. We also collect feedback from our guests and fine-tune the taste and quality of the proposed menu item during the trial launch.

ORGANIZATIONAL STRUCTURE

Our internal organization consists of three components, namely our headquarters, regional groups and restaurants. Our organizational structure enables us to implement uniform standards across our nationwide restaurant network, while providing our restaurants with sufficient flexibility to address local conditions.

Headquarters

Our headquarters effectively maintain control over critical aspects of restaurant management, including food safety, supplier selection and management, compliance, information technology, finance and restaurant expansion management. We believe that these aspects of our operations require standardized management to ensure the quality of our food and service. Moreover, we believe that standardized operations in these aspects facilitate our scalable expansion.

Regional Groups

Our restaurant network management consists of three regional groups, which are responsible for directly supervising the restaurants within their respective regions. Our regional managers are responsible for budgeting, cost control, operational management of the restaurants within their respective regions. They also support and supervise the individual restaurants to ensure their strict adherence to our uniform operational standards.

Restaurant Level

The day-to-day operations of our restaurants are managed by restaurant managers. Our restaurant managers are responsible for supervising the restaurant staff and handling guest complaints and emergency situations. Furthermore, restaurant managers are required to implement the rules set out in our employee manual, which are primarily related to human resource management, food safety and cash management. Each restaurant manager makes a monthly report to the relevant regional group, and the report covers key aspects of restaurant operations, such as sales, costs and expenses, inventory status, maintenance needs and human resources status. The employees at each restaurant are comprised of a kitchen staff and a service staff. The kitchen staff is directly supervised by a head chef, and the service staff is directly supervised by the restaurant manager.

EXPANSION PLAN AND MANAGEMENT

The success of our business depends on the continued healthy expansion of our restaurant network. We believe there is tremendous whitespace opportunity to expand in both existing and new cities in Mainland China and overseas. We have established a highly scalable business model by standardizing key aspects of restaurant operations, and we will continue to grow our restaurant network with discipline. In 2022, we slowed down our restaurant expansion plan and opened 47 new restaurants due to the impact of COVID-19 pandemic. We resumed our expansion plan after the impact of COVID-19 pandemic started to subside and opened 89 and 120 new restaurants in 2023 and 2024, respectively. We expect to open 150, 200 and 213 new restaurants in 2025, 2026 and 2027, respectively. The following table sets forth details of our plan to expand our restaurant network by geographical regions:

	2025	**2026**	**2027**
Eastern China(1)	44	53	62
Guangdong Province	19	13	10
Northern China(2)	18	13	19
Other(3)	64	111	109
Overseas(4)	5	10	13
Total	**150**	**200**	**213**

Notes:

(1) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(2) Consisting of Beijing, Hebei and Tianjin.

(3) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan and Hainan.

(4) For the purpose of this prospectus, consisting of Hong Kong SAR, Southeast Asia and North America.

The following table sets forth details of our plan to expand our restaurant network by city tier:

	2025	2026	2027
Mainland China			
Tier one and new tier one cities	47	56	44
Tier two cities	40	40	43
Tier three and lower tier cities	58	94	113
Overseas[(1)]	5	10	13
Total	**150**	**200**	**213**

Note:

(1) For the purpose of this prospectus, consisting of Hong Kong SAR, Southeast Asia and North America.

The following table sets forth details of our plan to expand our restaurant network by restaurant size:

	2025	2026	2027
Small restaurants[(1)]	139	183	193
Large restaurants[(2)]	11	17	20
Total	**150**	**200**	**213**

Notes:

(1) Refers to restaurants with GFA of less than 450 square meters.

(2) Refers to restaurants with GFA of 450 square meters or over.

We plan to open 150 new restaurants in 2025. As of the Latest Practicable Date, we have commenced operation of 32 restaurants and signed the lease agreements for 17 restaurants to be opened in 2025, and renovation has been commenced for nine restaurants. We conducted feasibility studies before signing the lease agreement for each new restaurant and substantially all of our new restaurants achieved or are expected to achieve initial breakeven within two months of operation. During the Track Record Period, we opened more new restaurants in the second half of the years, which is consistent with the norm in the industry. We expect to continue to follow such pattern for our restaurant openings in the future.

Our estimated capital expenditure and other operating expenses for opening each new restaurant on average amount to approximately RMB2.1 million to RMB3.5 million in Mainland China and RMB6.0 million to RMB15.0 million overseas, mainly depending on the size of the restaurant. Such capital expenditure and operating expenses primarily include costs relating to construction and renovation, purchase of equipment and other one-off expenses associated with the opening of the relevant restaurant. In 2024, we opened a total of 120 new restaurants and incurred RMB272.2 million of investment costs for opening such new restaurants. For the years ending December 31, 2025, 2026 and 2027, our planned investment costs for opening new restaurants is expected to be approximately RMB354.2 million, RMB505.0 million and RMB556.1 million, respectively. We plan to fund such restaurant network expansion with a mix of cash flow generated from our operations and the proceeds from the Global Offering. For details, see the section headed "Future Plans and Use of Proceeds." With respect to the new restaurants that we expect to open in 2025, including the 32 restaurants that had already commenced operation as of the Latest Practicable Date, we have incurred and committed amounts of approximately RMB97.4 million since January 1, 2025 and up to the Latest Practicable Date. In addition, we may continue to selectively open new restaurants in overseas metropolises where we expect our brand will resonate with a critical mass of local consumers. As of the Latest Practicable Date, we had opened four restaurants in Hong Kong SAR. Moreover, we plan to increase the number of our restaurants located at famous tourist sites to further enhance our brand image and increase our opportunities to further expand our restaurant network. As of the Latest Practicable Date, we had opened nine restaurants and signed the lease agreements for two restaurants at tourist sites. We expect to open a total of 17 such restaurants from 2025 to 2027. We expect substantially all of our new restaurants to achieve an initial breakeven within one to four months and have an average investment payback period of 18 months and we expect our restaurants opened or to be opened in 2025 to achieve initial breakeven and investment payback within such time frame as well.

We plan to both increase our market share in existing geographic markets and expand into new geographic markets. In particular, we believe our value-for-money pricing gives us a competitive advantage when expanding into tier two, tier three and lower tier cities. According to CIC, the casual Chinese cuisine restaurants market had witnessed a growth in the past few years and is expected to maintain a steady growth at a CAGR of 9.1% from 2024 to 2029, reaching RMB826.1 billion in 2029. In addition, the future growth potential of casual Chinese fusion restaurant market is promising as it targets customers in tier two, tier three or lower tier cities, which represent approximately 75% of the market share of the catering market in Mainland China. These cities have also shown higher rates of market expansion as compared to the tier one cities. Therefore, we believe there is still a significant market opportunity for us to further expand our restaurant network. Specifically, we will continue to increase the number of our restaurants in the three key regions, namely Eastern China, Guangdong province and Northern China. We plan to expand our presence in cities that have relatively high GDP and average disposable income, such as Chongqing, Haikou and Xiamen. We will also continue to seek collaboration with leading shopping malls within the relevant regions. Our management team typically devises annual restaurant expansion plans based on industry trends, our supply chain, human resources and financial condition.

As part of each annual restaurant expansion plan, we compile a list of potential restaurant locations. We consider several additional factors when deciding whether to expand in a certain region, including the level of urbanization, population, economic development, competition, our target operation results, available locations and our cash flow. Our management team will continue to review and adjust the expansion plan on a monthly basis based on the actual situation. In addition, we usually conduct a feasibility study before we open a new restaurant. Such study is normally conducted four to six months before the opening of each restaurant, taking into account the time required to conduct such feasibility study and prepare for the restaurant opening. The feasibility study typically covers the existing competitors close to the potential location, the population and demographic of the neighborhood, floor plan of the potential location and preliminary financial projections of the restaurant.

To avoid cannibalization among our own restaurants, we generally avoid opening a new restaurant within a three-kilometer radius of an existing restaurant in a tier one or new tier one city. In other cities, we may position our restaurants further apart from each other to ensure sufficient customer traffic at each location. In general, we only open one restaurant for every 300,000 to 500,000 residents within a city.

The actual number, location and timing of new restaurant openings in any period will be affected by a number of controllable and uncontrollable factors. We may make necessary adjustment to the number, location and timing of planned new restaurant openings depending on market conditions, status of preparation for new restaurant openings and other relevant factors. Based on the estimated growth in the casual Chinese cuisine restaurants market in Mainland China, as well as our well-established brand reputation and successful business model, our Directors are of the view that there is sufficient demand to support our expansion plans.

We have established a dedicated expansion management department, which is based at our Hangzhou headquarters and led by Ms. Yu Liying, our executive director and vice president, who is responsible for the management of supply chain, construction projects, public relations and the expansion of restaurant network. The team coordinates the expansion of our restaurant network across the nation, while paying close attention to local conditions. The team is responsible for, among other things, selecting sites for new restaurants, negotiating lease agreements with landlords, guiding the preparation for new restaurant openings and assessment of compliance with relevant laws and regulations.

Site Selection

We focus on selecting suitable sites where people want to gather for delicious and relaxing meals. Our restaurants are typically located at sites with significant pedestrian traffic, such as shopping malls. When evaluating a site, our expansion management department conducts thorough analysis of market data and site visits to form a holistic view as to its suitability. Relevant factors for site selection include, among other things:

- average disposable income and population density of the local community;

- performance of other casual Chinese restaurants in the vicinity;
- estimated customer traffic;
- accessibility to public transportation; and
- rental costs and estimated return on investment.

Lease Arrangement

The lease arrangements for our restaurants generally last for five to 10 years with an option to renew. We do not own any property for our restaurant sites and believe such approach reduces our capital investment requirements. Our leases typically include a rent-free period of up to three months to facilitate the decoration and renovation of the premises. Due to our popularity, certain landlords agree to reimburse our renovation cost. During the Track Record Period, the aggregate amount of reimbursement on renovation costs we received from our landlords was not material. As of December 31, 2022, 2023 and 2024 and the Latest Practicable Date, 185, 245, 322 and 344 of our restaurants were under hybrid rent arrangements, respectively, which include both variable payment and fixed payment, and our variable rent payable was calculated with reference to the sales at the particular restaurant. Revenues generated from such restaurants accounted for 66.2%, 67.8% and 67.6% of our total revenue in 2022, 2023 and 2024, respectively. The leases under hybrid rent arrangements include a minimum rent payment clause pursuant to which we are required to pay the higher of the agreed minimum rent or the contingent rent calculated based on 1% to 12% of the sales of the restaurant. Other leases were either under fixed rent arrangements or contingent rent arrangements which are calculated based on 1% to 7% of the sales at the particular restaurant.

The table below sets forth the maturity profile of our lease agreements as of the Latest Practicable Date.

	Restaurants	**Warehouses and storage units**	**Offices**	**Employee dormitories**	**Total**
One year and less	29	24	–	246	299
Two years	40	–	1	11	52
Three to five years	158	11	4	–	173
Six to 10 years	274	8	–	–	282
Over 10 years	6	–	–	–	6
	507*	**43**	**5**	**257**	**812**

Note:

* Including 14 leases (for which the lease terms have started as of the Latest Practicable Date) entered into for restaurants that have not opened and were in the process of being opened as new restaurants in 2025.

Project Execution

New restaurant managers, with the support of our expansion management department, are responsible for executing new restaurant openings. To ensure the successful ramp up of our new restaurants, we typically select restaurant managers of our existing restaurants to act as new restaurant managers. We have standardized the new restaurant opening process, and our expansion management department will supervise and provide guidance throughout the process. Generally, it takes around four months from completing site selection to new restaurant opening. Key aspects of our new restaurant opening process include:

- *Licenses and compliance.* With the guidance of our legal department, the restaurant manager commences application for necessary licenses and permits, such as the business license, food safety license and fire safety inspection certificate. We commence license and permit applications as one of the first major steps in project execution.

- *Restaurant decoration.* Our expansion management department selects the appropriate design template for the new restaurant. We engage third parties to undertake the decoration work based on our design template. The restaurant manager also orders the necessary restaurant appliances and materials.

- *Menu selection and pricing.* Our regional managers are generally responsible for selecting menu items for a new restaurant within their respective region and for ensuring that the new restaurant follows the prices set by our pricing committee.

- *Staff recruitment and training.* After recruiting the employees for a new restaurant, we provide training to such employees at our existing restaurants for two to four weeks before the opening of the new restaurant. We also relocate a number of employees from our existing restaurants to leverage their experience.

OPERATIONS MANAGEMENT

We closely supervise the operations of our restaurants to ensure the quality of food and services provided by our restaurants and enhance operational efficiency. To effectively manage our restaurant network, we mainly focus on standardization, pricing, restaurant performance, customer feedbacks, as well as settlement and cash management.

Standardization

We rely on standardized operation to maintain the consistency in the quality of food and services and the overall dining experience across our nationwide restaurant network. We have established a comprehensive set of standards and specifications with respect to the key aspects of our restaurant operations, including food storage, food preparation, restaurant hygiene, food serving, employee conduct, as well as our staff training programs. For example, our kitchen staff are required to follow standardized procedures to ensure the flavor, presentation, quality and hygiene standards of our menu items meet our standards. As a result, our guests can enjoy our food with consistent quality and taste at any of our restaurants in our network. Standardized operation also allows us to efficiently share knowledge and spread best practices when opening new restaurants.

Pricing

We offer quality food at accessible price points to bring value-for-money proposition to our guests. Generally, pricing of our menu items are determined by our headquarters with close attention to local conditions. When making pricing decisions with respect to a city, we consider a number of factors, including the average disposable income, spending patterns of consumers in the local community, procurement and rental costs of the restaurants, prices set by competitors and our target profit margin. We also closely monitor the pricing of our competitors in the same city to evaluate our pricing. We may update our pricing from time to time to reflect market trends and general economic conditions.

Restaurant Performance Evaluation

We conduct periodic evaluation of the performance of our restaurants. Considering the nature of our business operations, our evaluation process combines traditional performance-based evaluation and on-site inspections by secret guests, who are independent third parties. Secret guests submit reports covering key areas such as service quality, food quality and restaurant hygiene after their inspections.

We also maintain a restaurant patrol team, which conducts unannounced inspections of our restaurants. We select a number employees to serve on the restaurant patrol team on a rolling basis, and their membership on the team is kept confidential from our restaurant staff. As of December 31, 2024, the restaurant patrol team consisted of 20 members. The team evaluates, among other things, the storage condition of food ingredients and the quality and hygiene of food to be served to guests.

When we identify an under-performing restaurant, we investigate the underlying reasons, which may be related to, among other things, the restaurant staff, menu offerings, pricing and/or restaurant location. We then take corrective actions to address the issues that we have identified, and we assess the effectiveness of such corrective actions after a period of time. The relevant restaurant manager may also be demoted if such step is deemed necessary.

Customer Feedback Management

We pay close attention to customer feedback to maintain the popularity of the *Green Tea* dining experience. Our restaurant managers are responsible for promptly resolving any complaint regarding quality of food and services at the restaurant level and are authorized to take remedial actions, including replacing the dishes that are the subjects of the customer's complaints or waiving charges on dishes. We also receive feedback or complaints from guests through various online channels, such as our online suggestion form and WeChat official accounts, as well as third-party restaurant review platforms. Our marketing team are tasked to provide timely response to such online customer feedback. During the Track Record Period, we did not receive any material customer complaint with respect to our restaurants.

Settlement and Cash Management

We accept cash, credit cards, WeChat Pay, Alipay and other online payment at our restaurants, as non-cash payments become increasingly common. As a result, cash payments as a percentage total payments from our guests was low during the Track Record Period, the percentage was approximately 1.0%. On the other hand, 98.9% and 0.1% of total payments from our guests were settled through mobile payment and credit card or debit card, respectively, in 2024. As advised by our PRC Legal Adviser, we are not required to obtain any specific license or permits, or subject to any laws and regulations, in order to accept mobile payments through WeChat Pay, Alipay and other online payment platforms.

To avoid misappropriation and embezzlement of cash, we have deployed a cash management and delivery system at each of our restaurants. Restaurant managers are responsible for ensuring that cash received during the day matches the sales records and transferring such cash to our bank accounts on a daily basis. In addition, our finance team monitors the accuracy of sales records through payment systems installed at our restaurants and cash balances in our bank accounts on a daily basis.

During the Track Record Period, we had not encountered any incident of cash misappropriation or embezzlement that had a material adverse impact on our business, results of operations or financial condition.

Cash Vouchers

We sign cooperation agreements with certain third-party platforms to use services provided by such platforms, such as online payment and offering of cash vouchers. Such agreements usually have a term of one year and are renewable for another year. These third-party platforms may offer cash vouchers to consumers, and such cash vouchers serve as a marketing measure for us. Customers can purchase such cash voucher at a discount from the face value from these third-party platforms. These third-party platforms include well-known online shopping platform and large commercial banks in the PRC. Such discount offered on the cash vouchers is agreed between us and the relevant third-party platform before issuance. According to the terms of the cash vouchers, holders of such cash vouchers (the "**Holder**") can use the cash vouchers when they make purchases at our restaurants. During the Track Record Period, RMB401.2 million, RMB711.9 million and RMB872.3 million, representing 15.9%, 18.8% and 21.6% of total payments from our guests were settled by the use of such cash vouchers in 2022, 2023 and 2024, respectively. The price paid by the customer at discount from face value is referred to as the purchase amount.

As advised by our PRC Legal Adviser, before a Holder uses such cash voucher, we have no contractual relationship with the Holder. We have no right to receive the purchase amount of the cash voucher paid by the Holder before the Holder uses such cash voucher. After the Holder has purchased, and before the use of, such cash voucher, only the third-party platform that offer such cash voucher has a contractual relationship with the Holder. As such, we are not bound by the terms of the cash vouchers before the Holders use such cash voucher and cash vouchers held by the Holders are not recorded as our liabilities.

After the Holder uses such cash voucher to make purchase at our restaurants according to the terms of the cash voucher, we have the contractual obligation to complete such purchase and provide services to the Holder according to the terms of the cash voucher. We also have the right to receive the purchase amount of the cash voucher, after deducting the platform service fees, from the third-party platform (the "**Platform Payment**"). According to the relevant terms in the agreements, the third-party platforms generally should settle the Platform Payment with us within seven days after the Holder uses such cash voucher. We will only recognize the purchase amount of the cash voucher as revenue after the Holder uses the cash voucher at our restaurants and record the platform service fees as expenses. The following table sets forth the percentage of total payments settled by using the cash vouchers of each of the five largest third-party platforms that we collaborated during the Track Record Period:

	For the year ended December 31,		
	2022	**2023**	**2024**
Platform A[(1)]	10.8%	14.6%	17.5%
Platform B[(2)]	1.6%	2.4%	3.2%
Platform C[(3)]	1.7%	0.9%	0.4%
Platform D[(4)]	1.0%	0.4%	0.1%
Platform E[(5)]	0.4%	0.1%	0.0%

Notes:

(1) An e-commerce platform launched in 2003 that offers online group buying with coupons and allows users to submit ratings and reviews on local restaurants, stores, and other lifestyle entertainment consumptions in the PRC. This platform is operated by a private company. The number of its daily active users reached approximately 19 million in 2023.

(2) A multimedia platform launched in 2016 that provides short-video entertainment, online group buying with coupons and e-commerce services in the PRC. This platform is operated by a private company. The number of its monthly active users reached approximately 700 million in 2023.

(3) The mobile application platform of a major commercial bank established in 1987 in the PRC. The commercial bank is listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The number of monthly active users of this platform reached approximately 60 million in 2023.

(4) The mobile application platform of a major commercial bank established in 1986 in the PRC. The commercial bank is listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The number of monthly active users of this platform reached approximately 36 million in 2023.

(5) A third-party payment service provider established in 2010 that offers prepaid card and business services in PRC. This platform is operated by a private company. The number of special contracted merchants where its prepaid cards can be used for payment has reached approximately 270, covering various industries such as supermarkets, catering, hotels, tourism, auto repair and entertainment.

These third-party platforms usually allow the Holders to request for refund at any time before usage and after expiration of such cash voucher, according to their agreements with the Holders. The relevant third-party platform is responsible for the refund under such circumstances as the Holder has not used the cash voucher at our restaurants. Since there is no contractual relationship between us and the Holder before the usage of the cash vouchers, we do not have any liabilities in relation to these refunds. A Holder has the right to file complaint to the relevant third-party platforms and request for refund and/or compensation if the service provided by us to the Holder is inconsistent with the terms of the cash voucher, or if we refuse to provide services to the Holders according to the terms of the effective cash voucher for any reason. According to the agreements with the third-party platforms, after a Holder uses the cash voucher, we should be responsible for such refund and/or compensation. During the Track Record Period and up to the Latest Practicable Date, such refunds or compensations were immaterial to us. In addition, after a Holder used the cash voucher, the Holder has the right to request us to compensate for any damages caused by the services provided by us in accordance with applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, such compensation was immaterial to us.

Although we have the right to know the amount of cash voucher sold or to be sold by the relevant third-party platforms in advance, we do not have the right to decide or object to such amount. Notwithstanding the foregoing, we will use the following measures to manage the effect of such cash voucher on our overall discount policy:

(i) We may limit the use of cash voucher according to the terms of the cash voucher. For example, we may limit the Holders to use one cash voucher for each purchase.

(ii) We will also negotiate with the third-party platforms to adjust the discount provided on the cash voucher offered from time to time based on the its analysis of the overall level of discount offered at our restaurants on a monthly basis to reach a balance between our goal to attract more customer traffic and maintaining the overall level of discount offered at our restaurants.

In addition, we started to offer cash vouchers to customers on our WeChat mini-programs in April 2022. Customers can purchase such cash voucher at a discount from the face value on our WeChat mini-program and can use the cash vouchers when they make purchases at our restaurants. After the customer uses such cash voucher on our WeChat mini-program, we have the contractual obligation to complete such purchase and provide services to the customer according to the terms of the cash voucher. In 2022, 2023 and 2024, RMB1.0 million, RMB1.27 million and RMB4.69 million, representing 0.04%, 0.03% and 0.1%, respectively, of total payment from our guests, were settled by the use of cash vouchers offered by us. We had also recorded contract liabilities and other payables associated with cash vouchers sold on our WeChat mini-program of RMB0.8 million, RMB0.7 million and RMB0.4 million as of December 31, 2022, 2023 and 2024, respectively. We allow customers who purchase cash vouchers on our WeChat mini-program to request for refund at any time before usage and after expiration of such unused cash voucher. During the Track Record Period and up to the Latest Practicable Date, such refunds or compensations were immaterial to us. Going forward, we plan to maintain the same level of settlement by cash voucher sold on our WeChat mini-program as a percentage of total payment from our guests.

PROCUREMENT

We strive to obtain high quality supplies from reliable sources at reasonable prices. We primarily procure (i) food ingredients, such as vegetables, fruits, semi-processed food products and bakery products, as well as (ii) decoration materials, equipment and other supplies used in our restaurants. We have established a procurement team at our headquarters to implement a centralized purchase system for all purchase orders.

We collaborate with third-party food processing companies, which prepare semi-processed food products and bakery products for us based on our proprietary recipes. Such food products require relatively few steps of standardized preparation at our restaurants for serving. Our food processing partners are generally responsible for procuring the ingredients for their products. The centralized food preparation model helps us maintain the consistency in taste, food quality and presentation of our food across our restaurant network. Furthermore, it allows us to efficiently implement our food safety measures through careful selection and close monitoring of the relevant food processing companies. We typically have multiple suppliers for each of our main semi-processed food products and bakery products to minimize any potential disruption in our operations, maintain sourcing stability, avoid over-reliance risk, and secure competitive prices from suppliers.

Certain food ingredients, such as vegetables and fruits, have relatively short shelf lives, and we procure them directly from local suppliers to ensure the freshness of such ingredients. We also procure decoration materials and renovation services, kitchen and restaurant equipment and certain other supplies from various third parties.

Supplier Selection and Evaluation

We utilize a comprehensive set of criteria to evaluate the suitability of each prospective supplier. Such criteria includes, among other things, market reputation, financial conditions, qualifications, production capacities, pricing and quality and safety of products.

We continuously identify and evaluate prospective suppliers to optimize our supply chain arrangements. Our procurement team conducts market research on an ongoing basis and invites competent candidates to our selection process. We conduct thorough assessments, such as product sampling, before we engage each new supplier. With respect to food processing companies, we also conduct site visits of their facilities both before engagement and periodically afterwards. During such site visits, we assess whether the equipment and production environment meet our comprehensive set of quality control, hygiene and food safety criteria. We also collect feedbacks from our restaurants as to the quality and timeliness of the supplies they receive. Based on such assessments, we terminate suppliers that fail to meet our stringent standards.

Supply Agreements

Currently, we collaborate with 205 third-party food processing companies. We generally enter into standard one-year framework agreements with our suppliers for food ingredients, salient terms of which are set out as follows:

- *Quality.* We generally provide detailed specifications regarding the quality of the goods supplied. We require all suppliers to provide an inspection report or a certificate of quality, except for small volume seasonal procurements.

- *Quantity and Pricing.* We generally do not stipulate the purchase amount or price in the agreements, but set out the amount and price monthly or bi-monthly in the purchase orders depending on the types of product procured and with reference to the then market prices.

- *Delivery schedule.* We generally stipulate the delivery schedule in our agreements. The delivery schedule depends on the types of product procured.

- *Inspection and Acceptance.* The food products and ingredients are subject to our inspection upon arrival at our designated place, and we may refuse acceptance of any defective products and ingredients. In case of any quality defects that are not due to our negligence in storage, we are entitled to replacement or refund by the suppliers pursuant to the supply agreement.

- *Most favorable clause.* We generally require the supplier to give us prices and terms that are no less favorable than those given to any other customer.

- *Payment.* We generally settle payments with our suppliers once every one to three months.

In order to reduce our risks resulting from the relatively wide price fluctuations of bullfrogs, we enter into an agreement with a bullfrog supplier in November 2019, pursuant to which the price of bullfrogs we procure from it is fixed during the contract term. The material terms of our agreement with such bullfrog supplier are set out as follows:

- *Quality.* We provide detailed specifications regarding the quality and packaging of the bullfrogs supplied. We require the supplier to provide an inspection report or a certificate of quality.

- *Quantity and Pricing.* The agreement specifies a fixed quantity of bullfrogs that we are committed to purchase.

- *Delivery schedule.* We require the supplier to deliver bullfrog products to our designated warehouses on a monthly basis.

Our purchase of bullfrogs from such bullfrog supplier amounted to RMB11.6 million, RMB27.8 million and RMB17.4 million in 2022, 2023 and 2024, respectively.

Supplier Management

We had 352, 377 and 395 authorized suppliers as of December 31, 2022, 2023 and 2024, respectively. On average, we have approximately three years of business dealings with our major suppliers.

We typically have multiple suppliers for each of our main food ingredients to minimize any potential disruption in our operations, maintain sourcing stability, avoid over-reliance risk, and secure competitive prices from suppliers. During the Track Record Period, we did not experience any interruption in our supply of food ingredients, early termination of supply agreements, or failure to secure sufficient quantities of supplies that had any material adverse impact on our business or results of operations.

Our suppliers generally offer us a credit term up of 30 to 90 days. We typically settle trade payable obligations with respect to our suppliers through bank transfers.

The table below sets forth the details of our top five largest suppliers in each year during the Track Record Period:

For the year ended December 31, 2024

Rank	Supplier	Nature of Supplier	Type of Product Suppliers	Purchase amount (RMB in thousands)	Percentage of total purchase
1	Supplier H	Processor of food ingredients	Food production and food ingredients	59,407	4.5%
2	Supplier A	Wholesaler and processor of food ingredients	Food ingredients	54,239	4.2%
3	Supplier I	Wholesaler and processor of food ingredients	Food ingredients	44,195	3.4%
4	Supplier J	Processor of food ingredients	Food production and food ingredients	40,721	3.1%
5	Supplier K	Processor of semi-processed food products	Food ingredients	39,665	3.0%
Total				**238,227**	**18.2%**

Notes:

(1) Supplier H is a private company established in May 2012 and mainly provides food production and edible products in the PRC. It has a registered capital of RMB10.0 million.

(2) Supplier A is a private company established in March 2006 and mainly provides aquatic products in the PRC. It has a registered capital of RMB54.8 million.

(3) Supplier I is a private company established in November 2009 and mainly provides semi-processed aquatic products in the PRC. It has a registered capital of RMB66.0 million.

(4) Supplier J is a private company established in March 2023 and mainly provides food production and edible products in the PRC. It has a registered capital of RMB5.0 million. In 2024, Supplier J purchased beef short rib from us, which amounted to RMB5.1 million, representing less than 0.2% of our total revenue in 2024.

(5) Supplier K is a private company established in May 2011 and mainly provides semi-processed food products and condiments in the PRC. It has a registered capital of RMB50.0 million.

For the year ended December 31, 2023

Rank	Supplier	Nature of Supplier	Type of Product Suppliers	Purchase amount (RMB in thousands)	Percentage of total purchase
1	Supplier A[(1)]	Wholesaler and processor of food ingredients	Food ingredients	68,297	5.2%
2	Supplier C[(2)]	Processor of semi-processed food products and condiments	Semi-processed food products and condiments	49,548	3.8%
3	Supplier D[(3)]	Wholesaler and processor of food ingredients	Food ingredients	42,380	3.2%
4	Supplier F[(4)]	Processor of semi-processed food products	Semi-processed food products	41,754	3.2%
5	Supplier G[(5)]	Processor of food ingredients	Bakery products	39,473	3.0%
Total				**241,452**	**18.4%**

Notes:

(1) Supplier A is a private company established in March 2006 and mainly provides aquatic products in the PRC. It has a registered capital of RMB54.8 million. In 2023, Supplier A purchased beverage from us, which amounted to approximately RMB18,600, representing less than 0.1% of our total revenue in 2023.

(2) Supplier C is a private company established in November 2018 and mainly provides semi-processed food products and condiments in the PRC. It has a registered capital of RMB30.0 million. In 2023, Supplier C purchased cooking oil and beverage from us, which amounted to RMB0.5 million, representing less than 0.1% of our total revenue in 2023.

(3) Supplier D is a private company established in March 2011 and mainly provides food ingredients in the PRC. It has a registered capital of RMB17.0 million.

(4) Supplier F is a private company established in March 2015 and mainly provides semi-processed food products in the PRC. It has a registered capital of RMB10.0 million.

(5) Supplier G is a private company established in July 2014 and mainly provides bakery products in the PRC. It has a registered capital of RMB5.0 million. In 2023, Supplier G purchased flour and beverage from us, which amounted to RMB2.7 million representing less than 0.1% of our total revenue in 2023.

For the year ended December 31, 2022

Rank	Supplier	Nature of Supplier	Type of Product Suppliers	Purchase amount (RMB in thousands)	Percentage of total purchase
1	Supplier A[(1)]	Wholesaler and processor of food ingredients	Food ingredients	47,416	5.0%
2	Supplier B[(2)]	Processor of food ingredients and semi-processed food products	Food ingredients and semi-processed food products	40,207	4.2%
3	Supplier C[(3)]	Processor of semi-processed food products and condiments	Semi-processed food products and condiments	35,071	3.7%
4	Supplier D[(4)]	Wholesaler and processor of food ingredients	Food ingredients	26,977	2.9%
5	Supplier E[(5)]	Processor of food ingredients	Food ingredients	26,658	2.8%
Total				**176,329**	**18.6%**

Notes:

(1) Supplier A is a private company established in March 2006 and mainly provides aquatic products in the PRC. It has a registered capital of RMB54.8 million.

(2) Supplier B is a private company established in July 2012 and mainly provides food ingredients and semi-processed food products in the PRC. It has a registered capital of RMB40.0 million.

(3) Supplier C is a private company established in November 2018 and mainly provides semi-processed food products and condiments in the PRC. It has a registered capital of RMB30.0 million.

(4) Supplier D is a private company established in March 2011 and mainly provides food ingredients in the PRC. It has a registered capital of RMB17.0 million.

(5) Supplier E is a private company established in January 2016 and mainly provides food ingredients in the PRC. It has a registered capital of RMB10.0 million.

Our purchases from Supplier A declined during the Track Record Period due to our efforts to diversify our supplier base and reduce our reliance on our largest supplier.

All of our top five largest suppliers are independent third parties. None of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) has any interest in any of our top five largest suppliers that is required to be disclosed under the Listing Rules.

Price Management

We manage our prices by closely monitoring market price fluctuations. We also implement certain measures to control our purchase costs, such as (i) integrating multiple supply sources in local, domestic and global markets to achieve cost optimization, (ii) entering into framework agreements with certain suppliers to secure sufficient supplies at agreed price and (iii) stocking certain ingredients according to market conditions and sales records. Moreover, we believe we are able to obtain favorable prices from suppliers as we generally conduct centralized procurement in large volumes. As is customary in our industry, we typically do not pass any short-term price increases of our supplies to guests.

The table below sets forth the sensitivity analysis of the impact to our results of operations during the Track Record Period from the fluctuation of the raw materials and consumables used. The range of fluctuations is based on historical fluctuations of key raw materials of our operations.

Hypothetical changes in raw materials and consumables used in 2024	**12%**	**9%**	**6%**	**-6%**	**-9%**	**-12%**
			(in RMB thousands)			
Raw materials and consumables	1,336,050	1,300,263	1,264,476	1,121,328	1,085,541	1,049,754
Changes in raw materials and consumables used	143,148	107,361	71,574	(71,574)	(107,361)	(143,148)
Changes in profit for the year	(117,382)	(88,036)	(58,691)	58,691	88,036	117,382

Hypothetical changes in raw materials and consumables used in 2023	**12%**	**9%**	**6%**	**-6%**	**-9%**	**-12%**
			(in RMB thousands)			
Raw materials and consumables	1,349,845	1,313,689	1,277,532	1,132,906	1,096,749	1,060,593
Changes in raw materials and consumables used	144,626	108,470	72,313	(72,313)	(108,470)	(144,626)
Changes in profit for the year	(118,594)	(88,945)	(59,297)	59,297	88,945	118,594

Hypothetical changes in raw materials and consumables used in 2022	**12%**	**9%**	**6%**	**-6%**	**-9%**	**-12%**
			(in RMB thousands)			
Raw materials and consumables	965,794	939,924	914,055	810,517	784,708	758,838
Changes in raw materials and consumables used	103,478	77,608	51,739	(51,739)	(77,608)	(103,478)
Changes in profit for the year	(84,852)	(63,639)	(42,426)	42,426	63,639	84,852

Anti-bribery Measures

We have set forth strict guidelines against engaging in bribery and creating circumstances which may create a conflict of interest between us and our employees. In addition, we have a set of anti-bribery internal procedures. For example, all of our suppliers are required to sign an anti-bribery agreement with us and we may terminate our cooperation with the supplier if it violates any relevant laws or regulations or fail to report incident of bribery involving such supplier. We have also implemented a whistle-blower program under which employees will report instances of bribery or kickbacks directly to our safety center. The safety center had 18 employees based at our headquarters as of December 31, 2024. The safety center comprehensively oversees food safety, fire safety and production safety matters, as well as disciplinary matters, throughout our Group. The safety center implements internal anti-corruption policies, investigates relevant allegations and takes disciplinary actions when necessary. The centralized procurement system also enables us to limit the number of employees with the authority to select suppliers and thus to increase effectiveness of our internal control measures. We have designated a team of employees with the authority to select suppliers. As of the Latest Practicable Date, six employees had such authority. No other employee has the authority to select suppliers. During the Track Record Period, there was no kickback arrangement with any of our suppliers.

Sources of Supply and Ingredient Shelf Lives

We manage our suppliers and procurement strategy based on the categories of food and supply, and the source of our major food ingredients and their shelf life are summarized as follows:

- *Semi-processed pork products.* The third-party food processing companies we collaborate with source pork from the PRC. The semi-processed pork products typically have shelf lives of three months. Third-party logistics companies receive such products from the food processing companies and store such products in their warehouses before delivering to our restaurants. The delivery and storage are under cold-chain conditions. Upon delivery, our restaurant staff request test reports for antibiotics, hormone residues and other chemical substances and conduct quality inspection procedures such as visual inspection on color, smell, packaging and indication of spoilage.

- *Semi-processed chicken products.* The third-party food processing companies we collaborate with source chicken from the PRC. The semi-processed chicken products typically have shelf lives of three months. Third-party logistics companies receive such products from the food processing companies and store such products in their warehouses before delivering to our restaurants. The delivery and storage are under cold-chain conditions. Upon delivery to our restaurants, our restaurant staff request test reports for antibiotics, hormone residues and other chemical substances and conduct quality inspection procedures such as visual inspection on color, smell, packaging and indication of spoilage.

- *Semi-processed aquatic products.* The third-party food processing companies we collaborate with source aquatic products, such as fish and bullfrogs, from the PRC. Third-party logistics companies receive the semi-processed aquatic products from the third-party processing companies and store such products in their warehouses before delivering to our restaurants. The delivery and storage are under cold-chain conditions. Our semi-processed aquatic products typically have shelf lives of three months. Upon delivery, our restaurant staff request test reports for antibiotics and other chemical substances and conduct quality inspection procedures such as visual inspection on color, smell, packaging and indication of spoilage.

- *Vegetables and fruits.* To ensure freshness, we source vegetables and fruits from local suppliers with typical shelf lives of three days. We replenish our vegetables and fruits inventory at our restaurants on a daily basis. Upon delivery, our restaurant staff request test reports for pesticides and other chemical substances and conduct physical inspection to examine the freshness of the supplies.

Procurement Procedure

We have established centralized procurement procedures for all purchase orders. Our restaurants do not directly transact with suppliers, and we instead make payments to suppliers from bank accounts managed by our headquarters. Our centralized approach enables us to effectively manage our supply chain.

We utilize an ordering system for our restaurant staff to order supplies and our restaurant staff are only authorized to place order up to certain amount. After orders are placed, the ordering system automatically matches orders with our authorized suppliers. After our restaurants receive the supplies, we settle payments with the suppliers in accordance with the relevant credit terms.

FOOD PROCESSING FACILITY

We plan to establish our own centralized food processing facility in Zhejiang Province, which is expected to commence construction in the third quarter of 2025 and be completed in the second quarter of 2026. It is designed to have a total gross floor area of approximately 24,500 square meters. We have entered into a framework agreement with the local government of a town in Zhejiang Province. Pursuant to the framework agreement, the local government has agreed to assist us in acquiring land use rights to establish a food processing facility in the local area. We will continue to explore available parcels of land and select a suitable location once funding is in place. We expect to utilize HK$196.3 million, representing approximately 26.3% of our net proceeds to establish such facility. The facility is designed to produce (i) semi-processed meat products, such as semi-processed chicken for our *Green Tea Roasted Chicken* (綠茶烤雞); (ii) bakery products, such as bread for our *Bread Temptation* (麵包誘惑); and (iii) cleaned and processed ingredients, such as cleaned and processed vegetables. We plan to install state-of-the-art food processing equipment at the facility, such as machines that automatically wash, cut and marinate various types of raw materials.

During the initial 12 months of operation, we expect the facility to supply (i) approximately 7,800 tons of semi-processed food products and bakery products to a third of our restaurants nationwide and (ii) approximately 55,000 tons of cleaned and processed ingredients to all of our restaurants in Eastern China. We expect the facility to reach its maximum annual production capacity of approximately 165,000 tons by 2028, and will be able to produce approximately (i) 44,600 tons of semi-processed food products and bakery products and (ii) 120,400 tons of cleaned and processed ingredients. In the long run, we expect approximately 90% of the semi-processed food products and bakery products produced by the facility to be supplied to our restaurants nationwide and the remaining 10% will be sold to consumers as retail food products. On the other hand, all cleaned and processed ingredients produced by the facility will be supplied to all of our restaurants in Eastern China.

We will selectively prepare semi-processed food products, bakery products and ingredients at the facility, while continuing to cooperate with third-party food processing companies where such arrangements are advantageous to us. We expect the facility to offer us several benefits. First, it will give us direct control over raw material sourcing and production processes. As a result, we expect to more efficiently implement our standards on product quality and food safety in our facility. As we will continue to update 20% of our menu items each year, we also expect to leverage the facility to develop our new menu items and better protect the confidentiality of our proprietary recipes. We believe the facility can provide us with more flexibility in further standardizing our menu items and strengthen our development capabilities as compared to solely relying on third-party food processing companies.

In addition, given the production capabilities, the facility will enable us to explore new retail product offerings, such as semi-processed food products for our signature dishes that can be easily cooked by consumers with their home appliances, in the long run. In the meantime, we expect the facility will further improve the operating efficiency of our restaurant kitchens by providing semi-processed food products, bakery products, as well as cleaned, processed and ready to cook food ingredients at lower costs with improved economies of scale through centralized procurement. After taking into account of additional depreciation on long-term assets, logistics expenses and other costs, we believe the facility will create synergies with our overall operations, bring additional profit to our Group as a whole and further improve our results of operations.

AWARDS AND RECOGNITIONS

As a testament to the popular appeal of our brand and the quality of our dining experience, we have received various awards and recognitions. The table below sets forth our major awards and recognitions received prior to and during the Track Record Period.

Year	Awards and recognitions	Issuing authority
2024	2024 Meituan Catering Industry Conference Annual Influential Brand (2024美團餐飲產業大會年度影響力品牌)	Meituan (美團)
2024	Red Eagle Award – Top 100 Catering Brands in 2024 (紅鷹獎2024年度餐飲品牌力百強)	Hong Can Industry Research Institute (紅餐產業研究院)
2023	Consumer's Favorite Brand (消費者青睞品牌)	Meituan (美團)
2023	Meituan Waimai Best Category Innovation Award of the Year of 2022 (美團外賣年度最佳品類創新獎)	Meituan Waimai (美團外賣)
2021	2021 Dianping's "Must-Eat List" Restaurants (2021年大眾點評"必吃榜"餐廳)	Dianping.com (大眾點評)
2020	Nominated for Top 20 Organizations in China (中國組織能力標竿企業20強入圍獎)	CEIBS Business Review (中歐商業評論)

Year	Awards and recognitions	Issuing authority
2020	Top 50 Influential Chain Brands in China (中國連鎖品牌影響力50強)	China Chain Brand Development Conference (中國連鎖品牌發展大會)
2020	Exemplar Restaurants for Quality Dining (品質餐飲示範店)	Chinese Cuisine Association (中國烹飪協會)
2019	100 Restaurants in China with Tastiest Food (中國100家最好吃的餐廳)	Sohu News (搜狐新聞)
2019	Outstanding Delivery Businesses on Meituan (美團外賣優質商家)	Meituan (美團)
2018	2018 Top 100 China Cuisine Brands (2018年度中國餐飲品牌力百強品牌)	2018 China Cuisine Brand Influence Summit (2018年中國餐飲品牌力峰會)
2015	2015 Top 10 Creative Culture Restaurants 2015年度(「中國服務」)十佳創意文化餐廳	Chinese Culinary Association (中國烹飪協會)

FOOD SAFETY AND QUALITY CONTROL

We place the highest priority on the health and safety of our guests, and we dedicate substantial resources, including our supply chain team and safety center staff, to help ensure that our guests enjoy safe food at our restaurants. We also implement stringent food safety and quality control standards and measures throughout different aspects of our operations, including (i) procurement, (ii) storage and logistics and (iii) restaurant operations.

We established a safety center in 2018. Our safety center had 18 employees based at our headquarters as of December 31, 2024. Among such 18 employees, two have the license to be safety production manager, five have the license to be food inspector, one is certified auditor for food safety management, one has the license to be food safety professional, three have the relevant license to operate fire safety equipment and one has the experience as a fire safety officer and has the license to work as a fire safety engineer. The safety center comprehensively oversees food safety, fire safety and production safety matters, as well as disciplinary matters, throughout our Group. The safety center supervises our restaurant patrol team, which consisted of 20 employees as of December 31, 2024. Our safety center directly reports to our co-founder and chairman, Mr. Wang Qinsong (王勤松). In addition, our restaurant patrol team conducts unannounced inspections of each of our restaurants four times a month. We also designate an employee in each region as food safety manager, who is responsible for ensuring that the day-to-day operations at the restaurant in the region are in accordance with our food safety requirements. Furthermore, to enhance our food safety measures, we have engaged an independent third party with deep knowledge of food safety regulations and 30 years of regulatory experience as our consultant since July 2019.

Procurement

We have established stringent standards for the selection and management of suppliers. All of our suppliers are required to comply with quality standards imposed by relevant regulatory authorities with respect to their food ingredients and other supplies. We have formulated detailed quality inspection standards for different categories of food ingredients and other supplies, which include specific inspection criteria, such as color, smell, taste and shape. When evaluating prospective suppliers, we visit their facilities and test samples in accordance with our comprehensive set of technical and safety criteria. Moreover, we actively conduct quality inspections and reviews of our existing suppliers, including site visits to the facilities of our suppliers. For more information on supply chain quality control, see "– Procurement – Supplier Selection and Evaluation."

Storage and Logistics

We request suppliers to deliver supplies with longer shelf lives, such as semi-processed food products, bakery products, sauces and condiments, directly to warehouses operated by third-party logistics companies that we collaborate with, which will then deliver such products to our restaurants based on instructions given by our restaurant managers. Other supplies that have shorter shelf lives, such as vegetables and fruits, are delivered to our restaurants directly by our suppliers. Upon delivery of semi-processed food products, bakery products and food ingredients to our restaurants, our staff will store such supplies under appropriate temperature and storage conditions in accordance with our food safety requirements.

Restaurant Operations

We adopt stringent food safety and quality control standards for all our restaurants with respect to (i) inspection of food ingredients and other supplies delivered from the suppliers and (ii) food preparation at our restaurants. In terms of inspection of food ingredients and other supplies, our restaurant staff report to our safety center on any deviation or irregularity in the quality of food ingredients and other supplies and reject any supplies which do not meet our standards after visual inspection upon delivery to the restaurants.

Our food safety and quality control measures for restaurant operations include the following:

- *Continuous training programs*. We continuously provide periodical training programs to our restaurant staff on food safety and quality standards. Furthermore, our restaurants broadcast certain food safety messages to our restaurant staff both before and after business hours every day, which serves to reinforce the importance of food safety in their minds.

- *Video monitoring system*. Through a comprehensive monitoring system, the staff of the central monitoring room at our headquarters can visually monitor all of our restaurants through closed-circuit television.

- *Inspections by restaurant patrol team*. Our restaurant patrol team conducts unannounced inspections of our restaurants to identify and rectify potential quality and food safety issues four times a month. The team evaluates, among other things, the storage condition of food ingredients and the quality and hygiene of food to be served to guests.

CUSTOMER BASE AND MARKETING

Guests

Our restaurants offer Chinese fusion cuisine, as well as value-for-money proposition, to our guests. As a testament to our popular appeal, the total number of guests we served in 2022, 2023 and 2024 was 37.8 million, 57.9 million and 68.1 million, respectively. The total number of guests we served significantly increased in 2023, primarily due to the strong recovery of our customer traffic due to a significant surge in consumer spending in the first half of 2023 following the easing of government-imposed restrictions related to COVID-19 in December 2022. To foster customer loyalty and promote our brand, we have a membership system, and guests create membership accounts free of charge by registering their name and cell phone numbers on our system. We also post marketing information relating to new menu items, new restaurant openings and new retail items on our membership system as part of our promotional efforts. In addition, we introduced an upgraded version of our WeChat mini-program in April 2023. This new version enhanced the user interface of our membership system and introduced new interactive functions, which in turn elevated our customer experience. We keep records of our members' ordering history and preferences, and we plan to leverage such behavioral data to enhance customer experience in the future. We use social media platforms to attract new members. As of the Latest Practicable Date, our membership system had attracted more than 16.2 million members.

Except for occasional promotional events, we typically do not grant any rebate or discount to our members. During the occasional promotional events, discounts granted to members typically ranged from 5% to 15%. In addition, we also grant discounts ranging from 20% to 40% during the first three days of the opening of a new restaurant. We launched our membership reward system in January 2021 to enhance our customer loyalty and reward for their long-term support which allows our members to earn reward points on their purchases. Our members can utilize the reward points to enjoy discounts when purchasing menu items at our restaurants. In 2024, the amount of discounts we offered through reward points was less than 0.1% of our revenue.

Revenue derived from our five largest customers accounted for less than 1.0% of our total revenue for each of the years ended December 31, 2022, 2023 and 2024. All of our five largest customers in 2022, 2023 and 2024 are independent third parties. None of our Directors, their associates or any of our Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) has any interest in any of our five largest customers that is required to be disclosed under the Listing Rules.

Marketing

Our brand and reputation have primarily been built through word-of-mouth recommendations by enthusiastic guests who have enjoyed the *Green Tea* dining experience, and less so through active marketing and promotional efforts. We promote our restaurants through both online and offline channels. We maintain official accounts on several leading social media platforms, where we post marketing information relating to new menu items, new restaurant openings and new retail items. We also create and update factual content relating to our restaurants on a leading restaurant review platform. In addition, we place advertisements at selected offline locations with high pedestrian traffic, such as shopping malls and public transportation systems. To raise awareness of our new restaurants, we engage a third party to offer performance and small games on the opening days of certain new restaurants. Furthermore, we have also collaborated with certain major key players in the consumer-oriented service industry to offer promotional discount information to their customers to further expand the base of our customers. For example, we entered into a promotion service agreement with a navigation application to promote our new dishes for a one-week promotional event. During the promotion period, we were able to place advertisement for our promotional events and discount information on the relevant applications, for which we made a one-off payment for such promotion service.

We benefit from social media posts relating to the *Green Tea* dining experience by our fans, particularly KOLs. We will continue to engage KOLs to promote our restaurants on popular social media platforms. For example, we may produce short videos of KOLs' dining experience at our restaurants and post such videos on social media.

TECHNOLOGIES

We strive to stay at the forefront of Mainland China's catering market in applying the latest technologies, with a focus on enhancing guest experience and improving our operational efficiency. We are continuously exploring new technological measures that will enable us to create more value for our guests.

We have implemented the following measures to digitalize our restaurants.

- *Mobile-enabled restaurant experience*. We were among the first major restaurant chains in Mainland China to enable ordering through mobile phones, according to the CIC Report. Mobile ordering system allows us to shorten the ordering time for each table. Such system enables us to not only efficiently track guest orders but also use such data to understand customer preferences and improve our menu offerings. Furthermore, we allow our guests to use mobile payment and therefore streamline our checkout process. Such mobile payment also includes payments settled by cash vouchers our guest purchased from third-party platforms and through our WeChat mini-program. In 2024, approximately 98.9% of the total amount paid by our dine-in guests was settled through mobile payment.

- *Digital supply system.* We have implemented an efficient digital supply system that is controlled by our procurement center and collects orders for supplies from our restaurants and automatically assigns orders to specific suppliers. The system enables our restaurant staff to order supplies based on the situations of their respective restaurants and receive supplies on a timely basis. The system also enables our procurement center to continuously monitor consumption patterns across our restaurant network, as well as costs, procurement amount and inventory level at each restaurant to reduce waste.

- *Restaurant management*. We have established a comprehensive monitoring system that enables the staff of the central monitoring room at our headquarters to visually monitor all of our restaurants through closed-circuit television. This system allows us to ensure efficient and quality services are provided at our restaurants and make timely adjustments to the restaurant operations as necessary. In addition, we have implemented a menu and order management platform for enhancing the precision of and standardizing the information on our dishes and menus. Furthermore, for better management of our restaurant properties, we integrated a lease management platform in our operation.

- *Operation management*. We have implemented a business intelligence system, which collects the operational information and data of restaurants in real time, and perform business and financial analysis. Such analysis provides our management with comprehensive insights into the operations of our entire restaurant network and assist our management with decision making in optimizing our restaurant operations. For example, our business intelligence system automatically push the restaurants operating report for the previous day to each regional manager and the relevant management personnel at our headquarters. Such report typically includes information such as revenue, sales of our signature dishes and customer complaints. With this information, our regional managers can quickly identify restaurants with unsatisfactory performance, understand the situation and make necessary adjustments in terms of marketing and promotional strategies, dish preparation training and service quality, which will improve our operational management efficiency.

- *Kitchen management*. Our kitchen management system digitally monitors the status of orders, which enables us to prevent errors such as missed orders and duplicative orders.

- *Delivery management*. We have implemented a comprehensive system that connects our delivery management and kitchen management to create a seamless and more efficient delivery operation.

- *Equipment management*. We introduced an equipment repair and maintenance tracking system in our restaurants, which automatically sorts and dispatches repairing orders entered into the system by restaurant staff to corresponding maintenance team or maintenance suppliers, streamlining and ensuring the repair and maintenance work orders being handled timely, as well as optimizing equipment management.

In addition, we implemented the following measures to digitalize our operations management.

- In 2016, we adopted a supply chain management system.

- In 2017, we adopted a human resources system.

- In 2019, we enhanced the level of automation for administrative tasks by adopting an office automation system.

- In 2020, we established a cost management system and upgraded the supply chain management system.

- In 2021, we implemented a restaurant patrolling platform, which allows the staff at our headquarters and our restaurant managers to conveniently manage restaurant operations through a mini-program on their mobile phones. We also introduced a feature that allows users of the restaurant patrolling platform to follow through the problems they previously identified. As advised by our PRC Legal Adviser, we are not required to obtain any specific license or permits, or subject to any laws and regulations, to operate the WeChat mini-program.

- In 2022, we integrated our human resources system and upgraded the office automation system to enhance the efficiency of our administrative functions and approval procedures. In addition, we implemented an equipment repair and maintenance tracking system in our restaurants which reduces the cost of maintenance by streamlining and ensuring the repair and maintenance work orders being handled in a timely manner, as well as optimizing equipment management. In order to simplify the procurement operation process and improve sorting efficiency, we further upgraded our supply chain system.

- In 2023, we established a data-driven management platform connecting the operation system, financial system and supply chain system to improve data decision-making efficiency. We also introduced a menu and order management platform for enhancing the precision of and standardizing the information on our dishes and menus. In addition, for better management of our restaurant properties, we integrated a lease management platform in our operation.

- In 2024, upgraded and enhanced the functions in the data-driven management platform, the menu and order management platform and the lease management platform. These measures enabled us to further enhance our data-based decision making efficiency and increase operational efficiency.

- In 2025, we plan to upgrade and enhance our human resources system to improve human resources management efficiency and employee satisfaction. We also plan to continue optimizing the data-driven management platform to further improve our operational efficiency.

USER PRIVACY AND DATA SAFETY

In the ordinary course of our business, we mainly collect, store and use certain personal information of our members from time to time. Personal information of our members are collected when our members fill out the relevant registration requests on our membership system on WeChat. Such information primarily include their names, mobile phone numbers and order information. In addition to the personal information of our members, we also collect personal information of our customers when they use our WeChat mini-program or order delivery though third-party platforms. Such information primarily includes the address, phone number, name, location, and order information of our customers. Personal information is collected with the consent of our members and customers and stored on the server provided by our cloud service provider. We have designated a dedicated person responsible for our network security and personal information protection, and established a series of internal systems and policies to ensure the safety of personal information. Based on the job responsibilities of the relevant employees, we determine their access permissions to data and monitor their data operations. We also require employees to sign confidentiality agreements to ensure the safety of personal information of our members and customers.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any data leakage of personal information of our customers and members. In addition, we had not been subject to any warnings, penalties, sanctions or any claims or litigations for violating applicable laws and regulations regarding data security or data privacy protection. Based on the foregoing, as advised by our PRC Legal Adviser, we believe we have complied with applicable laws and regulations on data security, personal information protection in all material aspects. For more details, see "Regulatory Overview – Cyber Security Law." Due to the evolving nature of the legislation and law enforcement on user privacy and data security in the PRC, we will closely monitor regulatory developments and take appropriate measures accordingly in a timely manner.

ENVIRONMENTAL SUSTAINABILITY AND SOCIAL RESPONSIBILITY

We are committed to building a lasting brand, and we believe our long-term success rests on our ability to make positive impacts on the environment and society. Corporate social responsibility is a core part of our business philosophy and will be pivotal to our ability to create sustainable value for our Shareholders. Accordingly, we have adopted a comprehensive policy on environmental, social and corporate governance responsibilities (the "**ESG Policy**") in accordance with the Listing Rules, which sets forth our corporate social responsibility objectives and provides guidance on practicing corporate social responsibility in our daily operations, including (i) the appropriate risk governance on environmental, social and governance ("**ESG**") matters, including climate-related risks and opportunities; (ii) identification of key stakeholders and the communication channels to engage with them; (iii) ESG governance structure; (iv) ESG strategy formation procedures; (v) ESG risk management and monitoring; and (vi) the identification of key performance indicators, the relevant measurements and mitigating measures.

Governance

According to our ESG Policy, we have established an ESG Committee under our Board, which is led by Mr. Wang Qinsong, our chairman and chief executive officer and Ms. Yu Liying, our executive director and vice president. Our Board is ultimately responsible for all ESG issues of our Company. Our ESG Committee is responsible for overseeing and guiding our Company's ESG initiatives and will report to our Board on such matters periodically. Set forth below are the principal duties and responsibilities of our ESG Committee:

- keeping abreast of the latest ESG-related laws and regulations, including the applicable sections of the Listing Rules, keeping the Board informed of any changes in such laws and regulations and updating our ESG Policy in accordance with the latest regulatory updates;

- identifying our Group's key stakeholders based on our business operations and understanding such stakeholders' influences and dependence with respect to ESG matters;

- assessing ESG-related risks on a regular basis according to the applicable laws, regulations and policies, especially risks in relation to climate change, to ensure we fulfill our responsibilities with respect to ESG matters;

- monitoring the effectiveness and ensuring the implementation of our ESG Policy; and

- reporting to our management on an annual basis on the implementation of our ESG Policy and preparing the ESG report.

During the Track Record Period and up to the Latest Practicable Date, we had not been materially adversely impacted by any ESG-related incidents.

Impact of ESG risks

We have identified the following ESG risks which we consider material and may have an impact on our business, strategy or financial performance:

(i) *Food safety and quality*. Our food safety and quality control standards and measures, inspections and checks, and training on proper food safety practices, among others, may not be adequate, which may increase the chance of contamination and food-borne illnesses. As a result, we may be subject to risks of receiving administrative or criminal penalties and our reputation may be adversely impacted.

(ii) *Supply chain management*. Responsible sourcing and sound supply chain management are essential for us to ensure reliable food quality and sustainability along our supply chain. If we are unable to select quality third-party suppliers or monitor, audit and manage different parties in the supply chain, we may be exposed to risks of suppliers' non-compliance with applicable laws and regulations and unethical practices, which could diminish our competitiveness and harm our reputation.

(iii) *Climate change adaption*. Floods, typhoons, storms, and other extreme weather conditions and natural disasters may cause price volatility of raw materials, fluctuation in supply and physical damage to our restaurants and offices, pose safety risks to our staff and lead to unsatisfactory service to our customers, among other consequences. In addition, against the backdrop of carbon peak and neutrality goals of the Chinese government, we may incur additional costs to design and apply innovative technologies and systems to improve energy efficiency, replace undegradable packaging, promote sustainable sourcing and engage in low-carbon footprint product development.

(iv) *Environmental compliance*. We are subject to relevant environmental laws and regulations. For details, please refer to "Regulatory Overview – Laws and Regulations on Environmental Protection." Regulators may impose more stringent environmental requirements and standards on us.

Identification, assessment, management and mitigation of ESG risks

Our ESG committee is responsible for identifying and evaluating ESG risks, and formulating and assessing strategic plans and mitigating measures. Our regional managers are responsible for the implementation of risk control and adaptation, and they report to our ESG committee on a monthly basis. We have adopted the following measures to identify, assess, manage and mitigate ESG risks.

Food safety and quality

We comply with relevant laws and regulations regarding food safety in all material respects in the PRC and are prudent in every aspect from procurement, storage and logistics, to restaurant operations. For details of the food safety laws and regulations that apply to us, please see "Regulatory Overview – Laws and Regulations on Food Safety and Licensing Requirements for Catering Services." Set forth below are the various measures that we undertake to manage and mitigate risks relating to food safety and quality:

(i) established a safety center that supervises our restaurant patrol team which conducts unannounced inspections of each of our restaurants four times a month to identify and rectify potential quality and food safety issues;

(ii) engaging an independent third party with deep knowledge of food safety regulations and 30 years of food safety regulatory compliance experience as our consultant;

(iii) establishing stringent standards for the selection and management of suppliers;

(iv) conducting quality inspections and reviews of our suppliers, including site visits to the facilities of our suppliers and formulating corresponding measures;

(v) requiring each of our restaurants to conduct pesticide residue checks, on a daily basis, on any two kinds of fresh fruits and vegetables delivered to the restaurants by random sampling using the pesticide detection test cards;

(vi) sending food products and food ingredients samples selected by our procurement center and safety center on a random basis to third-party food safety testing organizations each month;

(vii) adopting stringent food safety and quality control standards for all our restaurants with respect to (i) inspection of food ingredients and other supplies delivered from the suppliers and (ii) food preparation at our restaurants;

(viii) continuously providing periodical training programs to our restaurant staff on food safety and quality standard;

(ix) monitoring all of our restaurants through closed-circuit television; and

(x) using tamper proof covers and food safety seals in food delivery to prevent the risk of contamination and ensure food quality.

Supply chain management

We have established a supplier selection process, through which suppliers must provide relevant qualifications or certifications, such as their business licenses or food production and operation licenses, and demonstrate legal compliance with environmental and social policies.

We have implemented stringent standards for the management of suppliers. We actively conduct quality inspections and reviews on our existing suppliers, including site visits to the facilities of our suppliers both before engagement and periodically afterwards. During such site visits, we assess whether the equipment, warehouse and production environment meet our comprehensive set of quality control, hygiene and food safety criteria. When visiting their facilities, we also test samples in accordance with our standards for the inspection of different categories of food ingredients and other supplies to ensure their safety and quality. In addition to the site visit and quality inspection carried out by us, we also require our suppliers to provide us with reports of food tests and regularly engage third parties to conduct quality inspections. If the suppliers are not compliant with the applicable laws and regulations regarding food safety and quality or commit misconducts or do not meet our standards and pass our inspections, we may terminate our contracts with them.

Climate change adaptation

We believe in the importance of caring for our planet and we strive to balance our role as a for-profit company with the betterment of people on the planet. Under our ESG Policy, we have established a comprehensive set of key performance indicators to evaluate and guide our business operations. We conduct monthly reviews on our restaurants based on such performance indicators. We also request our restaurant staff to attend mandatory trainings on energy saving on a regular basis.

Power Usage

Metrics and targets. We evaluate our power usage level using the metric of average annual power usage per restaurant. In 2022, 2023 and 2024, our average power usage per restaurant for the relevant period was 295,595 kWh, 348,152 kWh and 333,784 kWh, respectively. We intend to reduce the level of our average annual power usage per restaurant by approximately 3% over the next five years.

Measures we take to achieve the target. We will continue to optimize our restaurant design and apply innovative technologies and systems to improve energy efficiency. We purchase and use environmental-friendly equipment and facilities and will also leverage our video monitoring system to avoid unintended power usage during off-hours. In addition, we also raise energy consumption awareness of our employees during our trainings.

Water Usage

Metrics and targets. We evaluate our water usage level using the metric of average annual water usage per restaurant. In 2022, 2023 and 2024, our average water usage per restaurant for the relevant period was 6,815 tons, 7,338 tons and 6,268 tons, respectively. We intend to reduce the level of our average annual water usage per restaurant by approximately 3% over the next five years.

Measures we take to achieve the target. We continue to monitor and control water usage for dish-washing. We regularly inspect our water tanks to prevent water leakage. We strive to foster water conservation culture in our Group through a variety of activities and events.

In addition, we have continued to promote the application of innovative technologies and systems to improve energy efficiency, including the installation of high-efficiency oven, heat pump water heater and direct current air conditioning and ventilation system at certain of our restaurants. We also conducted a thorough research on energy consumption at our restaurants and devised a plan to adjust usage of each appliance to reduce energy consumption.

Environmental Compliance and Waste Management

We discharge wastewater mainly from restaurants and offices and emit a limited amount of cooking fumes from kitchens in our restaurants during our daily operations. We also produce packaging waste and food waste due to our packaging usage and unused or unfinished food in our restaurants.

We respond to initiatives worldwide to tackle food waste in our daily operation by continuously spreading food waste prevention message to minimize waste. We have also been proactive in addressing environmental issues. The following sets forth the various measures we take to ensure compliance with environmental laws and regulations and minimize the impact of our operations on the environment and natural resources:

(i) discharging sewage into urban sewage systems with the aim to cause little pollution to the environment;

(ii) installing fume extractors, smoke vents and smoke purifiers as stipulated by regulations and conducting regular cleaning and renewal in accordance with the requirements of local authorities in the PRC;

(iii) entering into disposal agreements with local authorities in the PRC to handle our non-hazardous waste; and

(iv) scheduling employee mandatory trainings and tests on waste reduction.

Corporate Social Responsibilities

During the Track Record Period, we have taken the following social responsibility initiatives.

- *Offering nutritious meals*. Our broad menu selections allow guests to enjoy balanced meals consisting of proteins, vegetables, grains and other nutritious ingredients. In addition, we frequently introduce menu offerings that reflect the concept of a healthy diet based on the philosophies of Chinese traditional medicine.

- *Controlling usage of food additives and other chemicals*. Our suppliers are required to provide information on the use of food additives and other chemicals in their products in accordance with Chinese national standards. We also adopted strict rules for procurement, storage, inventory management and usage of food additives and other chemicals at our restaurants.

- *Charitable efforts*. We have been proactively involved in various charitable causes. For example, in August 2023, we donated food and supplies to Zhuozhou when the city was affected by a flood.

We will also focus on embracing diversity within our organization, as well as equal and respectful treatment of all of our employees in their hiring, training, wellness and professional and personal development. We recognize and embrace the benefits of having a diverse Board of Directors to enhance the quality of its performance. To this end, we have adopted a board diversity policy which requires all board appointments to be based on meritocracy, and candidates to be considered against objective criteria. While maximizing equal career opportunity for everyone, we will also continue to promote work-life balance and create a happy culture in our workplace and restaurants for all of our employees.

Our Board of Directors has the collective and overall responsibility for establishing, adopting and reviewing the ESG vision, policy and target of our Group, and evaluating, determining and addressing our ESG-related risks at least once a year. Our Board of Directors may assess or engage independent third party(ies) to evaluate the ESG risks and review our existing strategy, target and internal controls. Necessary improvement will then be implemented to mitigate the risks.

LOGISTICS

Our procurement team based at our headquarters is primarily responsible for coordinating the purchase, storage and delivery of supplies throughout our restaurant network. Such centralized logistics system enables us to devise an optimal delivery plan to ensure sufficient level of inventories at our restaurants. Key benefits of our centralized logistics system also include centralized quality monitoring and control, economies of scale and optimized inventory management and logistics expenses.

We engage reputable and large-scale third-party logistics companies to provide logistics and warehousing services to us. We currently collaborate with 26 third-party logistics companies. We request suppliers to deliver certain supplies with longer shelf lives, such as semi-processed food products, bakery products, sauces and condiments, directly to warehouses operated by such logistics companies, which will then deliver such supplies to our restaurants based on instructions given by our restaurant managers. Other supplies that have shorter shelf lives, such as vegetables and fruits, are delivered to our restaurants directly by our suppliers. We bear the cost for logistics and warehousing services, and risks associated with the shipment are assumed by suppliers or third-party logistics companies, as the case may be.

COMPETITION

The casual Chinese cuisine restaurant market in Mainland China is intensely competitive with respect to food quality and consistency, price-value relationship, ambience, service, location, supply of high-quality ingredients and availability of trained employees. Key success factors in the industry include affordable and high-quality dining services, continuous innovation of menu items, strong brand awareness and utilization of technologies. We ranked third in terms of number of restaurants and fourth in terms of revenue among casual Chinese restaurant operators in Mainland China in 2024, according to the CIC Report. Our major competitors include other casual Chinese cuisine restaurant brands with chain restaurants mainly located in shopping malls.

We believe that our competitive advantage over our competitors lies in fusion menu offerings and value-for-money experience, dining environment, highly standardized and scalable business model, comprehensive and stringent food and operational safety control, digitalized restaurant and operations management, and strong operational management capabilities.

EMPLOYEES

As of December 31, 2022, 2023 and 2024 and the Latest Practicable Date, we had a total of 10,459, 11,410, 13,328 and 12,777 full-time employees, respectively. The table below sets forth our full-time employees by functions as of the Latest Practicable Date:

Function	Number of Employees (Full-time)
Restaurant staff	12,320
Management and administrative staff	284
Supply chain management	93
Marketing and promotion	23
Menu development	21
Safety center	19
Expansion management	16
Engineering	1
Total	**12,777**

We may use third-party human resources companies from time to time to provide staff members to us in order to ensure sufficient staffing and efficient transfer of staff among different restaurants. We typically enter into agreements with such human resources companies for a period of one year. We usually require third-party human resources companies to pay the social insurance and housing provident funds for part-time restaurant staff. We have engaged and may continue to engage part-time employees to better support our restaurant operations. As of the Latest Practicable Date, we engaged 4,748 part-time employees, of which 4,575 part-time employees work as our restaurant staff, and the remaining 173 part-time employees were either electric technicians that perform electricity maintenance or installation work at our restaurants or staff that works at our supply chain warehouses. During the Track Record Period and up to the Latest Practicable Date, we did not discover any third-party human resources companies that did not fulfill their obligations or had made material underpayments; neither had there been any disqualification of, or termination of collaboration with, third-party human resources companies due to incidents of non-compliance with relevant laws and regulations or breaches of agreements by them.

We reward hard work with competitive compensation. Compensation for our employees includes base salary, bonuses and other staff benefits, such as employee meals and staff dormitories. In 2022, 2023 and 2024, our staff costs amounted to RMB626.4 million, RMB911.0 million and RMB989.0 million, representing 26.4%, 25.4% and 25.8% of our revenue, respectively.

We motivate our employees through our training and promotion program, which allows them to envision their career paths and growth potential with us. Our employees have a chance to be promoted to management positions at our restaurants after they successfully complete our leadership training program, which we refer to as *Green Tea University*. The *Green Tea University* curriculum trains our employees to embrace our core values, acquire the necessary skills for their respective positions and develop leadership and management competencies for career advancement. In addition, we currently cooperate with 12 vocational schools; eight of these schools participate in "*Green Tea* internship programs," which allows students at these schools to work as interns at our restaurants and potentially become our employees after completing the programs. In 2024, our training and promotion program had enabled us to promote over 300 of our restaurant staff to management positions at our restaurants, providing solid support for our organic expansion. Our training and promotion program also enables us to have high retention rate with our employees. As of the Latest Practicable Date, approximately a third of our restaurant managers had been working with our Company for over five years.

We are committed to hiring qualified candidates, including experienced restaurant managers, supporting staff and industry experts, to support our business and operations. Our human resources department is responsible for recruitment, primarily through recruitment websites, on-campus events and colleague referral. We are committed to providing fair and equal opportunities in all of our employment practices and have adopted policies and procedures to ensure a fair hiring, selection and promotion process.

As required by regulations of the PRC, we participate in various employee social security plans that are organized by municipal and provincial governments, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds. Except as otherwise disclosed in "– Compliance, Licenses and Permits," our PRC Legal Adviser is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable PRC labor laws and regulations in all material respects.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, there were no material labor disputes or strikes that would have a material and adverse effect on our business, financial condition or results of operations except as otherwise disclosed in "– Compliance, Licenses and Permits".

INTELLECTUAL PROPERTY

We currently operate substantially all of our restaurant network under the *Green Tea* brand. As of the Latest Practicable Date, we maintained 126 trademark registrations in Mainland China. As our brand name becomes more recognized among the customers, we are focused on enforcing our rights in our trademark portfolio, the protection of which is important to our reputation and branding. In the past, we found that certain third parties used or imitated our trademarks or trade name without our authorization to operate restaurants in cities where we did not have a presence. We have successfully brought proceedings to stop these infringing actions, and we do not believe these infringing actions had any material and adverse effects on our reputation, prospects, business, results of operations and financial condition. Ms. Yu Liying, our executive Director and vice president, is responsible for supervising our efforts in enforcing our intellectual property rights. Certain members of our headquarters staff, as well as our regional managers, are responsible for monitoring trademark and trade name infringements on an ongoing basis. Such staff members and regional managers report any instance of infringement to Ms. Yu Liying. If we notice any unauthorized use of our trademarks or trade names, we will initiate a lawsuit to protect our intellectual property rights. However, there can be no assurance that significant incidents of similar nature will not occur in the future. See "Risk Factors – Risks Relating to our Business – 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 operation."

We rely on trade secret protection and confidentiality agreements to safeguard our interests in proprietary know-how that is not patentable and process for which patents are difficult to enforce are also of significant importance to our operations. Certain elements in our operations are not covered by patents or copyrights. We have taken security measures to protect these elements.

All of our research and development personnel have entered into confidentiality and proprietary information agreements with us. These agreements typically address intellectual property protection issues and require our employees to assign to us all of the inventions, designs, recipe and consolidated know-how they develop during their employment with us. We also require our business partners to enter into confidentiality agreements before we disclose any sensitive aspects of our operations, technology or business plans.

During the Track Record Period and up to the Latest Practicable Date, no material claims or disputes were brought by or against us in relation to any infringement of intellectual property.

PROPERTIES

We do not own any property but instead lease certain properties in Mainland China in connection with our business operations. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. They mainly include premises for our restaurants, offices, warehouses, storage units and employee dormitories.

According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies Ordinance which require a valuation report with respect to all our Group's interests in land or buildings, for the reason that, as of December 31, 2024, none of the properties held or leased by us has a carrying amount of 15% or more of our consolidated total assets.

Leased Properties

As of the Latest Practicable Date, we leased 812 properties with an aggregate GFA of approximately 248,427.9 square meters. Among such 812 properties, 507 were operated as restaurants or were in the process of being opened as new restaurants, and 305 were used as warehouses, storage units, offices or employee dormitories. The following table sets forth the terms of our leases as of the Latest Practicable Date:

	Restaurants	Warehouses and storage units	Offices	Employee dormitories	Total
One year or less	4	20	–	231	255
Two years	6	1	–	20	27
Three to five years	22	1	2	6	31
Six to 10 years	364	14	3	–	381
11 to 15 years	101	5	–	–	106
16 to 20 years	8	2	–	–	10
21 to 31 years	2	–	–	–	2
	507*	**43**	**5**	**257**	**812**

Note:

* Including 14 leases entered into for restaurants that have not opened and were in the process of being opened as new restaurants in 2025.

As of the Latest Practicable Date, we had a total of 10 restaurants that had a lease term of two years or less. We entered into such short term leases primarily because we are in the process of negotiating with the shopping malls to change the shop space of the relevant restaurants. While waiting for the vacancy of our ideal shop space, we decided to enter into short term leases for the restaurant at the same shopping mall to continue the operation of the relevant restaurants. We usually start the negotiation process of lease renewal six months prior to the expiration of the relevant lease. We do not foresee any material impediments for the renewal of leases for the restaurants with a lease term of one year or less as of the Latest Practicable Date.

As of the Latest Practicable Date, a total of 10 of our restaurants have a lease term of over 15 years. We entered into such long term leases based on the following commercial rationale:

(i) We have extensive experience in operating restaurants. As such, the risk of us having to break the lease due to unsatisfactory performance of a certain restaurant is low.

(ii) We expected that the average commercial rent of stores in shopping malls in Mainland China to continue to moderately increase in the future. As such, it would be beneficial to us to enter into leases with fixed rent with a longer lease term to control our rental expenses.

We entered into the long term lease for each of the 10 restaurants primarily due the following reasons:

- For the four restaurants with lease terms of 15 to 16 years, we believe such lease terms are generally in line with our usual length of leases. Entering into such leases is in line with our strategy to control our rental costs by entering into leases with longer terms.

- For the four restaurants with lease terms of 20 years, we entered into the relevant leases primarily because (i) these restaurants are located in either the city center or famous tourist sites and we wanted to secure such favorable location for a longer term; and (ii) the relevant landlord of one of these restaurants is a well-known developer of shopping malls with nationwide operations and we expect to establish a long-term relationship with such landlord to secure suitable locations for our restaurants in the future.

- The two restaurants with lease terms of 31 to 32 years are historically operated by us according to the cooperation agreements with our connected persons. These restaurants are located in a tourist attraction with a large number of tourists all year round. The relevant landlord, which is the local government, is only willing to enter into long-term leases to maintain stable business operations at such tourist destination. We believe it is essential in building our brand image and reputation among tourists who may be our potential customers and we also believe that we will be able to negotiate with the landlord regarding potential termination if necessary. As such, we decided to enter into long-term leases for these restaurants.

According to the relevant lease agreements, breaking such leases generally require mutual agreement by us and the relevant landlord. Such arrangements may allow us to negotiate with the relevant landlords for better terms for such leases. According to CIC, our arrangements with respect to longer lease terms and termination clauses are in line with the industry norm.

Title Defects

Of the 807 leased properties in the PRC leased by us, the actual usage of 12 leased properties (with an aggregate GFA of approximately 2,045.2 square meters, representing approximately 0.8% of our total leased GFA) was inconsistent with the usage set out in such title certificates. Among such 12 properties, four was used as a restaurant (with a GFA of approximately 1,529.4 square meters, representing approximately 0.6% of our total leased GFA).

Among the 807 leased properties in the PRC leased by us, lessors of 37 leased properties (with an aggregate GFA of approximately 10,653.0 square meters, representing approximately 4.3% of our total leased GFA) did not provide sufficient or valid title certificates. Among such 37 leased properties, 20 were used as restaurants (with an aggregate GFA of approximately 9,125.9 square meters, representing approximately 3.7% of our total leased GFA). The lease agreements of such 37 properties will expire in the period from June 2025 to July 2032.

In addition, among the 807 leased properties in the PRC leased by us, lessors of 11 leased properties (with an aggregate GFA of approximately 2,714.9 square meters, representing approximately 1.1% of our total leased GFA) did not provide any form of permission to sublet from owners. Among such 11 leased properties, six were used as restaurants (with an aggregate GFA of approximately 2,242.3 square meters, representing approximately 0.9% of our total leased GFA). The lease agreements of such 11 leased properties will expire from May 2025 to May 2033.

In 2022, 2023 and 2024, revenue contribution from restaurants situated on leased properties with title defects amounted to RMB187.4 million, RMB239.2 million and RMB219.6 million, respectively, representing 7.9%, 6.7% and 5.7% of our total revenue for the respective period.

As advised by our PRC Legal Adviser, our use of these defective leased properties may be affected by third parties' claims or challenges against the lease. In addition, if the lessors do not have the requisite rights to lease these defective leased properties, the relevant lease agreements may be deemed invalid, and as a result we may be required to vacate these defective leased properties and relocate our restaurants. If we are required to vacate all of these lease properties and relocate our restaurants, we expect to incur a total estimated costs of RMB67.2 million. However, in the event that we are unable to continue using these defective leased properties, based on the advice of our PRC Legal Adviser, we, as the tenant, will not need to continue to pay the rents or the full amounts of such rents. Additionally, it is the lessors' responsibility to obtain the title certificates to enter into the leases, and, as a tenant, we will not be subject to any administrative punishment or penalties in this regard. These statutory protections significantly mitigate our risks arising from these defective leased properties due to claims for vacation from the legal owners of the properties. See also "Risk Factors – Risks Relating to our Business – Our rights to use some of our leased properties could be challenged by property owners or other third parties or due to usage defects, which may adversely affect our business operations and financial condition."

Having considered the foregoing, our Directors believe that these title defects described above will not, individually or in the aggregate, materially affect our business and results of operation, on the grounds that: (i) the abovementioned leased properties with title defects only constitute 5.4% of our total leased GFA as of the Latest Practicable Date, and leased properties with title defects and used as our restaurants constituted 4.6% of our total leased GFA as of the same date; (ii) during the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, our leases with respect to these defective leased properties had never been challenged by any third parties; (iii) given that a substantial portion of our landlords are owners of large shopping malls and sizeable commercial real estate developers, we believe the risk that we are required to vacate and relocate from these premises is remote; (iv) considering these defective leased properties are geographically dispersed across Mainland China under the jurisdiction of different local governmental authorities, we believe it is unlikely that we would be at the same time subject to claims of rights from various third parties or required by the governmental authorities to relocate with respect to a significant number of these defective leased properties; and (v) according to the terms of certain lease agreements, the landlords agreed to indemnify for our losses as a result of title defect of the property.

Based on reasons stated above, the Directors are of the view that title defects are not material nor systemic non-compliance to the Company.

Nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' view.

Upon expiry of these lease agreements, we will assess the legal risk and will not renew such lease agreements if we believe the risks associated with the title defects are too high.

Starting in 2021, we have requested all of our lessors to provide the necessary documentation with respect to the title of the relevant leased property before we enter into lease agreements with them, and ask the lessors to indemnify us for any of our losses caused by any title defects.

Non-registration of Lease Agreements

As of the Latest Practicable Date, 777 lease agreements had not been registered with relevant authorities. The lease agreements of such 777 properties will expire in the period from April 2025 to November 2042. We could not register these lease agreements primarily because the registration of a lease agreement requires the cooperation between the lessor and lessee. However, lessors are typically unwilling to undertake the administrative burden of registration due to the low risk of penalty.

The non-registration of these leases does not constitute material nor systemic non-compliance of the Group for the following reasons.

- We have adopted internal policies that (i) request our employees to proactively coordinate with lessors to complete the registration for all of our lease agreements and (ii) require our employees to complete the registration of lease agreements in instances in which lessors are willing to cooperate in such procedures. However, as the registration of a lease agreement requires the cooperation between the lessor and lessee and lessors are typically unwilling to undertake the administrative burden due to the low risk of penalty, we were not able to complete the registration of lease agreements mentioned above.

- As advised by our PRC Legal Adviser, failure to complete the registration of lease agreements will not affect the validity of the lease agreements or the binding effect of the lease agreements over contracting parties or result in us being required to vacate the leased properties. In addition, such failure to complete the registration of lease agreement will have limited adverse impact on our normal business operation.

- The potential penalty of non-registration of lease agreements is not material. As advised by our PRC Legal Adviser, the relevant PRC authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. The aggregate amount of maximum fine will be approximately RMB7.8 million, which our directors believe will not have any material adverse impact on our business operations.

As of the Latest Practicable Date, no penalty had been imposed on us for our failure to register or file the relevant lease agreements. Moreover, we have been more stringent in terms of requiring our lessors to cooperate with us in registering our lease agreements with the relevant housing administrative authorities.

Having considered the foregoing, our Directors believe that the non-registration of leases described above will not, individually or in the aggregate, materially affect our business and results of operation. See also "Risk Factors – Risks Relating to our Business – Our rights to use some of our leased properties could be challenged by property owners or other third parties or due to usage defects, which may adversely affect our business operations and financial condition."

INSURANCE

We maintain (i) public liability insurance to cover liability for damages arising out of our business operations for all of our restaurants in Mainland China including, among other things, claims of food and drink poisoning by our customers and (ii) property insurance covering all risks for our restaurants to protect our business from certain natural disasters and other unfortunate events. Our Directors consider our insurance coverage to be customary for business of our size and type and in line with the standard commercial practice in Mainland

China. However, our insurance coverage may not be adequate to cover all losses that may occur. See "Risk Factors – Risks Relating to Our Business – Our insurance policies may not provide adequate coverage for all claims associated with our business operations."

ENVIRONMENTAL AND OCCUPATIONAL HEALTH AND SAFETY MATTERS

We are subject to environmental protection, occupational health and safety laws and regulations in the PRC. During the Track Record Period, we complied with the relevant environmental, occupational health and safety laws and regulations in all material respects in the PRC, and we did not have any incidents or complaints which had a material and adverse effect on our business, financial condition or results of operations during the same period.

We strive to provide a safe working environment for our employees. We have implemented work safety guidelines setting out safety practices, accident prevention and accident reporting. Our work safety guidelines provide clear guidance on various occupational and restaurant safety matters which our staff are required to follow. In addition, the material equipment and machinery at our restaurants are subject to periodical maintenance from time to time and our employees are required to complete training programs that increase their awareness of safety in the workplace. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material safety incidents.

Due to the nature of our operations, we believe the waste we produced is not hazardous and has minimal impact on the environment. In order to comply with the relevant environmental laws and regulations, we have undertaken wastewater and solid waste disposal and processing measures, such as (i) daily collection of solid waste for which we contract qualified waste management companies and (ii) timely payment of wastewater processing fees as part of our water bills to the relevant authorities. See "Regulatory Overview" for additional information. Our Directors are of the view that the annual cost of compliance with applicable PRC environmental laws, regulations and policies was not material during the Track Record Period. Our environmental protection expenses were not material during the Track Record Period and are expected to remain at similar levels.

LEGAL PROCEEDINGS

We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal, arbitral or administrative proceedings pending or, to our knowledge, threatened against us or any of our Directors that could have a material and adverse effect on our business, reputation, financial condition or results of operations.

COMPLIANCE, LICENSES AND PERMITS

Our Directors, as advised by our PRC Legal Adviser, confirm that as of the Latest Practicable Date, we had complied with all relevant PRC laws and regulations in all material respects and have obtained all material licenses, approvals and permits from relevant regulatory authorities for our operations in Mainland China, except as disclosed in the subsection headed "Social Insurance and Housing Provident Funds" below. According to the Food Safety Law in the PRC, a person who engages in food production, food selling, or catering services must obtain a food operation license in accordance with the relevant regulations. During the Track Record Period and up to the Latest Practicable Date, all of our restaurants had obtained the necessary food operation license through the corresponding subsidiary that owns such restaurants. The expiration date of such food operation licenses ranges from May 28, 2025 to April 27, 2030. As of the Latest Practicable Date, neither our PRC Legal Adviser nor we had been informed of any legal impediment in renewing all material licenses, approvals and permits that have expired or are going to expire in 2025.

In addition, during the Track Record Period and up to the Latest Practicable Date, all of our restaurants that are in operation had obtained the required as-built acceptance check on fire prevention, fire safety filing and/or fire safety inspection ("**Fire Safety Inspection Approvals**"). Moreover, all of the restaurants opened during the Track Record Period and up to the Latest Practicable Date had obtained the relevant Fire Safety Inspection Approvals before commencing their operations. Our Directors are committed to operating our restaurants in compliance with the applicable fire safety laws and regulations and have implemented rigorous internal control measures to this end. These internal control measures have been proven to be effective and we plan to continue these measures.

Social Insurance and Housing Provident Funds

Background and Reasons for Non-compliance

During the Track Record Period and as of the Latest Practicable Date, we did not make full social insurance and housing provident fund contributions for certain employees. In 2022, 2023 and 2024, the aggregate shortfall of social insurance and housing provident fund contributions amounted to RMB7.1 million, RMB9.0 million and RMB11.5 million, respectively. Such non-compliance was primarily because (i) we have a large labor force with relatively high mobility, (ii) certain of our employees were not willing to bear the costs associated with social insurance and housing provident funds strictly in proportion to their salary and (iii) a certain number of our employees are migrant workers who are typically not willing to participate in the social welfare schemes of the city where they temporarily reside as such contributions are not transferable among cities. In the event that our employees are not willing to participate in the housing provident fund schemes, we provided those employees with compensation and benefits in lieu of the relevant contributions.

Potential Legal Consequences

According to relevant PRC laws and regulations, (a) in respect of outstanding social insurance contributions, the relevant PRC authorities may demand us to pay the outstanding social insurance contributions within a stipulated deadline and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay; if we fail to make such payments, we may be liable to a fine of one to three times the amount of the outstanding contributions; and (b) in respect of outstanding housing provident fund contributions, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed time period. If we were ordered to make such payment, we will do so within the prescribed time period.

As of the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance contributions and housing provident funds, nor had we received any order or been informed to settle the under-contributions.

For social insurance, pursuant to the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018, it is prohibited for administrative enforcement authorities to organize and conduct centralized collection of enterprises' historical social insurance arrears.

Having considered the foregoing, our Directors believe that such non-compliance would not have a material and adverse effect on our business and results of operations, considering that: (i) as advised by our PRC Legal Adviser, based on the relevant regulatory policies and the facts stated above, the likelihood that we would be required by relevant authorities to pay any shortfall for social insurance and housing provident fund contribution or become subject to material administrative penalties by relevant authorities due to our failure to provide full social insurance and housing provident fund contributions for our employees is remote; (ii) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay material shortfalls or the penalties with respect to social insurance and housing provident funds; (iii) we had not been subject to any material administrative penalties during the Track Record Period and up to the Latest Practicable Date; and (iv) we were not aware of any material employee complaints nor were involved in any material labor disputes with our employees with respect to social insurance and housing provident funds during the Track Record Period and up to the Latest Practicable Date.

Internal Control and Remedial Measures

We have taken the following rectification measures to prevent future occurrences of such non-compliances:

- We have enhanced our human resources management policies, which explicitly require social insurance and housing provident fund contributions to be made in full in accordance with applicable local requirements;

- We are in the process of communicating with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base, which also requires additional contributions from our employees;

- We have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund on a monthly basis;

- We will keep abreast of latest developments in PRC laws and regulations in relation to social insurance and housing provident funds; and

- 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.

In addition, we have obtained confirmations from relevant local authorities that, in respect of the relevant periods stated therein, no administrative penalties had been imposed. Such local authorities include the relevant human resources and social insurance authorities at the provincial, municipal and district levels, as well as the housing provident fund management centers at the municipal level. We undertake to make timely payments for the deficient amount and overdue charges, as soon as requested by the competent governmental authorities.

Indemnification by Controlling Shareholders

Our Controlling Shareholders have undertaken to indemnify us if we were to incur any losses as a result of the non-compliance incidents mentioned above and the title defects of our leased properties. Please refer to section headed "Statutory and General Information – E. Other Information – 1. Estate duty, tax and other indemnities" in Appendix IV to this prospectus.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks in our operations and have established a risk management system with relevant policies and procedures that we believe are appropriate for our business operations. For details on the major risks identified by our management, see "Risk Factors." Our policies and procedures relate to managing our restaurant operations, procurement and food safety and quality.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Listing, we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an audit committee to review and supervise our financial reporting process and internal control system. Our audit committee consists of three members, namely Mr. Fan Yongkui, who serves as chairman of the committee, Mr. Shao Xiaodong and Mr. Bruno Robert Mercier. For the qualifications and experience of these committee members, see "Directors and Senior Management;"

- adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; and

- continue to organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong SAR.

In addition, we plan to engage an internal control consultant to review the effectiveness of our internal controls associated with our major business processes, identify deficiencies and areas for improvement, provide recommendations and review the implementation status of these remedial actions on an annual basis.

Our Directors are of the view that our enhanced internal control system is adequate and effective for our current operations.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), Mr. Wang, his wholly-owned holding company Yielding Sky, Ms. Lu, her wholly-owned holding company Contemporary Global Investments and Time Sonic, which is controlled by Mr. Wang and Ms. Lu as it is owned as to 99.9% by Absolute Smart Ventures, which is in turn wholly owned by East Superstar, both the holding vehicles used by Vistra Trust, will be entitled to exercise voting rights of approximately 54.29% of the issued share capital of our Company. Accordingly, Mr. Wang, Yielding Sky, Ms. Lu, Contemporary Global Investments, Time Sonic, Absolute Smart Ventures, East Superstar and Vistra Trust are a group of controlling shareholders after the Listing.

COMPETING INTEREST

Each of our Controlling Shareholders and Directors confirm that he/she/it does 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.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently from the Controlling Shareholders and their respective close associates after the Global Offering.

Management Independence

The Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. Although Mr. Wang is chairman of the Board, and executive Director and also a Controlling Shareholder, our management and operational decisions are made by our executive Directors and senior management as a whole, most of whom have served our Group for a long time and have substantial experience in the industry in which we are engaged. Please see the section "Directors and Senior Management" for further details.

Each of our Directors is aware of his/her fiduciary duties as a director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests. The Directors shall not vote in any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her associates has a material interest and shall not be counted in the quorum present at the particular Board meeting.

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

Operational Independence

Although the Controlling Shareholders will retain a controlling interest in our Company after the Listing, we have full rights to make all decisions regarding, and to carry out, our own business operations independently from our Controlling Shareholders and their respective close associates. Our Company (through our subsidiaries) holds or enjoys the benefit of all relevant licenses necessary to carry out our businesses, and has sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders and their respective close associates.

Based on the above, our Directors are satisfied that we have been operating independently from our Controlling Shareholders and their respective close associates during the Track Record Period and will continue to operate independently.

Financial Independence

During the Track Record Period and up to the Latest Practicable Date, our Group has our own internal control, accounting and financial management system, accounting and finance department, independent treasury functions for cash receipts and payment and we make financial decisions according to our own business needs.

In addition, we have independent access to third party financing and our Group does not rely on our Controlling Shareholders and/or their close associates by virtue of their provision of financial assistance. As of the Latest Practicable Date, the Company has no loans, advances and balances due to the Controlling Shareholders. Our Directors believe that we are capable of obtaining financing from external sources without reliance on the Controlling Shareholders.

Based on the above, our Directors believe that we have the ability to operate independently of our Controlling Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence from our Controlling Shareholders and their respective associates.

CORPORATE GOVERNANCE MEASURES

Our Directors believe that there will be adequate corporate governance measures in place to manage conflicts of interest after Listing. In particular, we will implement the following measures effective upon Listing:

(a) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(b) a Director with material interests shall make full disclosure in respect of matters that conflict or potentially conflict with our interest and abstain from voting at the board meetings on matters in which such Director or his/her associates have a material interest, unless the attendance or participation of such Director at such meeting of the Board is specifically requested by a majority of the independent non-executive Directors;

(c) we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in "Directors and Senior Management – Directors – Independent Non-executive Directors";

(d) in the event that our independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Controlling Shareholders and/or our Directors on the other hand, our Controlling Shareholders and/or our Directors shall provide our independent non-executive Directors with all necessary information and our Company shall disclose the decisions of our independent non-executive Directors either through its annual report or by way of announcements; and

(e) we have appointed Altus Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

Further, any transaction that is proposed between our Company and our Controlling Shareholders and their respective associates will be required to comply with the requirements of the Listing Rules, including, where appropriate, the reporting, annual review, announcement and independent Shareholders' approval requirements.

DIRECTORS

The following table sets out certain information in respect of our Directors:

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Roles and responsibilities	Relationship with other Directors or Senior Management Members
Wang Qinsong (王勤松)	53	Chief executive officer, chairman of our Board and executive Director	July 9, 2015	October 2008	Overseeing the overall management and business operation, board affairs, formulating strategies and operational plans, and making major business decision of our Group	Spouse of Ms. Lu and uncle of Mr. Wang Jiawei
Yu Liying (于麗影)	38	Executive Director and vice president	May 25, 2017	October 2008	Responsible for the management of supply chain, construction projects and public relations and the expansion of restaurant network	Sister in law of Ms. Lu
Wang Jiawei (王佳偉)	41	Executive Director, financial director and board secretary	May 25, 2017	May 2013	Overseeing the development, day-to-day management and financial and capital management of our Group	Nephew of Mr. Wang
Lu Changmei (路長梅)	44	Non-executive Director	July 9, 2015	October 2008	Responsible for providing strategic advice and recommendations on the operations and management of our Group	Spouse of Mr. Wang
Liu Sheng (劉盛)	42	Non-executive Director	May 25, 2017	May 2017	Responsible for providing strategic advice and recommendations on the operations and management of our Group	None

Name	Age	Position(s)	Date of appointment as Director	Date of joining our Group	Roles and responsibilities	Relationship with other Directors or Senior Management Members
Xu Ruijie (徐睿婕)	35	Non-executive Director	December 5, 2023	December 5, 2023	Responsible for providing strategic advice and recommendations on the operations and management of our Group	None
Shao Xiaodong (邵曉東)	53	Independent non-executive Director	April 30, 2025	April 30, 2025	Providing independent judgment and advice to the Board	None
Bruno Robert Mercier	65	Independent non-executive Director	April 30, 2025	April 30, 2025	Providing independent judgment and advice to the Board	None
Fan Yongkui (范永奎)	40	Independent non-executive Director	April 30, 2025	April 30, 2025	Providing independent judgment and advice to the Board	None

SENIOR MANAGEMENT

Our senior management team, in addition to the executive Directors listed above, comprises the following:

Name	Age	Position(s)	Date of appointment	Date of joining our Group	Roles and responsibilities	Relationship with other Directors or Senior Management Members
Zhang Li (張立)	41	Chief Financial Officer	August 31, 2020	August 2020	Overseeing the finance, strategic investments and investors' relationship of our Group	None
Tai Fang (邰芳)	50	Vice president	January 15, 2019	January 2019	Responsible for business operation and management of our Group	None

DIRECTORS

The Board currently consists of nine Directors, comprising three executive Directors, three non-executive Directors and three independent non-executive Directors. The functions and duties of the Board include convening shareholders' meetings, reporting on the Board's work at these meetings, implementing the resolutions passed on these meetings, determining business and investment plans, formulating our annual budget and final accounts, and formulating our proposals for profit distributions and for the increase or reduction of registered capital. In addition, the Board is responsible for exercising other powers, functions and duties in accordance with the Articles of Association, and all applicable laws and regulations, including the Listing Rules.

The biography of each of our Directors is set out below.

Executive Directors

Mr. Wang Qinsong (王勤松), aged 53, is our co-founder, chairman of the Board, chief executive officer and executive Director. Mr. Wang has around 20 years of experience in the hospitality and food and beverage industries and is experienced in business management. With his extensive experience in restaurant operations, he is principally responsible for overseeing the overall management and business operation of our Group, including coordinating board affairs, formulating strategies and operational plans and making major business decisions. Mr. Wang has been the chairman of the board since January 2017 and the chief executive officer since January 2018 at Tibet Green Tea F&B. Mr. Wang served as a general manager at Hangzhou Green Tea Food & Beverage Management Company Limited (杭州綠茶餐飲管理有限公司) ("**Hangzhou Green Tea F&B**") from October 2008 to December 2016, which was the predecessor of Tibet Green Tea F&B. Prior to founding our Group, he established Green Tea Youth Hostel (綠茶青年旅舍) at November 2004 and served as the general manager from December 2004 to September 2007. Mr. Wang was admitted to Executive Education Program at the Cheung Kong Graduate School of Business (長江商學院) in April 2019, in the PRC.

Mr. Wang does not hold any current or past directorship in any listed companies in the last three years preceding the date of this prospectus.

Ms. Yu Liying (于麗影), aged 38, is our executive Director and vice president. Ms. Yu has around 15 years of experience in restaurant operations and is experienced in business management. She is primarily responsible for the management of supply chain, construction projects and public relations and the expansion of restaurant network. Ms. Yu has been serving as a vice president at Tibet Green Tea F&B since January 2017. Ms. Yu managed stores between October 2008 to December 2011 for Hangzhou Green Tea F&B, which was the predecessor of Tibet Green Tea F&B. She was later promoted and successively served as a regional manager, then a regional general manager and then a vice president in charge of brand operation and chief operating officer at Hangzhou Green Tea F&B until December 2016. Ms. Yu is pursuing an executive master of business administration (EMBA) degree from the Cheung Kong Graduate School of Business (長江商學院) in the PRC.

Ms. Yu does not hold any current or past directorship in any listed companies in the last three years preceding the date of this prospectus.

Mr. Wang Jiawei (王佳偉), aged 41, is our executive Director, financial director and board secretary. He has around 14 years of experience in finance and accounting and is primarily overseeing the development, day-to-day management and financial and capital management of our Group. Mr. Wang Jiawei has served as a board secretary at Tibet Green Tea F&B since January 2017 and has served as a financial director since November 2019. Mr. Wang Jiawei worked as a financial director at Hangzhou Green Tea F&B between May 2013 to December 2016, which was the predecessor of Tibet Green Tea F&B. Prior to joining our Group, Mr. Wang Jiawei was a project manager of BDO China Shu Lun Pan Certified Public Accountants LLP, Zhejiang Branch (立信會計師事務所(特殊普通合夥)浙江分所) from May 2010 to April 2013.

Mr. Wang Jiawei obtained his master's degree in finance from Zhejiang Institute of Finance & Economics (浙江財經學院) (now known as Zhejiang University of Finance & Economics (浙江財經大學)) in the PRC in March 2010. He has been a PRC certified public accountant (中國註冊會計師) certified by Zhejiang Province Certified Public Accountant Association (浙江省註冊會計師協會) since June 2012.

Mr. Wang Jiawei does not hold any current or past directorship in any listed companies in the last three years preceding the date of this prospectus.

Non-executive Directors

Ms. Lu Changmei (路長梅), aged 44, is our co-founder and non-executive Director. Ms. Lu has around 20 years of experience in the hospitality and food and beverage industries and is experienced in business management. She is responsible for providing strategic advice and recommendations on the operations and management of our Group. Ms. Lu has been serving as a deputy general manager at Tibet Green Tea F&B since January 2017. She worked as the deputy general manager in Hangzhou Green Tea F&B between October 2008 to December 2016, which was the predecessor of Tibet Green Tea F&B. Prior to joining our Group, she established Green Tea Youth Hostel with Mr. Wang and served as the deputy general manager from December 2004 to September 2007.

Ms. Lu does not hold any current or past directorship in any listed companies in the last three years preceding the date of this prospectus.

Mr. Liu Sheng (劉盛), aged 42, is our non-executive Director. With his extensive experience in finance and investment, Mr. Liu is primarily responsible for providing strategic advice and recommendations on the operations and management of our Group. Since 2013, he has been with Partners Group and has around 20 years of experience in finance and investment industry. He is managing director, head of Partner Group's Shanghai office and a member of the Private Equity Direct Co-Investment in Health and Life Investment Committee in Partners Group and also a director in Partners Gourmet. Prior to joining Partners Group, Mr. Liu worked as an investment director at Cathay Capital Investment Consulting (Shanghai) Co., Ltd. from January 2007 to March 2013. He started his career at KPMG Hua Zhen LLP, Shanghai Branch, where he worked as an auditor from August 2004 to August 2006.

Mr. Liu has extensive experience in managing public and private companies. He has served as a director at Shanghai Aiyingshi Co., Ltd. (上海愛嬰室商務服務股份有限公司), a leading maternal and infant products retailer and relevant services provider listed on the Shanghai Stock Exchange (Stock Code: 603214) since its listing in March 2018. He has also served as a director in Moda Solution Limited, a leading store fixture solution service provider and in Apex Logistics Solutions International Pte. Ltd., a cross-border logistics service provider since September 2019 and February 2021, respectively.

Mr. Liu obtained his bachelor's degree in finance (securities and investment) from Shanghai University of Finance and Economics (上海財經大學) in the PRC in July 2004.

Ms. Xu Ruijie (徐睿婕), aged 35, is our non-executive Director. She is primarily responsible for providing strategic advice and recommendations on the operations and management of our Group. She has over 10 years of experience in consulting and private equity investment. She joined Partners Group in August 2016 and is currently a member of management for private equity Asia in Partners Group (Shanghai) Co. Ltd. Prior to joining Partners Group, Ms. Xu served as a senior consultant in consulting department at Booz & Company from July 2011 to July 2014.

Ms. Xu obtained her bachelor's degree in economics and international finance from University of Macau in Macau in August 2011 and a Master of Business Administration degree from Columbia University in the City of New York in May 2016.

Ms. Xu does not hold any current or past directorship in any listed companies in the last three years preceding the date of this prospectus.

Independent Non-executive Directors

Mr. Shao Xiaodong (邵曉東), aged 53, was appointed as an independent non-executive Director of our Company on April 30, 2025. He is primarily responsible for providing independent judgment and advice to the Board.

Mr. Shao is a vice president of security and risk management group at Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) (the "**Ant Group**"). He joined the Ant Group in July 2014 and has successively undertaken different roles including the deputy general manager of Alipay.com Co., Ltd, a leading third party payment platform provider and the general manager of safety management department and Xianghubao (相互寶). Prior to joining the Ant Group, he worked as a policeman for more than 23 years in Hangzhou Public Security Bureau (杭州市公安局) and was the head of the criminal investigation division when he left the Hangzhou Public Security Bureau in March 2014.

Mr. Shao graduated from East China University of Science and Technology (華東理工大學) in business administration via correspondence course in July 2006. He was honored as the outstanding chief security officer of the Yangtze River Delta region (長三角優秀首席安全官) in 2019 by Committee of the Outstanding Chief Security Officer of the Yangtze River Delta Region.

Mr. Shao does not hold any current or past directorship in any listed companies in the last three years preceding the date of this prospectus.

Mr. Bruno Robert Mercier, aged 65, was appointed as an independent non-executive Director of our Company on April 30, 2025. He is primarily responsible for providing independent judgment and advice to the Board.

He is currently an independent non-executive director of Blue Moon Group Holdings Limited, a leader in the Chinese detergent market listed on the Main Board of the Stock Exchange (stock code: 6993), a director of Gramona SA, a family-owned Spanish premium winery and a non-executive member of the Supervisory Board of City Holdings Limited, a leading consumer products retailer and distributor in Myanmar, since February 2022.

From February 2018 to April 2024, he was a director of Home Chain Foods Ltd., the holder of the Burger King Franchise in Taiwan. He is also serving as an adviser to several other companies, including Driscoll's, a leading berries producer as well as a number of private equity and venture capital funds and an investor in tech start-ups focusing on retail and consumer goods. He was a member of Bain Advisors Network from June 2019 to December 2024. He also has provided one-off industry advice to Partners Group on three potential investment opportunities in 2015, 2018 and 2019.

From 2011 to 2017, Mr. Mercier was chief executive officer and executive director of Sun Art Retail Group Limited, one of China's largest and most profitable food retailers listed on the Main Board of the Stock Exchange (stock code: 6808) and was the chairman of the board of RT Mart International in Taiwan. From 1999 to 2011, Mr. Mercier worked in the Auchan Group with various positions as development director, store manager and chief executive officer of Auchan (China) Investment Co., Ltd.. He also has many years of experience working in the consumer goods and consulting industries from 1983 to 1998, notably with Groupe Pernod Ricard, a global wines and spirits producer, in their China and Thailand operations as well as with McKinsey & Company.

Mr. Mercier holds a master's degree in business administration from European Institute of Business Administration (Institut Européen d'Administration des Affaires, "**INSEAD**"), and an engineering degree from the Ecole Nationale Supérieure Agronomique de Toulouse in France. He is an honorary citizen of the city of Suzhou and was awarded the Golden Magnolia medal by Shanghai City government in 2011.

Mr. Mercier was a director of the following company incorporated in the PRC when its business license was revoked. The relevant details are as follows:

Name of Company	Principal Business	Place of Incorporation	Reasons for the Revocation of Business License
Tianjin Auchan Supermarket Company Limited (天津歐尚超市有限公司) ("**Tianjin Auchan**")	Retail	PRC	Mr. Mercier was a director of Tianjin Auchan at the time of the revocation. To the best of Mr. Mercier's knowledge, the business licence of Tianjin Auchan was revoked in 2010 because of its failure to complete annual inspection as required under relevant PRC regulations and its failure to apply for deregistration following the cessation of its supermarket business. As confirmed by Mr. Mercier, the shareholders of Tianjin Auchan decided to cease the operation of Tianjin Auchan before 2010, therefore no annual inspection was conducted thereafter. Mr. Mercier further confirmed that Tianjin Auchan was solvent at the time of such revocation and cessation of business. Mr. Mercier confirmed that, as at the Latest Practicable Date, he has not incurred any liabilities as a result of such revocation and is not aware of any actual or potential claim that has been or will be made against him or Tianjin Auchan due to such revocation. In addition, our PRC legal advisers advised that, Mr. Mercier, as a director of Tianjin Auchan, is not in the position to apply or resolve to dissolve or deregister Tianjin Auchan, (which is a right reserved for shareholders) nor is at fault for the revocation of the business license of Tianjin Auchan.

Mr. Fan Yongkui (范永奎), aged 40, was appointed as an independent non-executive Director of our Company on April 30, 2025. He is primarily responsible for providing independent judgment and advice to the Board.

Mr. Fan has extensive experience in finance and accounting. He has been the vice president and chief financial officer of JNBY Design Limited (江南布衣有限公司) ("**JNBY**"), a leading designer brand fashion house listed on the Main Board of the Stock Exchange (stock code: 3306), since August 2021 and December 2022, respectively. Mr. Fan served as the finance director of JNBY from September 2015 to December 2022. Prior to joining JNBY, he worked as a financial analysis manager in (浙江大華技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002236) from July 2010 to September 2015. Between May 2008 to June 2010, he was a project manager of BDO China Shu Lun Pan Certified Public Accountants LLP, Zhejiang Branch. He started his career in Zhejiang Zhongcheng Certified Public Accountants LLP (浙江中誠會計師事務所) in September 2006 and worked there until April 2008.

Mr. Fan obtained his bachelor's degree in landscape architecture from Zhejiang University (浙江大學) in June 2006. He has been a PRC certified public accountant (中國註冊會計師) certified by Zhejiang Province Certified Public Accountant Association (浙江省註冊會計師協會) since April 2009. He obtained the qualification for registered tax agent in the PRC in November 2013 and the qualification for certified public valuer in December 2011. He obtained a lawyer's practice certificate issued by the Ministry of Justice of the People's Republic of China in April 2021.

Mr. Fan does not hold any current or past directorship in any listed companies in the last three years preceding the date of this prospectus.

Save as disclosed above, each of our Directors had no other relationship with any Directors, senior management, substantial shareholders or Controlling Shareholders of our Company and none of our Directors had held any other directorships in any other company listed in Hong Kong SAR or overseas during the three years immediately preceding the date of this prospectus. Save as disclosed herein, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, there are no other matters in respect of each of our Directors that is required to be disclosed pursuant to Rule 13.51(2)(a) to (v) of the Listing Rules and there is no other material matter relating to our Directors that needs to be brought to the attention of our shareholders.

SENIOR MANAGEMENT

The biography of each of our senior management members is set out below.

Mr. Zhang Li (張立), aged 41, joined our Group and was appointed the chief financial officer on August 31, 2020. He has also been serving as chief financial officer at Tibet Green Tea F&B since August 2020. Mr. Zhang is primarily responsible for overseeing the finance, strategic investments and investors' relationship of our Group. He has around 15 years of experience in finance and accounting.

Mr. Zhang has been serving as an independent director of Nantong Yundom Precision Metal Works Co., Ltd (南通鋆鼎精密科技股份有限公司), an engineering and technology provider, since March 2023. Prior to joining our Group, Mr. Zhang was the chief financial officer at Hangzhou Runxian Finery Co., Ltd. between July 2019 to May 2020. Before that, he worked at Zhejiang Ronghe Network Technology Limited (浙江融合網絡技術有限公司), a website application developer and internet promotion marketing company as the chief financial officer between January 2017 to June 2019. From September 2015 to December 2016, Mr. Zhang served as a joint company secretary and board secretary at JNBY Design Limited (江南布衣有限公司), a leading designer brand fashion house listed on the Main Board of the Stock Exchange (stock code: 3306). From July 2014 to September 2015, he worked as the financial controller at JNBY Finery Co., Ltd. (江南布衣服飾有限公司), an indirectly wholly-owned subsidiary of JNBY Design Limited. Mr. Zhang started his career at Ernst & Young Hua Ming LLP, Shanghai Branch from October 2006 to April 2014, where he last served as an auditing manager.

Mr. Zhang graduated from Suzhou University (蘇州大學) with a bachelor's degree in international economy and trade in the PRC in June 2006 and obtained his EMBA degree from Zhejiang University (浙江大學) in the PRC in June 2024. He has been a PRC Certified Public Accountant (中國註冊會計師) certified by The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since December 2009. He has been a Certified Management Accountant certified by The Institute of Management Accountants of United States of America since October 2020.

Mr. Zhang does not hold any current or past directorship in any listed companies in the last three years preceding the date of this prospectus.

Ms. Tai Fang (邰芳), aged 50, joined our Group and was appointed as a vice president on January 15, 2019, primarily responsible for business operation and management of our Group. She has also been serving as vice president at Tibet Green Tea F&B since January 2019. Prior to joining our Group, Ms. Tai served as a store general manager, regional operation manager, senior operation director and vice president successively at South Beauty (Beijing) Enterprise Management Co., Ltd (俏江南(北京)企業管理有限公司), an F&B service management company in the PRC between 2004 to 2018.

Ms. Tai completed the China F&B president senior study program (中國餐飲業總裁高級研修班) in the School of Continuing Education at Tsinghua University in October 2007.

Ms. Tai does not hold any current or past directorship in any listed companies in the last three years preceding the date of this prospectus.

JOINT COMPANY SECRETARIES

Ms. Lu Juan (盧娟), is the joint company secretary of our Company and was appointed on April 30, 2025. She is primarily responsible for the financial and the overall company secretarial matters of our Group.

Ms. Lu Juan joined our Group in May 2021 and has been serving as deputy director of financial department since then. She has over 10 years of experience in finance management. Prior to joining our Group, Ms. Lu Juan was the finance director at Zhejiang Yifuli Industrial Co., Ltd (浙江伊芙麗實業有限公司) from October 2019 to May 2021. Before that, she worked at Ribo Fashion Group Co, Ltd. (日播時尚集團股份有限公司), a fashion brand operation management group listed on Shanghai Stock Exchange (stock code: 603196) from February 2016 to September 2019, where she last served as senior financial manager. Ms. Lu Juan obtained a bachelor's degree in management from Donghua University (東華大學) in the PRC in March 2016 through online courses. She obtained the title of intermediate accountant (中級會計師) from Ministry of Finance of the People's Republic of China in September 2016 and a Certified Management Accountant certified by The Institute of Management Accountants United States of America since January 2022.

Ms. Lu Juan does not hold any current or past directorship in any listed companies in the last three years preceding the date of this prospectus.

Ms. Lai Siu Kuen (黎少娟), is the joint company secretary of our Company and was appointed on April 30, 2025. She is a director of the company secretarial services of Tricor Services Limited, a global professional services firm. She is currently the company secretary or joint company secretary of certain companies, including Pujiang International Group Limited (stock code: 2060), Shanghai Junshi Biosciences Co., Ltd. (stock code: 1877) and Yangtze Optical Fibre and Cable Joint Stock Limited Company (stock code: 6869), the shares of which are all listed on the Main Board of the Stock Exchange. She has over 20 years of professional and in-house experience in the company secretarial field.

Ms. Lai obtained a bachelor's degree in accountancy from The Hong Kong Polytechnic University in November 1997. She is a fellow of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators).

BOARD COMMITTEES

Audit Committee

The Company established an audit committee in compliance with Rules 3.21 to 3.23 of the Listing Rules with written terms of reference in compliance with the Corporate Governance Code in Appendix C1 to the Listing Rules. The primary duties of our audit committee are to review, supervise and approve our financial reporting process and internal control system and to provide advice and comments to our Board.

Member of the audit committee are Mr. Fan Yongkui, Mr. Shao Xiaodong and Mr. Bruno Robert Mercier. Mr. Fan Yongkui is the chairman of the audit committee.

Remuneration Committee

The Company established a remuneration committee with written terms of reference in compliance with the Corporate Governance Code in Appendix C1 to Listing Rules. The remuneration committee reviews and recommends to our Board the remuneration and other benefits paid by us to our Directors and senior management. The remuneration of all our Directors and senior management is subject to regular monitoring by our remuneration committee to ensure that levels of their remuneration and compensation are appropriate.

Member of the remuneration committee are Mr. Shao Xiaodong, Mr. Wang Qinsong and Mr. Fan Yongkui. Mr. Shao Xiaodong is the chairman of the remuneration committee.

Nomination Committee

The Company established a nomination committee with written terms of reference in compliance with the Corporate Governance Code in Appendix C1 to the Listing Rules. The primary responsibilities of the nomination committee are to consider and recommend to our Board suitable and qualified candidates of Directors and to review the structure, size and composition of our Board and the board diversity policy adopted by our Company on a regular basis.

Member of the nomination committee are Mr. Wang Qinsong, Mr. Shao Xiaodong and Mr. Bruno Robert Mercier. Mr. Wang Qinsong is the chairman of the nomination committee.

BOARD DIVERSITY

To enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to board diversity policy, we seek to achieve board diversity by taking into consideration of various factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service with our Company.

Our Directors have a balanced mix of knowledge, skills and experience, including the areas of food and beverage, accounting, consumer goods and hospitality industries. They obtained academic degrees in various majors, including finance, accounting, landscape architecture and business administration. We have three independent non-executive Directors with different industry backgrounds, representing one-third of the members of our Board. Furthermore, our Board has a wide range of age, ranging from 35 years old to 65 years old. We have also taken, and will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to the Board and the management levels. In particular, one of our executive Directors and two of our non-executive directors are also female. Going forward, our Company will take into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of our Board. All Board appointments will be based on meritocracy having due regard for the benefits of diversity on the Board.

Our Nomination Committee is responsible for ensuring the diversity of our Board members and compliance with relevant codes governing board diversity under the Corporate Governance Code contained in Appendix C1 of the Listing Rules. Our Nomination Committee will review the board diversity policy and our diversity profile (including gender balance) from time to time to ensure its continued effectiveness. We will also disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

We are also committed to adopting similar approach to promote diversity, including but not limited to gender diversity, at all other levels of our Company from the Board downwards to enhance the effectiveness of our corporate governance as a whole.

CONFIRMATIONS FROM OUR DIRECTORS

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2024, 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/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he/she has 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 are no other factors that may affect his/her independence at the time of his/her appointments.

WAIVER GRANTED BY THE STOCK EXCHANGE

Management presence

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules in relation to the requirement of management presence in Hong Kong SAR. For details of the waiver, please see the section headed "Waivers from Strict Compliance with the Listing Rules – Management Presence in Hong Kong SAR" in this prospectus.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate amount of remuneration our Directors have received (including fees, salaries, allowances and other benefits, discretionary bonuses and retirement scheme contributions) for the years ended December 31, 2022, 2023 and 2024 were approximately RMB1.6 million, RMB3.2 million and RMB4.5 million, respectively.

The aggregate amount of fees, salaries, allowances and other benefits, discretionary bonuses and retirement scheme contributions paid to the five highest paid individuals of our Company, including Directors, for the years ended December 31, 2022, 2023 and 2024 were approximately RMB3.6 million, RMB6.1 million and RMB8.4 million, respectively.

Under the arrangements currently in force, the aggregate amount of remuneration, excluding discretionary bonuses, payable to our Directors for the year ending December 31, 2025 is estimated to be approximately RMB5.7 million.

No remuneration was paid by us to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of the years ended December 31, 2022, 2023 and 2024. Further, none of our Directors had waived any remuneration during the same period.

Save as disclosed above, no other payments have been made or are payable in respect of the years ended December 2022, 2023 and 2024 by our Group to the Directors.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management which, following the Listing, will receive recommendation from the Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of our Group.

COMPLIANCE ADVISER

We have appointed Altus Capital Limited as our compliance adviser (the "**Compliance Adviser**") upon listing of our Shares on the Stock Exchange in compliance with Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will provide advice to us when consulted by us in the following circumstances:

- the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where its business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares.

The term of the appointment shall commence on the Listing Date and end on the date on which our Company distributes its annual report in respect of its financial results for the first full financial year commencing after the Listing Date. This appointment may be subject to extension by mutual agreement.

CORPORATE GOVERNANCE CODE

Pursuant to code provision C.2.1 of the Corporate Governance Code in Appendix C1 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, our Company does not have a separate chairman and president and the responsibility of both chairman and Chief Executive Officer vest in Mr. Wang. Our Board believes that vesting the responsibilities of both chairman and Chief Executive Officer in the same person has the benefit of ensuring the consistent leadership within our Group and enables more effective and efficient overall strategic planning of our Group. Besides, with three independent non-executive Directors out of a total of nine Directors in our Board, there will be sufficient independent voice within our Board to protect the interests of our Company and our Shareholders as a whole. Therefore, our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of chairman of our Board and Chief Executive Officer of our Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

As of the Latest Practicable Date, our Directors consider that our Company has fully complied with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Our Directors will review the corporate governance policies of our Group and compliance with the Corporate Governance Code each financial year.

RSU SCHEME

We adopted the RSU Scheme on February 28, 2020, which was further amended and approved on May 20, 2022 and April 30, 2025, respectively to motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests of the Company. The principal terms of the RSU Scheme are summarized in the section headed "Appendix IV – Statutory and General Information – D. Share Incentive Scheme" in this prospectus.

So far as our Directors are aware, immediately following the completion of the Global Offering and assuming that the Over-allotment Option is not exercised, the following persons will have an interest or a short position in Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO or will be, directly or indirectly, 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 our Company:

		Immediately after the Global Offering (assuming the Over-allotment Option is not exercised)(1)	
Name of Shareholder	**Nature of interest**	**Number of Shares(2)**	**Approximate percentage of interest in our Company**
Vistra Trust	Trustee of a trust(3)	365,600,000	54.29%
East Superstar	Interest in a controlled corporation(4)	365,600,000	54.29%
Absolute Smart Ventures	Interest in a controlled corporation(3)	365,600,000	54.29%
Time Sonic	Beneficial interest(3)	365,600,000	54.29%
Mr. Wang	Founder of a discretionary trust(3)	365,600,000	54.29%
Yielding Sky	Beneficiary of trust(3)	365,600,000	54.29%
Ms. Lu	Founder of a discretionary trust(3)	365,600,000	54.29%
Contemporary Global Investments	Beneficiary of trust(3)	365,600,000	54.29%
Partners Gourmet	Beneficial interest(5)	106,140,800	15.76%
Partners Group	Interest in controlled corporation(5)	106,140,800	15.76%

Notes:

(1) The calculation is based on the total number of 673,454,800 Shares in issue immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised).

(2) All interests stated are long positions.

(3) Time Sonic is owned as to (i) 99.9% by Absolute Smart Ventures, the holding vehicle used by Vistra Trust, the trustee of Green Tea Family Trust, which is a discretionary trust established by Mr. Wang and Ms. Lu as the settlors and protectors and Yielding Sky (wholly-owned by Mr. Wang) and Contemporary Global Investments (wholly-owned by Ms. Lu) as the beneficiaries; (ii) 0.049% by Yielding Sky, which is wholly owned by Mr. Wang; and (iii) 0.051% by Contemporary Global Investments, which is wholly owned by Ms. Lu. Accordingly, each of Absolute Smart Ventures, Yielding Sky, Contemporary Global Investments, Mr. Wang and Ms. Lu is deemed to be interested in all the Shares held by Time Sonic.

(4) Absolute Smart Ventures is wholly owned by East Superstar, the holding vehicle used by Vistra Trust, the trustee of Green Tea Family Trust.

(5) Assuming the Series-A Preferred Shares are converted into the Shares on a one-for-one basis, Partners Gourmet shall hold 106,140,800 Shares, representing approximately 15.76% of the total issued share capital of our Company upon Listing. Partners Gourmet is ultimately controlled by Partners Group, a company listed on the SIX Swiss Exchange (symbol: PGHN). As such, Partners Group is deemed to have an interest in the Shares held by Partners Gourmet.

Save as disclosed above and in the section headed "Statutory and General Information – C. Further Information about our Directors and Substantial Shareholders – 1. Disclosure of Interests" in Appendix IV to this prospectus, our Directors are not aware of any person who will, immediately following the completion of the Global Offering and assuming that the Over-allotment Option is not exercised, have an interest or a short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other Member of the Group.

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized share capital of our Company as of the Latest Practicable Date and immediately following the completion of the Global Offering (without taking into account the exercise of the Over-allotment Option):

Authorized share capital

As of the Latest Practicable Date:

Number of Shares	Description of Shares	Total Nominal Value (US$)	Approximate percentage of total share capital
156,650,000	Series-A Preferred Shares of US$0.00002 each	3,133	6.27%
2,343,350,000	Shares of US$0.00002 each	46,867	93.73%
2,500,000,000	Total	50,000	100.00%

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised):

Number of Shares	Description of Shares	Total Nominal Value (US$)	Approximate percentage of total share capital
2,500,000,000	Shares of US$0.00002 each	50,000	100.00%

The following is a description of the issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid prior to and following the completion of the Global Offering (without taking into account the exercise of the Over-allotment Option):

Issued share capital

As of the Latest Practicable Date:

Number of Shares	Description of Shares	Total Nominal Value (US$)	Approximate percentage of total share capital
398,950,000	Shares of US$0.00002 each	7,979	71.8%
156,650,000	Series-A Preferred Shares of US$0.00002 each	3,133	28.2%
555,600,000	Total	11,112	100.0%

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised):

Number of Shares	Description of Shares	Total Nominal Value (US$)	Approximate percentage of total share capital
555,600,000	Shares in issue as of the date of this prospectus (including the 50,509,200 Sale Shares)	11,112	82.5%
117,854,800	Shares to be issued pursuant to the Global Offering	2,357	17.5%
673,454,800	Total	13,469	100.00%

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and the Shares are issued pursuant to the Global Offering. The above does not take into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option or any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

MINIMUM PUBLIC FLOAT

At least 25% of the total issued share capital of our Company must at all times be held by the public. The 168,364,000 Offer Shares represent not less than 25% of the issued share capital of our Company upon Listing.

RANKING

The Shares are ordinary shares in the share capital of our Company and rank equally with all Shares currently in issue or to be issued and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS AND CLASS MEETINGS ARE REQUIRED

Pursuant to the Companies Act and the terms of our Memorandum and Articles of Association, our Company may from time to time by ordinary resolution of shareholders (i) increase its capital; (ii) consolidate and divide its Shares into Shares of larger amount; (iii) divide its Shares into several classes; (iv) subdivide its Shares into Shares of smaller amount; and (v) cancel any Shares which have not been taken. In addition, our Company may, subject to the provisions of the Cayman Islands Law, reduce its capital or capital redemption reserve by special resolution of shareholders. For details, please see section headed "Summary of the Constitution of our Company and Cayman Islands Company Law – 2. Articles of Association – (iii) Alteration of capital" in Appendix III to this prospectus.

Pursuant to the Companies Act and the terms of our Memorandum and Articles of Association, all or any of the special rights attached to the Share or any class of Shares may be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that class. For details, please see section headed "Summary of the Constitution of our Company and Cayman Islands Company Law – 2. Articles of Association – (a)(ii) Variation of rights of existing shares or classes of shares" in Appendix III to this prospectus.

Further, our Company will also hold general meetings from time to time as may be required under the Articles of Association, a summary of which is set out in the section headed "Summary of the Constitution of our Company and Cayman Islands Company Law" in Appendix III to this prospectus.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

Subject to the conditions stated in "Structure and Conditions of the Global Offering – Conditions of the Hong Kong Public Offering", our Directors have been granted general unconditional mandates to issue and repurchase our Shares.

For further details of these general mandate, please see section headed "Statutory and General Information – A. Further Information About our Group – 3. Resolutions in Writing of the Shareholders of Our Company Passed on April 30, 2025" in Appendix IV to this prospectus.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares which may be purchased (rounded down to the nearest whole board lot of 400 Shares) with an aggregate amount of approximately US$87.33 million (approximately HK$672.77 million, calculated based on an exchange rate of US$1.00 to HK$7.7579) (the "**Cornerstone Placing**").

Base on the Offer Price of HK$7.19 per Share, the total number of Shares to be subscribed by the Cornerstone Investors would be approximately 93,568,800 Offer Shares, representing (i) approximately 55.57% of the Offer Shares pursuant to the Global Offering and approximately 13.89% of the total issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised); or (ii) approximately 48.33% of the Offer Shares pursuant to the Global Offering and approximately 13.57% of the total issued share capital of the Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

Our Company is of the view that the Cornerstone Placing will help to raise the profile of our Company and to signify that such investors have confidence in our business and prospect. Our Company become acquainted with each of the Cornerstone Investors through introduction by the Overall Coordinators for the purpose of the Global Offering.

The Cornerstone Placing will form part of the International Offering and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the other fully paid Offer Shares in issue and will be counted towards the public float of our Company under Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, none of the Cornerstone Investors will become a substantial shareholder of the Company, and the Cornerstone Investors will not have any Board representation in our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholder. There are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Global Offering, other than a guaranteed allocation of the relevant Offer Shares at the final Offer price. There will be no delayed delivery or deferred settlement of Offer Shares to be subscribed by the Cornerstone Investors. The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed for before dealings in the Company's Shares commence on the Stock Exchange.

Pursuant to the Administrative Measures for the Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the National Development and Reform Commission and Administrative Measures for Overseas Investment Management (《境外投資管理辦法》) promulgated by the MOFCOM (the "**ODI Rules**"), a domestic institution shall undergo registration procedure for foreign investment in accordance with the provisions of the ODI Rules, which require the domestic institution to register with relevant authorities prior to its overseas direct investment and obtain relevant recordation, approval, certificate or permit. Each of our Cornerstone Investors which requires to complete the overseas direct investment registration, has completed the overseas direct investment registration with Wuxi Municipal Development and Reform Commission on April 27, 2025 pursuant to the ODI Rules in relation to their offshore investments as domestic institutions.

To the best knowledge of our Company, (i) each of the Cornerstone Investors and its ultimate beneficial owners is an independent third party and is not a connected person of our Company and its close associate (as defined in the Listing Rules); (ii) none of the Cornerstone Investors is accustomed to take and has not taken instructions from the Company, Directors, chief executive, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscriptions of the Offer Shares by the Cornerstone Investors is financed directly or indirectly by our Company, Directors, chief executive of our Company, Controlling Shareholders, substantial Shareholders or existing Shareholders, or any of its subsidiaries or their respective close associates. In addition, to the best knowledge of our Company, each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

To the best knowledge of the Company and as confirmed by each of the Cornerstone Investors, (i) each of the Cornerstone Investors' subscription under the Cornerstone Investment Agreements would be financed by their own internal resources or the assets managed for its investors (in the case of Cornerstone Investors which are funds or investment managers) as their source of funding for the subscription of the Offer Shares; and (ii) all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for the relevant cornerstone investment.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors might be affected by the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering. If the total demand for Offer Shares in the Hong Kong Public Offering falls within the circumstance as set out in the section headed "Structure and Conditions of the Global Offering – The Hong Kong Public Offering – Reallocation and clawback" in this prospectus, our Company and the Overall Coordinators have the absolute discretion, but not obliged, to deduct the number of Offer Shares to be subscribed by the Cornerstone Investors on a *pro rata* basis under the Hong Kong Public Offering pursuant to Practice Note 18 of the Listing Rules. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by us on or around May 15, 2025.

OUR CORNERSTONE INVESTORS

The following information on the Cornerstone Investors was provided to the Company by the Cornerstone Investors.

Wuxi Zixian

Wuxi Zixian Food Co., Ltd. (無錫紫鮮食品有限公司) ("**Wuxi Zixian**") is a limited liability company established in the PRC, and is principally engaged in food sales, packaging materials and products sales. Wuxi Zixian is a wholly owned subsidiary of Shanghai Ziyan Foods Co., Ltd. (上海紫燕食品股份有限公司) ("**Shanghai Ziyan**"), a PRC-based limited liability company which became a listed company on the Shanghai Stock Exchange (stock code: 603057) on September 26, 2022. Shanghai Ziyan, founded in 2000 and is currently headquartered in Shanghai, mainly focuses on the research and development, production and the sale of food products in China.

Anji Liangshan

Anji Liangshan Rural Revitalization Equity Investment Partnership (Limited Partnership) (安吉兩山鄉村振興股權投資合夥企業(有限合夥)) ("**Anji Liangshan**") is a limited partnership established under the laws of the PRC and is primarily engaged in equity investment. Its general partners are (i) Zhaoken Capital Management (Beijing) Co., Ltd. (招墾資本管理(北京)有限公司) ("**Zhaoken Capital**"), a private equity fund manager registered under the relevant PRC laws which holds 0.1% of the partnership interest, and (ii) Hangzhou Senmiao Enterprise Management Consulting Partnership (Limited Partnership) (杭州森淼企業管理諮詢合夥企業(有限合夥)) ("**Hangzhou Senmiao**"), a limited partnership established under the laws of the PRC which holds 0.9% of the partnership interest. Hangzhou Senmiao is owed by Guochuang Zhongding (Shanghai) Equity Investment Management Co., Ltd. (國創中鼎(上海)股權投資管理有限公司) ("**Guochuang Zhongding**") (holding 10% interest of Hangzhou Senmiao), Mr. Gu Qi (holding 49.50% interest of Hangzhou Senmiao), and Mr. Zhang Wei (holding 40.50% interest of Hangzhou Senmiao), while Guochuang Zhongding is ultimately held by independent third parties. Zhaoken Capital is the sole executive partner of Anji Liangshan and is an indirect wholly owned subsidiary of China Merchants Group Limited (招商局集團有限公司), which is ultimately wholly-owned by the State Council of the People's Republic of China (中華人民共和國國務院). Anji Liangshan's largest limited partner is Anji County Guofeng Industrial Fund Management Co., Ltd. (安吉縣國風產業基金管理有限公司), a limited liability company incorporated in the PRC, which holds 45% of the partnership interest and is ultimately wholly owned by Anji County Finance Bureau. Zhejiang Rural Revitalization Investment Fund Co., Ltd (浙江省鄉村振興投資基金有限公司), a limited liability company incorporated in the PRC, is the second largest limited partner of Anji Liangshan which holds 44% of the partnership interest and is ultimately wholly owned by Zhejiang Provincial Department of Finance. The remaining 11% partnership interest are held by 6 limited partners each holding less than 5% partnership interest of Anji Liangshan.

CMB International Capital Limited ("**CMBI**") acts as the Joint Sponsor, the Sponsor Overall Coordinator and the Overall Coordinator of the Global Offering. CMBI is an indirect wholly-owned subsidiary of China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600036) and the Stock Exchange (stock code: 3968), which is directly and indirectly owned as to approximately 29% by CMG, and therefore Anji Liangshan is a connected client of CMBI. We have applied to the Stock Exchange for, and the Stock Exchange has granted us its consent under paragraph 5(1) of Appendix F1 to the Listing Rules to permit Anji Liangshan to participate in the Global Offering as a cornerstone investor subject to certain conditions. For details, please refer to the section headed "Waivers from Strict Compliance with the Listing Rules – Consent in Relation to Allocation of Offer Shares to Connected Client of Distributor" in this prospectus.

Action Chain

Action Chain International Limited ("**Action Chain**") is a business company incorporated under the laws of the BVI which primarily engaged in investment activities. Action Chain is a wholly owned subsidiary of Guojun Evergreen Limited, which in turn is ultimately owned by Mr. Shen Guojun. Mr. Shen Guojun is the founder and chairman of China Yintai Holdings Company Limited, which is a diversified industrial development and investment group.

Chia Tai

Chia Tai Food Investment Company Limited (正大食品投資有限公司) ("**Chia Tai**") is a limited liability company incorporated in Hong Kong which is primarily engaged in investment activities in PRC. Chia Tai is a wholly owned subsidiary of Charoen Pokphand Group Company Limited ("**CPG**"), which is a company incorporated in Thailand and engages in various sectors such as agricultural and food products, retail and distribution. CPG is a company with a diverse shareholding structure with more than 80 shareholders, the largest shareholder being a company holding more than 10% of its shares and the ultimate beneficial owner of which is Mr. Sumet Jiaravanon. Mr. Sumet Jiaravanon is one of the Honorary Chairmen of CPG.

Sino Top

Sino Top Trading Limited (華置貿易有限公司) ("**Sino Top**") is a limited liability company incorporated in Hong Kong which is primarily engaged in investment activities and trading business. Sino Top is a wholly owned subsidiary of Huabao Flavours & Fragrances Co., Ltd (華寶香精股份有限公司) ("**Huabao**") a PRC-based limited liability company which became a listed company on the Shenzhen Stock Exchange (stock code: 300741) in 2018. Huabao, founded in 1996, mainly focuses on providing green, nutritious and healthy flavor, fragrance and food ingredient solutions.

Wuxi Hexiang

Wuxi Hexiang Food Co., Ltd. (無錫合翔食品有限公司) ("**Wuxi Hexiang**") is a limited liability company incorporated in the PRC and is principally engaged in food sales, the wholesale of water products, import and export of goods as well as general warehousing services. Wuxi Hexiang is a wholly owned subsidiary of Yantai Tongxiang Food Co., Ltd. (煙台同翔食品有限公司) ("**Yantai Tongxiang**"), a PRC-based limited liability company established under the laws of PRC in 2011. Yantai Tongxiang is mainly engaged in frozen chicken products processing, frozen beef product processing, and deep processing of processed foods in China. Mr. Sun Dedong (孫德東), a director and legal representative of Yantai Tongxiang, is the ultimate beneficial owner of Yantai Tongxiang. Yantai Tongxiang is the one of our suppliers and the total purchases from Yantai Tongxiang was 0.09%, 2.56% and 3.04% of our total purchases respectively as of December 31, 2022, 2023 and 2024.

Wuxi Lvlian

Wuxi Lvlian Food Co., Ltd. (無錫綠聯食品有限公司) ("**Wuxi Lvlian**") is a limited liability company incorporated in the PRC and is principally engaged in food sales and the wholesale of agricultural products. Wuxi Lvlian is a wholly owned subsidiary of Shandong Lvlian Food Co., Ltd. (山東綠聯食品有限公司) ("**Shandong Lvlian**"), a PRC-based limited liability company established under the laws of PRC in 2023 which mainly engages in the food sales and distributions as well as delivery and transportation services. Ms. Zheng Hongmei (鄭洪美), a director and general manager of Wuxi Lvlian, is the ultimate beneficial owner of Shandong Lvlian. Shandong Lvlian is the one of our suppliers and the total purchases from Shandong Lvlian was nil, 0.19% and 3.12% of our total purchases respectively as of December 31, 2022, 2023 and 2024.

Wuxi Qinyu

Wuxi Qinyu Food Co., Ltd. (無錫琴雨食品有限公司) ("**Wuxi Qinyu**") is a limited liability company incorporated in the PRC and is principally engaged in food sales, import and export of goods as well as consultation services. Wuxi Qinyu is a wholly owned subsidiary of Shanghai Qinyu Food Co., Ltd. (上海琴雨食品有限公司) ("**Shanghai Qinyu**"), a PRC-based limited liability company which mainly engages in the sales of food, edible agricultural products as well as arts crafts. Mr. Liu Xiaoqing (劉小清), an executive director and legal representative of Wuxi Qinyu, is the ultimate beneficial owner of Shanghai Qinyu.

The table below sets forth details of the Cornerstone Placing:

Based on an Offer Price of HK$7.19 per Share

Cornerstone Investor	Subscription amount (US$)	Subscription amount (HK$)[1]	Number of Offer Shares to be acquired[2]	Assuming the Over-allotment Option is not exercised: Approximate % of the Offer Shares	Assuming the Over-allotment Option is not exercised: Approx. % of the total issued capital of our Company immediately upon the Global Offering	Assuming the Over-allotment Option is fully exercised: Approximate % of the Offer Shares	Assuming the Over-allotment Option is fully exercised: Approx. % of the total issued capital of our Company immediately upon the Global Offering
Wuxi Zixian	35,000,000	268,815,496	37,387,200	22.21%	5.55%	19.31%	5.43%
Anji Liangshan	13,000,000	99,845,756	13,886,400	8.25%	2.06%	7.17%	2.01%
Action Chain	13,000,000	100,852,700	14,026,800	8.33%	2.08%	7.24%	2.04%
Chia Tai	7,089,547	55,000,000	7,649,200	4.54%	1.14%	3.95%	1.11%
Sino Top	6,240,494	48,413,125	6,733,200	4.00%	1.00%	3.48%	0.98%
Wuxi Hexiang	5,000,000	38,402,214	5,340,800	3.17%	0.79%	2.76%	0.77%
Wuxi Lvlian	5,000,000	38,402,214	5,340,800	3.17%	0.79%	2.76%	0.77%
Wuxi Qinyu	3,000,000	23,041,328	3,204,400	1.90%	0.48%	1.66%	0.46%
Total	87,330,041	672,772,832	93,568,800	55.57%	13.89%	48.33%	13.57%

Notes:

(1) Calculated based on the exchange rate as set out in the section headed "Information about this Prospectus and the Global Offering."

(2) Subject to the rounding down to the nearest whole board lot of 400 Shares.

CLOSING CONDITIONS

The obligation of the Cornerstone Investors to acquire the Offer Shares under the Cornerstone Investment Agreements is subject to, among other things, the following closing conditions:

(a) the underwriting agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in these underwriting agreements and neither of the aforesaid underwriting agreement having been terminated;

(b) the Offer Price having been agreed upon between the Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering) in connection with the Global Offering;

(c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Main Board of the Stock Exchange;

(d) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or the Cornerstone Investment Agreement, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(e) the respective representations, warranties, acknowledgements, undertakings and confirmations of the Cornerstone Investor under the respective Cornerstone Investment Agreements are accurate and true in all respects and not misleading and that there is no breach of the Cornerstone Investment Agreement on the part of the Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that it will not, and will cause its affiliates not to, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

You should read the following discussion and analysis of our financial conditions and results of operations in conjunction with our consolidated financial statements as of and for each of the years ended December 31, 2022, 2023 and 2024, and the accompanying notes included in the Accountants' Report set out in Appendix I to this prospectus. The consolidated financial statements have been prepared in accordance with IFRSs. Potential investors should read the Accountants' Report set out in Appendix I to this prospectus in its entirety and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. For additional information regarding these risks and uncertainties, see "Risk Factors."

OVERVIEW

We are a well-known operator of casual Chinese restaurants in Mainland China. We create customer value by providing fusion cuisine at accessible price points and decoration inspired by Chinese traditional culture. With this vision, we opened our first Green Tea restaurant in 2008 by the beautiful West Lake in Hangzhou, and have built a nationwide restaurant network consisting of 493 restaurants and covering 21 provinces, four municipalities and two autonomous regions in the PRC, as well as Hong Kong SAR as of the Latest Practicable Date. We ranked third in terms of number of restaurants and fourth in terms of revenue among casual Chinese restaurant brands in Mainland China in 2024, according to the CIC Report. According to the CIC report, casual Chinese cuisine restaurant market is highly fragmented due to a large number of market participants, and we had a market share of 0.7% in 2024. In addition, according to the CIC report, casual Chinese cuisine restaurants have an average spending per guest in the range of RMB50 to RMB100.

Our restaurant network experienced substantial growth during the Track Record Period. Our total restaurants increased from 276 as of December 31, 2022 to 465 as of December 31, 2024, representing a CAGR of 29.8%. The number of our restaurants in operation further increased to 493 as of the Latest Practicable Date. During the Track Record Period, we primarily focused on establishing our market presence in three key regions, namely Eastern China, Guangdong province and Northern China, which are the major economic centers of Mainland China. We took advantage of our brand reputation in these regions and opened new restaurants in districts with high pedestrian traffic. We also opened a number of restaurants in other regions during the Track Record Period as part of our effort to understand the market conditions and customer preferences in such regions. We expect such effort will serve as a foundation for our future expansion in these new markets.

Our revenue increased by 51.1% from RMB2,375.5 million in 2022 to RMB3,589.2 million in 2023, primarily attributable to (i) the strong recovery of our customer traffic due to a significant surge in consumer spending in the first half of 2023 following the easing of government-imposed restrictions related to COVID-19 in December 2022 and (ii) an increase in the number of our restaurants in operation due to our restaurant expansion. Our revenue also increased by 6.9% from RMB3,589.2 million in 2023 to RMB3,838.2 million in 2024, primarily attributable to an increase in the number of our restaurants in operation. In addition, as a result of our successful operation, we recorded net cash generated from operating activities of RMB347.6 million, RMB793.2 million and RMB734.0 million in 2022, 2023 and 2024, respectively.

FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We believe the most significant factors that directly or indirectly affect our financial performance and results of operations include:

- number of restaurants in operation and expansion of our restaurant network;
- customer traffic and average spending per guest;
- same store sales;
- food supply prices;
- staff costs; and
- depreciation of right-of-use assets and other rentals and related expenses.

Number of restaurants in operation and expansion of our restaurant network

Our revenue is largely affected by the number of our restaurants in operation, and our future revenue growth depends on our ability to open new restaurants and expand our restaurant network. Set forth below is a summary of the changes in the number of restaurants in our network:

	For the year ended December 31,		
	2022	**2023**	**2024**
Number of restaurants at the beginning of the period	236	276	360
Number of new restaurants opened during the period	47	89	120
Number of restaurants closed during the period	(7)	(5)	(15)
Number of restaurants at the end of the period	276	360	465[1]

Note:

(1) Including restaurants opened under the *Mang Gang Le* brand.

During the Track Record Period, we primarily focused on establishing our market presence in three key regions, namely Eastern China, Guangdong province and Northern China, which are the major economic centers of Mainland China. We took advantage of our brand reputation in these regions and opened new restaurants in districts with high pedestrian traffic. The table below sets forth the breakdown of the number of our restaurants by geographical regions:

	As of December 31,		
	2022	**2023**	**2024**
Eastern China[1]	84	115	155
Guangdong province	63	72	83
Northern China[2]	55	56	58
Others[3]	74	117	169
Total	**276**	**360**	**465**

Notes:

(1) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(2) Consisting of Beijing, Hebei and Tianjin.

(3) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

Our revenue increased in 2023 as compared to that in 2022, primarily attributable to (i) the strong recovery of our customer traffic due to a significant surge in consumer spending in the first half of 2023 following the easing of government-imposed restrictions related to COVID-19 in December 2022 and (ii) an increase in the number of our restaurants in operation due to our restaurant expansion. Our overall revenue increased in 2024 as compared with that in 2023, primarily attributable to an increase in the number of restaurants in operation due to our restaurant expansion effort, partially offset by a decrease in our overall same store sales primarily due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment. According to CIC, the industry in general also showed the same trend. The table below sets forth the breakdown of our revenue generated from restaurant operation and delivery service by geographic regions for the periods indicated:

	For the year ended December 31,		
	2022	**2023**	**2024**
Revenue (in thousands of RMB):			
Eastern China[1]	710,137	1,107,548	1,265,491
Guangdong province	621,811	814,699	762,035
Northern China[2]	517,146	708,494	626,798
Others	524,539	946,401	1,167,906
Total	**2,373,633**	**3,577,142**	**3,822,230**

	For the year ended December 31,	
	2022 2023	2023 2024
Revenue growth (%):		
Eastern China[1]	56.0	14.3
Guangdong province	31.0	(6.5)
Northern China[2]	37.0	(11.5)
Other[3]	80.4	23.4
Total	**50.7**	**6.9**

Notes:

(1) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(2) Consisting of Beijing, Hebei and Tianjin.

(3) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

We opened 120 new restaurants in 2024 and plan to open 150, 200 and 213 new restaurants in 2025, 2026 and 2027, respectively.

Customer traffic and average spending per guest

Our business is significantly affected by changes in our customer traffic and average spending per guest. The customer traffic and average spending per guest are affected by various factors, including macroeconomic factors, location of the restaurants, our menu mix and pricing, changes in discretionary spending patterns, as well as different spending and dine-out patterns for customers in different geographical locations. The following table sets forth our customer traffic and average spending per guest during the periods indicated:

	For the years ended December 31,		
	2022	2023	2024
Total guests served (thousands)[1]			
Eastern China[2]	11,363	17,594	22,016
Guangdong province	9,804	13,184	14,355
Northern China[3]	8,261	11,469	10,937
Other[4]	8,358	15,675	20,763
Overall	**37,786**	**57,922**	**68,071**

	For the years ended December 31,		
	2022	2023	2024
Average spending per guest (RMB)(5)			
Eastern China(2)	62.6	63.0	57.5
Guangdong province	63.5	61.8	53.1
Northern China(3)	62.7	61.8	57.3
Other(4)	62.8	60.4	56.2
Overall	**62.9**	**61.8**	**56.2**

Notes:

(1) Includes dine-in guests and customers who order take-outs for the period in the same region. We count one delivery order as one guest.

(2) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(3) Including Beijing, Hebei and Tianjin.

(4) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

(5) Calculated by dividing revenue generated from restaurant operation and delivery service for the period by total guests served, including both dine-in customers and customers who order take-outs, for the period in the same region. For further details on how we calculate total guests served, see note (1).

In 2023, as the Chinese government lifted the "zero-COVID" policy in December 2022 and the performance of our restaurants showed a strong recovery due to a significant surge in consumer spending in the first half of 2023 following the COVID-19 pandemic, we recorded a strong recovery in total guests served in all regions as compared with that in 2022. On the other hand, our overall average spending per guest decreased in 2023, primarily due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the economic environment. According to CIC, such change is in line with the trend in our industry.

Our overall average spending per guest decreased in 2024 as compared with that in 2023. Such decrease was primarily due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment. According to CIC, the industry in general also showed the same trend. On the other hand, our overall total guests served increased from 57.9 million in 2023 to 68.1 million in 2024, primarily attributable to the increase in the number of our restaurants in operation.

Same store sales

Our revenue and profitability are affected in part by our ability to successfully grow revenue from existing restaurants. Same store sales provide a year-to-year comparison of restaurant performance because it excludes the increases in revenue due to the opening of new restaurants by comparing the operational and financial performance of those restaurants that have been in operation.

The table below sets forth our same-store sales during the periods indicated.

	For the year ended December 31,			
	2022	**2023**	**2023**	**2024**
Number of same stores(1)				
Eastern China(2)	45		61	
Guangdong province	44		43	
Northern China(3)	46		45	
Other(4)	40		48	
Overall	**175**		**197**	
Same store sales (in thousands of RMB)(5)				
Eastern China(2)	446,473	563,046	676,972	601,465
Guangdong province	447,320	524,034	516,138	451,301
Northern China(3)	455,595	599,169	571,576	532,779
Other(4)	361,778	473,505	504,633	449,498
Overall	**1,711,166**	**2,159,754**	**2,269,319**	**2,035,043**
Same-store sales growth (%)				
Eastern China(2)	26.1%		(11.2%)	
Guangdong province	17.1%		(12.6%)	
Northern China(3)	31.5%		(6.8%)	
Other(4)	30.9%		(10.9%)	
Overall	**26.2%**		**(10.3%)**	

	For the year ended December 31,			
	2022	**2023**	**2023**	**2024**
Average same store sales per restaurant (in thousands of RMB)				
Eastern China[(2)]	9,922	12,512	11,098	9,860
Guangdong province	10,166	11,910	12,003	10,495
Northern China[(3)]	9,904	13,025	12,702	11,840
Other[(4)]	9,044	11,838	10,513	9,365
Overall	**9,778**	**12,341**	**11,519**	**10,330**

Notes:

(1) Consisting of restaurants that were open for more than 300 days during the years under comparison and had the same number of tables during the years under comparison.

(2) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(3) Consisting of Beijing, Hebei and Tianjin.

(4) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

(5) Refers to the aggregate revenue generated from restaurant operation and delivery service at our same stores for the period indicated.

Explanation for changes in same store sales

In 2023, the same store sales in all three key regions increased as compared with that in 2022, as a result of the strong recovery of our customer traffic due to a significant surge in consumer spending in the first half of 2023 following the easing of government-imposed restrictions related to COVID-19 in December 2022. According to CIC, the strong performance in the catering industry in the first half of 2023 is primarily due to such significant surge in spending.

In 2024, we recorded decreases in same store sales in all regions. Such decreases were primarily due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment, which led to decreases in our table turnover rate and average spending per guest in all regions. According to CIC, we outperformed the majority of our industry peers in terms same store sales growth in 2024.

Food supply prices

Food supply prices have a direct impact on our cost of raw materials and consumables used, which in turn affects our profitability. Key supplies we use include semi-processed food products, bakery products and food ingredients, such as vegetables and fruits. We have devoted substantial efforts to secure sufficient supply of these supplies that meet our quality standards and at competitive prices. See "Business – Procurement" for further details. However, despite the various initiatives we have undertaken, the price and supply of these products and ingredients are nonetheless subject to a number of factors that are beyond our control, including availability and demand. See "Business – Procurement – Price Management." According to the National Bureau of Statistic of China, the PRC food price index, its food inflation indicator, increased by 15.5% from January 2019 to December 2023.

In 2022, 2023 and 2024, our raw materials and consumables used amounted to RMB862.3 million, RMB1,205.2 million and RMB1,192.9 million, respectively, representing 36.3%, 33.6% and 31.1% of our revenue for the respective periods. Throughout the Track Record Period, raw materials and consumables used as a percentage of our revenue continued to decrease despite inflation and increasing food prices in Mainland China. This is primarily a result of (i) improved economies of scale, (ii) our success in procurement cost control, (iii) our inventory control efforts and (iv) our ability to optimize our menu.

Going forward, the food price index in Mainland China is expected to moderately increase, subject to economic growth and consumption environment, according to CIC. In addition, we expect our raw materials and consumables used to increase in the future as we further expand our restaurant network. As a result, we plan to continue our procurement cost control efforts for our restaurants by optimizing our supply chain arrangements. For example, we have established a direct procurement center which will enable us to purchase fresh ingredients at competitive prices from local suppliers and control our procurement cost and monitor our inventory level. The establishment of our centralized food processing facility and continuous collaboration with third-party food processing companies also enable us to standardize our food preparation process at our restaurants and increase operating efficiency to minimize our operational costs. We also plan to continue to adjust our menu and offer new menu items to offset the effect of inflation and rising food prices so as to maintain our profitability. We have conducted sensitivity analysis of the impact on our results of operations during the Track Record Period from hypothetical fluctuations in the food ingredient prices. See "Business – Procurement – Price Management" for more information.

Staff costs

Restaurant operations are highly service-oriented, and therefore our success, to a considerable extent, depends upon our ability to attract, motivate and retain a sufficient number of qualified employees, including restaurant managers and staff. Staff costs also have a direct impact on our profitability. As employee turnover rate tend to be higher in the catering industry, we offer competitive wages, career development opportunities and other benefits to our restaurant employees to manage employee turnover.

In 2022, 2023 and 2024, our staff costs amounted to RMB626.4 million, RMB911.0 million and RMB989.0 million, representing 26.4%, 25.4% and 25.8% of our revenue, respectively. Our staff costs as a percentage of our revenue decreased from 26.4% in 2022 to 25.4% in 2023, primarily due to an increase in our restaurant level performance. Our staff costs as a percentage of our revenue increased from 25.4% in 2023 to 25.8% in 2024, primarily due to a decrease in our restaurant level performance.

Going forward, the salary level in Mainland China and, in particular, in the catering industry is expected to further increase. We believe the resulting upward pressure on our staff costs as a percentage of total revenue could be mitigated by (i) further optimization of the restaurant level staffing and (ii) increasing utilization of food processing companies and further standardization at our restaurants. We also endeavor to enhance our operation efficiency to minimize the impact of the rising salary level in Mainland China.

Depreciation of Right-of-use Assets and Other Rentals and Related Expenses

We lease all of the properties on which we operate our restaurants and our headquarters. The lease arrangements for our restaurants generally last for five to 10 years with an option to renew. Our leases typically include a rent-free period of up to three months to facilitate the decoration and renovation of the premises and ramp-up of new restaurants. As of the Latest Practicable Date, we leased 812 properties with an aggregate GFA of approximately 248,427.9 square meters, which are mainly used as restaurants.

The following table sets forth the lease profile of the restaurants in our restaurant network that are in operation as of the Latest Practicable Date:

	Lease term	Number of restaurants *(#)*	Total GFA *(square meter)*	Average GFA *(square meter)*
Eastern China[1]	One year or less	2	802	401
	Two years	–	–	–
	Three to five years	3	980	327
	Six to 10 years	116	42,324	365
	11 to 15 years	42	18,704	445
	16 to 20 years	6	4,226	704
	21 to 31 years	2	968	484

	Lease term	Number of restaurants	Total GFA	Average GFA
		(#)	(square meter)	(square meter)
Guangdong province	One year or less	–	–	–
	Two years	2	762	381
	Three to five years	5	2,310	462
	Six to 10 years	58	26,659	460
	11 to 15 years	20	12,184	609
	16 to 20 years	–	–	–
	21 to 31 years	–	–	–
Northern China[(2)]	One year or less	2	1,460	730
	Two years	3	2,298	766
	Three to five years	6	2,725	454
	Six to 10 years	36	15,621	434
	11 to 15 years	13	7,018	540
	16 to 20 years	1	498	498
	21 to 31 years	–	–	–
Other[(3)]	One year and less	–	–	–
	Two years	–	–	–
	Three to five years	8	2,251	281
	Six to 10 years	143	54,181	379
	11 to 15 years	24	11,198	467
	16 to 20 years	1	800	800
	21 to 31 years	–	–	–
Overall		**493**	**207,971**	**422**

Notes:

(1) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(2) Consisting of Beijing, Hebei and Tianjin.

(3) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

In 2022, 2023 and 2024, our depreciation of right-of-use assets were RMB161.0 million, RMB177.0 million and RMB202.9 million, respectively, representing 6.8%, 4.9% and 5.3% of our revenue in the respective period, and our other rentals and related expenses were RMB56.6 million, RMB80.3 million and RMB76.1 million, respectively, representing 2.4%, 2.2% and 2.0% of our revenue in the respective periods. Our depreciation of right-of-use assets as a percentage of our revenue decreased from 6.8% in 2022 to 4.9% in 2023, primarily attributable to the strong recovery of our restaurant level performance in 2023. Our other rentals and related expenses as a percentage of our revenue decreased from 2.4% in 2022 to 2.2% in 2023, due to an increase in our restaurant level performance. Our depreciation of right-of-use assets as a percentage of our revenue increased from 4.9% in 2023 to 5.3% in 2024, mainly attributable to a decrease in our restaurant level performance. Our other rentals and related expenses as a percentage of our revenue decreased from 2.2% in 2023 to 2.0% in 2024.

Going forward, we expect the rent for commercial real estate to further rise in Mainland China, particularly in the larger and more developed cities where a majority of our restaurants are located. As a result, we plan to take initiatives including (i) optimizing our location selection procedures and (ii) leveraging our strong brand recognition to negotiate with landlords and control our rental expenses and maintain our profitability. In addition, as we plan to continue our effort in expanding into lower-tier cities, where rent for commercial real estate is lower, we expect to incur lower rental expenses at these new locations.

IMPACT OF COVID-19

In 2022, in an effort to control the COVID-19 pandemic, the PRC government placed significant restrictions on travel within Mainland China, implemented mandatory quarantine and closed certain businesses, work places and facilities, and governments outside of Mainland China have halted or sharply curtailed the movement of people, goods and services to and from Mainland China.

Due to the regional outbreak of COVID-19 in various parts of Mainland China since January 2022, we temporarily suspended the operation of a total of 208 restaurants across Mainland China for one to 145 days in 2022 and have reopened all of these restaurants as of the Latest Practicable Date.

The table below sets forth the information of restaurants that suspended operations in 2022 by geographical regions:

	Eastern China[1]	Guangdong province	Northern China[2]	Other[3]	Total
Number of restaurants closed for:					
– 1 day to 15 days	18	11	2	9	**40**
– 16 days to 30 days	7	10	–	12	**29**
– 31 days to 60 days	7	28	25	18	**78**
– 61 days to 90 days	1	6	23	18	**48**
– 91 days to 145 days	5	–	5	3	**13**
Total	**38**	**55**	**55**	**60**	**208**

Notes:

(1) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(2) Consisting of Beijing, Hebei and Tianjin.

(3) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan and Hainan.

The Chinese government phased out the "zero-COVID" policy in December 2022 and there were no restaurants which suspended operation in 2023 due to the COVID-19 pandemic.

We slowed down the pace of restaurant expansion in 2022 due to the regional outbreaks of COVID-19 and opened 47 new restaurants in 2022. We resumed our restaurant expansion plan and opened 89 and 120 new restaurants in 2023 and 2024, respectively. We expect to continue our restaurant expansion plan and open 150, 200 and 213 new restaurants in 2025, 2026 and 2027, respectively. See "Business – Expansion Plan and Management" for further details.

We adopted certain hygiene and precautionary measures in accordance with the applicable regulations implemented in relation to the pandemic. Meanwhile, our Directors monitored the situation on a daily basis during the COVID-19 pandemic to ensure the sustainability of our business and we adjusted the allocation of internal resources and strategies to ensure the sustainability of our business. We implemented a series of measures such as (i) adopting a shift system for our restaurant staff according to the customer traffic for each of our restaurants to save staff costs while retaining our staff; (ii) negotiating with our landlords to obtain more favorable terms including longer rent free period and lower variable rent payment; (iii) implementing more stringent cost controls in areas such as utilities and consumables; (iv) adjusting our restaurant expansion strategy; (v) suspending the distribution of any discretionary bonus for all employees, as well as the Directors; and (vi) obtaining short-term bank loans, which have been fully repaid as of the Latest Practicable Date, to fund our working capital.

We enjoyed rent concession granted by certain landlords due to the COVID-19 pandemic. In 2022, we recognized income on COVID-19 rent concessions of RMB10.2 million.

We proactively communicated with our suppliers to ensure the stable supplies in raw materials and consumables during the COVID-19 pandemic. As the disruption of supplies in raw materials and labor overlapped with the suspension of certain of our restaurants' operations during the COVID-19 pandemic, except for such suspension, we did not encounter any material disruptions in our supply chain that affected our operations. See "Summary – Impact of the COVID-19 Outbreak" for further details.

As the impact of the COVID-19 had subsided, we do not expect the COVID-19 pandemic to have further impact on our operations in the future.

The table below sets forth our revenue generated from restaurant operation and delivery service and same store sales by geographical regions during the periods indicated:

	For the year ended December 31,		
	2022	**2023**	**2024**
Revenue (RMB'000)			
Eastern China[1]	710,137	1,107,548	1,265,491
Guangdong province	621,811	814,699	762,035
Northern China[2]	517,146	708,494	626,798
Other[3]	524,539	946,401	1,167,906
Overall	**2,373,633**	**3,577,142**	**3,822,230**

	For the year ended December 31,	
	2022 2023	**2023 2024**
Revenue growth (%)		
Eastern China[1]	56.0	14.3
Guangdong province	31.0	(6.5)
Northern China[2]	37.0	(11.5)
Other[3]	80.4	23.4
Overall	**50.7**	**6.9**

	For the year ended December 31,			
	2022	2023	2023	2024
Number of same stores[4]				
Eastern China[1]	45		61	
Guangdong province	44		43	
Northern China[2]	44		45	
Other[3]	40		48	
Overall	**175**		**197**	

	For the year ended December 31,			
	2022	2023	2023	2024
Same store sales (RMB'000)[5]				
Eastern China[1]	446,473	563,046	676,972	601,465
Guangdong province	447,320	524,034	516,138	451,301
Northern China[2]	455,595	599,169	571,576	532,779
Other[3]	361,778	473,505	504,633	449,498
Overall	**1,711,166**	**2,159,754**	**2,269,319**	**2,035,043**

	For the year ended December 31,			
	2022	2023	2023	2024
Same store sales growth (%)				
Eastern China[1]	26.1%		(11.2%)	
Guangdong province	17.1%		(12.6%)	
Northern China[2]	31.5%		(6.8%)	
Other[3]	30.9%		(10.9%)	
Overall	**26.2%**		**(10.3%)**	

Notes:

(1) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(2) Consisting of Beijing, Hebei and Tianjin.

(3) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

(4) Consisting of restaurants that were open for more than 300 days during the years under comparison and had the same number of tables during the years under comparison.

(5) Refers to the aggregate revenue generated from restaurant operation and delivery service at our same stores for the period indicated.

Our overall revenue from restaurant operations and delivery service further increased by 50.7% from RMB2,373.6 million in 2022 to RMB3,577.1 million in 2023, primarily attributable to (i) the strong recovery of our customer traffic due to a significant surge in consumer spending in the first half of 2023 following the easing of government-imposed restrictions related to COVID-19 in December 2022 and (ii) an increase in the number of our restaurants in operation from 276 as of the end of 2022 to 360 as of the end of 2023 due to our restaurant expansion. Our overall revenue from restaurant operations and delivery service increased by 6.9% from RMB3,577.1 million in 2023 to RMB3,822.2 million in 2024, primarily attributable to the increase in the number of our restaurants in operation from 360 as of the end of 2023 to 465 as of the end of 2024, partially offset by a decrease in our overall restaurant level performance in 2024. Such decrease was primarily due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment. According to CIC, the industry in general also showed the same trend.

Starting from the beginning of 2023, our customer traffic recovered and we recorded increases in same store sales in all regions in 2023 as compared with that in 2022, as a result of the easing of the COVID-19 pandemic in Mainland China since the beginning of 2023 and the relaxation of government-imposed restrictive measures related to COVID-19 in December 2022. In 2024, we recorded decreases in same store sales in all regions. Such decreases were primarily due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment, which led to decreases in our table turnover rate and average spending per guest in all regions.

The table below sets forth our table turnover rate by geographical regions during the periods indicated:

	Year ended December 31,		
	2022	**2023**	**2024**
Table turnover rate (time/day)			
Eastern China	2.71	3.11	2.82
Guangdong province	3.06	3.37	2.93
Northern China	2.78	3.52	3.38
Other	2.72	3.28	3.04
Overall	**2.81**	**3.30**	**3.00**

Despite the sudden increase in cases of COVID-19 in January 2023 after the Chinese government eased the “zero-COVID” policy in December 2022 which had a short-term impact on our business, our customer traffic rebounded and our overall table turnover rate increased to 3.30 in 2023 as compared to 2.81 in 2022 as the pandemic has generally been controlled and the government eased the relevant restrictive measures related to COVID-19, and the performance of our restaurants showed a strong recovery due to a significant surge in consumer spending in the first half of 2023. Our overall turnover rate in 2023 has also generally returned to pre-pandemic level of 3.34 in 2019. However, due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment, our overall table turnover rate decreased from 3.30 in 2023 to 3.00 in 2024.

CRITICAL ACCOUNTING POLICIES 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 past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any 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.

Set forth below are discussions of the accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Other material 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 2 and 3 to the Accountants' Report in Appendix I to this prospectus.

Revenue and other income

We classify income as revenue when it arises from the sales of goods or the provision of services. Further details of our revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

We principally generate revenue from restaurant operations. Revenue excludes value added tax or other sales taxes and is after deduction of other sales taxes or any trade discounts.

For restaurant operations for which the control of services is transferred at a point in time, revenue is recognized when the related services have been rendered to customers.

For sales of goods for which the control of goods is transferred at a point in time, revenue is recognised when the goods are delivered and accepted by the customers.

Revenue for rendering of other services is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation as the customer simultaneously receives the benefits provided by our performance as we perform.

(ii) Interest income

Interest income is recognized as it accrues using the effective interest method.

(iii) Government grants

We recognize government grants in the statement of financial position initially when there is reasonable assurance that they will be received and that we will comply with the conditions attaching to them. Grants that compensate us for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate us for the cost of an asset are initially recognized as deferred income at fair value and then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

Leased assets

At inception of a contract, we assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), we have elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, we recognize a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for us are primarily apartments and kitchen equipment. When we enter into a lease in respect of a low-value asset, we decide whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii) set forth in the Accountants' Report set out in Appendix I to this prospectus).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortized cost (see Note 2(d) set forth in the Accountants' Report set out in Appendix I to this prospectus). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in our estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether we will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 *Leases*. In such cases, we have taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognized the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii) set forth in the Accountants' Report set out in Appendix I to this prospectus).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

– Leasehold improvements	5-30 years, or lease term, which is shorter
– Kitchen equipment	5 years
– Furniture and fixture	3-5 years
– Electronic equipment and others	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of companies in our Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the non-controlling interests shall be derecognized, but shall not be reclassified to profit or loss. If we dispose of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When we dispose of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Other comprehensive income which may not be reclassified to profit or loss during the Track Record Period represents the exchange differences on translation of financial statements of our Company from our Company's functional currency, U.S. dollars, to the presentation currency, Renminbi. Since our Company itself does not constitute a foreign operation under International Accounting Standards ("**IAS**") 21, the exchange differences arising therefrom will not be classified to profit or loss subsequently.

PRINCIPAL INCOME STATEMENT COMPONENTS

The following table sets forth a summary, for the periods indicated, of our consolidated results of operations. Each item has also been expressed as a percentage of our revenue.

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Revenue	2,375,453	100.0	3,589,178	100.0	3,838,202	100.0
Other revenue	31,081	1.3	39,195	1.1	31,957	0.8
Raw materials and consumables used	(862,316)	(36.3)	(1,205,219)	(33.6)	(1,192,902)	(31.1)
Staff costs	(626,397)	(26.4)	(911,028)	(25.4)	(989,008)	(25.8)
Depreciation of right-of-use assets	(161,048)	(6.8)	(177,036)	(4.9)	(202,868)	(5.3)
Other rentals and related expenses	(56,611)	(2.4)	(80,294)	(2.2)	(76,064)	(2.0)
Depreciation and amortization of other assets	(163,641)	(6.9)	(192,947)	(5.4)	(217,875)	(5.7)
Utilities expenses	(90,049)	(3.8)	(123,562)	(3.5)	(141,251)	(3.7)
Delivery service expenses	(61,187)	(2.6)	(82,788)	(2.3)	(120,972)	(3.1)
Other expenses	(308,980)	(13.0)	(420,950)	(11.7)	(467,408)	(12.1)
Other net income/(losses)	8,413	0.4	(3,919)	(0.1)	2,153	0.1
Financial costs	(41,541)	(1.7)	(42,657)	(1.2)	(45,309)	(1.2)

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Profit before taxation	**43,177**	**1.8**	**387,973**	**10.8**	**418,655**	**10.9**
Income tax	(26,598)	(1.1)	(92,430)	(2.6)	(68,488)	(1.8)
Profit for the year	**16,579**	**0.7**	**295,543**	**8.2**	**350,167**	**9.1**
Attributable to:						
Equity shareholders of the Company	16,579	0.7	295,543	8.2	350,167	9.1
Non-controlling interests	–	–	–	–	0.0	0.0
Profit for the year	**16,579**	**0.7**	**295,543**	**8.2**	**350,167**	**9.1**

Non-IFRS Measures

To supplement our consolidated statements of profit or loss, which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) as additional financial measures. The presentation of adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items described below. Equity-settled share-based payment expenses are non-cash expenses arising from the RSU Scheme. Listing expenses are related to the Global Offering. We believe that adjusted net profit (non-IFRS measure) and adjusted net profit margin (non-IFRS measure) are frequently used by other interested parties when evaluating the performance of a company. Our management uses such non-IFRS measures as additional measurement tools for business decision-making. In addition, we believe that such non-IFRS measures provide additional information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies. The use of the non-IFRS measures has limitations as analytical tools, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS. Other companies in our industry may calculate these non-IFRS measures differently than we do. As such, our presentation of the non-IFRS measures may not be comparable to similarly titled measures presented by other companies.

We define adjusted net profit (non-IFRS measure) as profit for the year adjusted by excluding (i) equity-settled share-based payment expenses, (ii) listing expenses, and (iii) impact on tax related to items (i) to (ii) above. The following table illustrates reconciliations to our adjusted net profit (non-IFRS measure) from our profit for the periods indicated:

	For the year ended December 31,		
	2022	**2023**	**2024**
	(in thousands of RMB)		
Profit for the year	16,579	295,543	350,167
Equity-settled share-based payment expenses	(779)	844	5,447
Listing expenses	11,210	8,547	6,312
Impact on tax	(1,794)	(1,637)	(1,060)
Adjusted net profit (non-IFRS measure)	**25,216**	**303,297**	**360,866**

The following table sets forth our adjusted net profit margin (non-IFRS measure) for the periods indicated:

	For the year ended December 31,		
	2022	**2023**	**2024**
Adjusted net profit margin (%) (non-IFRS measure)	**1.1**	**8.5**	**9.4**

(1) Adjusted net profit margin (non-IFRS measure) is calculated by dividing adjusted net profit (non-IFRS measure) by revenue for the year.

Revenue

During the Track Record Period, we generated revenue from three services, including (i) restaurant operations, (ii) delivery service and (iii) others, including (a) commissions we receive from service providers for cell phone charging services, (b) sales of products such as cooking oil, condiments and gift boxes and (c) fees for parking services. The following table sets forth a breakdown of our revenue by service, each presented in absolute amount and as a percentage of our revenue, for the periods indicated:

	For the year ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except percentages)					
Restaurant operation	1,976,519	83.2	3,059,989	85.3	3,099,173	80.8
Delivery service	397,114	16.7	517,153	14.4	723,057	18.8
Others[1]	1,820	0.1	12,036	0.3	15,972	0.4
Total revenue	**2,375,453**	**100.0**	**3,589,178**	**100.0**	**3,838,202**	**100.0**

Note:

(1) Primarily consists of (i) commissions received from certain providers of cell phone charging services, (ii) sales of products such as cooking oil, condiments and gift boxes and (iii) fees for parking services.

The following table sets forth a breakdown of our revenue generated from restaurant operation and delivery service by geographical regions, each presented in absolute amount and as a percentage of our revenue, for the periods indicated:

	For the year ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except percentages)					
Eastern China[1]	710,137	29.9	1,107,548	31.0	1,265,491	33.1
Guangdong province	621,811	26.2	814,699	22.8	762,035	19.9
Northern China[2]	517,146	21.8	708,494	19.8	626,798	16.4
Other[3]	524,539	22.1	946,401	26.4	1,167,906	30.6
Overall	**2,373,633**	**100.0**	**3,577,142**	**100.0**	**3,822,230**	**100.0**

Notes:

(1) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(2) Consisting of Beijing, Hebei and Tianjin.

(3) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan, Hainan and Hong Kong SAR.

Our revenue generated from restaurant operation increased in 2023 as compared with that in 2022, primarily attributable to (i) the strong recovery of our customer traffic due to a significant surge in consumer spending in the first half of 2023 following the easing of government-imposed restrictions related to COVID-19 in December 2022 and (ii) an increase in the number of our restaurants in operation due to our restaurant expansion. Our revenue generated from restaurant operation increased in 2024 as compared to 2023, primarily attributable to an increase in the number of our restaurants in operation and partially offset by a decrease in our restaurant level performance. During the Track Record Period, we primarily focused on opening new restaurants in Eastern China, Guangdong province and Northern China, which are the major economic centers of Mainland China. In 2022, 2023 and 2024, we generated 77.9%, 73.6% and 69.4%, respectively, of our revenue from restaurant operation and delivery service from our restaurants in these three key regions. Going forward, we expect to continue to capitalize on our established brand reputation in the three key regions by further penetrating these markets. We also plan to expand into other geographical regions to continue expand our restaurant network.

Other Revenue

Our other revenue primarily consists of (i) interest income on bank deposits and rental deposits and (ii) government grants, which mainly represent additional deduction and exemption on value-added tax granted by the government authorities in the PRC. The following table sets forth a breakdown of our other revenue, each presented in absolute amount and as a percentage of our revenue, for the periods indicated:

	For the year ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Interest income on:						
Bank deposits	2,895	0.1	2,527	0.1	3,959	0.1
Rental deposits	1,876	0.1	2,120	0.1	2,483	0.0
Investment income on wealth management products	1,214	0.0	4,418	0.1	2,490	0.1
Government grants	23,833	1.0	28,342	0.8	22,322	0.6
Lease incentives	1,263	0.1	1,788	0.0	703	0.0
Total	**31,081**	**1.3**	**39,195**	**1.1**	**31,957**	**0.8**

Government grants during the Track Record Period mainly represented additional deduction and exemption of value-added tax granted by the government authorities in the PRC and various forms of incentives and subsidies granted to the Group by the local government authorities in Mainland China. The additional deduction and exemption of value-added tax was granted by the central government to taxpayers in life service industry, and such government grant has been discontinued in 2024.

Raw Materials and Consumables Used

Our raw materials and consumables used consist of the costs of (i) semi-processed food products and bakery products we procured from third-party food processing companies, (ii) food ingredients we directly purchased from suppliers, and (iii) consumables used in our restaurants, such as napkins, packaging materials and other consumables used at our kitchens. In 2022, 2023 and 2024, our raw materials and consumables used amounted to RMB862.3 million, RMB1,205.2 million and RMB1,192.9 million, respectively, representing 36.3%, 33.6% and 31.1% of our revenue for the respective periods.

Changes in our raw materials and consumables used were generally in line with the increasing trend of our revenue during the Track Record Period. See "– Factors Affecting Our Financial Condition and Results of Operations – Food supply prices" and "– Results of Operations" for the historical and future trend of our raw materials and consumables used.

Staff Costs

Our staff costs comprise salaries, wages and other benefits, contributions to defined contribution retirement plan and equity-settled share-based payment expenses to our employees. Our staff costs amounted to RMB626.4 million, RMB911.0 million and RMB989.0 million in 2022, 2023 and 2024, respectively, representing 26.4%, 25.4% and 25.8% of our revenue for the respective periods. See "– Factors Affecting Our Financial Condition and Results of Operations – Staff costs" and "– Results of Operations" for the historical and future trend of our staff costs.

The following table sets forth a breakdown of our staff costs, each presented in absolute amount and as a percentage of our revenue, for the periods indicated:

	For the year ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Salaries, wages and other benefits	615,115	25.9	895,245	25.0	965,419	25.2
Contributions to defined contribution scheme	12,061	0.5	14,939	0.4	18,142	0.5
Equity-settled share-based payment expenses	(779)	(0.0)	844	0.0	5,447	0.1
Total	**626,397**	**26.4**	**911,028**	**25.4**	**989,008**	**25.8**

Depreciation of Right-of-Use Assets

Our depreciation of right-of-use assets represents depreciation charges for our leases for our restaurants and employee dormitories. In 2022, 2023 and 2024, we recorded depreciation of right-of-use assets of RMB161.0 million, RMB177.0 million and RMB202.9 million, respectively, representing 6.8%, 4.9% and 5.3% of our revenue for the respective periods. See "– Factors Affecting Our Financial Condition and Results of Operations – Depreciation of Right-of-use Assets and Other Rentals and Related Expenses" for further details.

Other Rentals and Related Expenses

Our other rentals and related expenses mainly represent (i) lease payments for leases of low-value assets and leases that had a lease term of 12 months or less and (ii) the variable lease payments based on operation results of related restaurants rather than fix rates. In 2022, 2023 and 2024, our other rentals and related expenses were RMB56.6 million, RMB80.3 million and RMB76.1 million, respectively, representing 2.4%, 2.2% and 2.0% of our revenue for the respective periods.

The following table sets forth a breakdown of our other rentals and related expenses, each presented in absolute amount and as a percentage of our revenue, for the periods indicated:

	Year Ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Expense relating to leases of low-value assets and short-term leases	45,144	1.9	54,421	1.5	50,837	1.3
Variable lease payments not included in the measurement of lease liabilities	13,902	0.6	26,820	0.7	26,451	0.7
COVID-19 rent concessions deducted from variable payments	(1,764)	(0.1)	–	–	–	–
Lease incentives amortization deducted from variable payments	(671)	(0.0)	(947)	(0.0)	(1,224)	(0.0)
Total	**56,611**	**2.4**	**80,294**	**2.2**	**76,064**	**2.0**

Depreciation and Amortization of Other Assets

Our depreciation and amortization of other assets represent depreciation and amortization charges for our kitchen equipment, capitalized renovation costs of our restaurants, restaurant furniture, and amortization charges for software. In 2022, 2023 and 2024, we recorded depreciation and amortization of other assets of RMB163.6 million, RMB192.9 million and RMB217.9 million, respectively, or representing 6.9%, 5.4% and 5.7% of our revenue for the respective periods.

Utilities Expenses

Our utilities expenses primarily consist of expenses incurred for electricity, gas and water utilities by our restaurants. Our utilities expenses amounted to RMB90.0 million, RMB123.6 million and RMB141.3 million in 2022, 2023 and 2024, respectively, representing 3.8%, 3.5% and 3.7% of our revenue for the respective periods.

Delivery Service Expenses

Our delivery service expenses primarily consist of fees paid to third-party online food delivery platforms. During the Track Record Period, we offered delivery services to our customers through services provided by third-party online food delivery platforms. In 2022, 2023 and 2024, our delivery service expenses amounted to RMB61.2 million, RMB82.8 million and RMB121.0 million, respectively, representing 2.6%, 2.3% and 3.1% of our revenue for the respective periods.

Other Expenses

Our other expenses are primarily comprised of property management fees, expenses for cookware and kitchen utensils, services fees to third-party payment platforms and other third-party service providers, and transportation charges for raw material shipments. The table below sets forth a breakdown of our other expenses, each presented in absolute amount and as a percentage of our revenue, for the periods indicated:

	For the year ended December 31,					
	2022		**2023**		**2024**	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Property management expenses	59,444	2.5	72,110	2.0	87,609	2.3
Low-value consumables	67,279	2.8	91,345	2.5	94,736	2.5
Services fees to third-party service providers[(1)]	56,898	2.4	65,879	1.8	70,639	1.8
Platform service fees	11,247	0.5	48,696	1.4	65,498	1.7
Transportation charges	22,638	1.0	25,053	0.7	30,704	0.8
Business development expenses	15,551	0.7	28,032	0.8	33,868	0.9
Advertising and promotion expenses	23,966	1.0	27,448	0.8	30,105	0.8
Office expenses	3,322	0.1	6,060	0.2	5,746	0.1
Impairment losses of property, plant and equipment and right-of-use assets	–	–	4,636	0.1	–	–
Listing expenses	11,210	0.5	8,547	0.2	6,312	0.2
Others[(2)]	37,425	1.5	43,144	1.2	42,191	1.0
	308,980	13.0	420,950	11.7	467,408	12.1

Note:

(1) Services fees to third-party service providers mainly include fees we paid to third-party service providers for logistics, consultant, waste disposal, cleaning, pest control, staff hiring and information technology-related services.

(2) Others mainly include expenses related to snacks we provide to customers while waiting, maintenance expenses and upfront expenses related to the opening of new restaurants.

In 2022, 2023 and 2024, our other expenses amounted to RMB309.0 million, RMB421.0 million and RMB467.4 million, respectively, representing 13.0%, 11.7% and 12.1% of our revenue for the respective periods. Our property management expenses, low-value consumables, service fees to third-party service providers and platform service fees continued to increase during the Track Record Period. Such increases were primarily due to the continued growth of our restaurants operations.

Other Net Income/(Losses)

Other net income/(losses) primarily consisted of (i) restoration costs incurred when we close certain restaurants and terminate relevant lease agreements with lessors and the compensation received from landlords for the restaurants we closed due to breach of contract on the part of the relevant landlords, (ii) rent concessions granted by lessors due to the COVID-19 pandemic, (iii) net foreign exchange income/(losses), (iv) loss on disposal of assets, and (v) other income/(losses), primarily relating to inventory write-down. The following table sets forth a breakdown of our other net income/(losses), each presented in absolute amount and as a percentage of our revenue, for the periods indicated:

	For the year ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Net losses on restaurant closures	(1,122)	(0.0)	(2,066)	(0.1)	(756)	(0.0)
Income on COVID-19 rent concessions	10,176	0.4	–	–	–	–
Net foreign exchange income/(losses)	62	0.0	14	0.0	(35)	0.0
Net (losses)/gains on disposal of property, plant and equipment and right-of-use assets	(494)	(0.0)	(840)	(0.0)	485	0.0
Other (losses)/income	(209)	(0.0)	(1,027)	(0.0)	2,459	0.1
Total	**8,413**	**0.4**	**(3,919)**	**(0.1)**	**2,153**	**0.1**

Finance Costs

Our finance costs consist of interests on lease liabilities, long-term payable, provisions and bank loans. In 2022, 2023 and 2024, our finance costs amounted to RMB41.5 million, RMB42.7 million and RMB45.3 million, respectively, representing 1.7%, 1.2% and 1.2% of our revenue for the respective periods.

The following table sets forth a breakdown of our finance costs, each presented in absolute amount and as a percentage of our revenue, for the periods indicated:

	For the year ended December 31,					
	2022		2023		2024	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)					
Interest on bank loans	594	0.0	188	0.0	37	0.0
Interest on lease liabilities	35,450	1.5	36,640	1.0	39,305	1.0
Interest on long-term payable	3,925	0.2	3,818	0.1	3,729	0.1
Interest on provisions	1,572	0.0	2,011	0.1	2,238	0.1
Total	**41,541**	**1.7**	**42,657**	**1.2**	**45,309**	**1.2**

Income Tax

Our income tax consists of income tax paid or payable at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction we operate or domicile. Our income tax expenses in 2022, 2023 and 2024 amounted to RMB26.6 million, RMB92.4 million and RMB68.5 million, respectively. Our income tax significantly increased in 2023 primarily due to an increase in our taxable income as our results of operations significantly improved in 2023. Our effective tax rate, calculated by dividing income tax by profit before taxation, was 61.6%, 23.8% and 16.4% in 2022, 2023 and 2024, respectively.

Cayman Islands

Under the current laws of the Cayman Islands, we are not subject to income tax or capital gains tax in the Cayman Islands.

Hong Kong SAR

Our subsidiaries incorporated in Hong Kong SAR are generally subject to Hong Kong profits tax at a rate of 16.5%. For the years 2019 and onwards, the first HK$2 million of profits generated by one entity incorporated in Hong Kong SAR is taxed at a rate of 8.25%, while the remaining profits will continue to be taxed at the 16.5% tax rate. For the years ended December 31, 2022, 2023 and 2024, our subsidiaries in Hong Kong SAR did not incur any profits tax in Hong Kong SAR as they did not have any assessable profit for these years.

PRC

Generally, taxable income for our subsidiaries in the PRC are subject to PRC income tax rate of 25% for the years ended December 31, 2022, 2023 and 2024. On the other hand, Tibet Green Tea F&B was established in Tibet in 2016 and was entitled to a preferential income tax rate of 15% since its operation according to the Notice No. 51 issued by the Tibet People's Government on May 1, 2014. According to the Notice No. 23 issued by the Ministry of Finance, State Taxation Administration and National Development and Reform Commission on April 23, 2020, Tibet Green Tea F&B could continue to meet the relevant criteria to enjoy the preferential income tax rate. Thus, Tibet Green Tea F&B will continue to be entitled to the preferential income tax rate of 15% from 2021 to 2030.

For the year ended December 31, 2022, certain of our subsidiaries fulfilled the criteria required for preferential income tax rate granted to small and low profit-making enterprises in the PRC, and were entitled to a preferential income tax rate of 2.5% on taxable income for the first RMB1 million and 5% on taxable income for the subsequent RMB1 million to RMB3 million.

For the years ended December 31, 2023 and 2024, certain of our subsidiaries fulfilled the criteria required for preferential income tax rate granted to small and low profit-making enterprises in the PRC, and were entitled to a preferential income tax rate of 5% on taxable income within RMB3 million.

During the Track Record Period and as of the Latest Practicable Date, we did not have any disputes or unresolved issues with the relevant tax authorities.

RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue. Our revenue increased by 6.9% from RMB3,589.2 million in 2023 to RMB3,838.2 million in 2024, primarily attributable to an increase in the number of our restaurants in operation which is partially offset by decreases in our same store sales in all regions mainly due to a general change in consumer behavior to reduce expenses and frequencies of dining out given the current economic environment, which led to decreases in our table turnover rate and average spending per guest in all regions. According to CIC, the industry in general also showed the same trend.

Our revenue generated from restaurant operations and delivery services in Eastern China increased by 14.3% from RMB1,107.5 million in 2023 to RMB1,265.5 million in 2024. Such increase was primarily due to an increase in the number of our restaurants in this region from 115 as of December 31, 2023 to 155 as of December 31, 2024. Such increase was partially offset by a decrease in our same store sales in this region by 11.2% in 2024 as compared to that in 2023.

Our revenue generated from restaurant operations and delivery services in Guangdong province decreased by 6.5% from RMB814.7 million in 2023 to RMB762.0 million in 2024. Such decrease was primarily due to a decrease in our same store sales in this region by 12.6% in 2024 as compared to that in 2023. Such decrease was partially offset by an increase in the number of our restaurants in this region from 72 as of December 31, 2023 to 83 as of December 31, 2024.

Our revenue generated from restaurant operations and delivery services in Northern China decreased by 11.5% from RMB708.5 million in 2023 to RMB626.8 million in 2024. Such decrease was primarily due to a decrease in our same store sales in this region by 6.8% in 2024 as compared to that in 2023.

Our revenue generated from restaurant operations and delivery services in other region increased by 23.4% from RMB946.4 million in 2023 to RMB1,167.9 million in 2024. Such increase was primarily due to an increase in the number of our restaurants in this region from 117 as of December 31, 2023 to 169 as of December 31, 2024. Such increase was partially offset by a decrease in our same store sales in this region by 10.9% in 2024 as compared to that in 2023.

Our revenue generated from delivery service increased by 39.8% from RMB517.2 million in 2023 to RMB723.1 million in 2024, primarily due to an increase in the number of our delivery orders in 2024 as we strategically increased our focus on delivery services in 2024. Our revenue generated from delivery service as a percentage of our total revenue increased from 14.4% in 2023 to 18.8% in 2024, primarily due to the same reason.

Our revenue generated from others increased by 32.7% from RMB12.0 million in 2023 to RMB16.0 million in 2024, primarily due an increase in the sales of products such as beef short rib, wheat flour and soybean oil.

Other revenue. Our other revenue decreased by 18.5% from RMB39.2 million in 2023 to RMB32.0 million in 2024, primarily due to decreases in lease incentives and government grants because the policy to provide additional deduction and exemption of value-added tax was discontinued in 2024.

Raw materials and consumables used. Our raw materials and consumables used slightly decreased by 1.0% from RMB1,205.2 million in 2023 to RMB1,192.9 million in 2024, primarily due to a decrease in the unit price of purchases. Our raw materials and consumables used as a percentage of our revenue decreased from 33.6% in 2023 to 31.1% in 2024, primarily due to (i) our increasing bargaining power with suppliers to obtain raw materials at a more favorable price as we continued to streamline our menu offerings and (ii) our continuous effort in finding suppliers that provide quality ingredients at a lower cost.

Staff costs. Our staff costs increased by 8.6% from RMB911.0 million in 2023 to RMB989.0 million in 2024, primarily due to an increase in the number of our employees due to the expansion of our restaurant network. Our staff costs as a percentage of our revenue increased from 25.4% in 2023 to 25.8% in 2024, primarily due to a decrease in our restaurant level performance.

Depreciation of right-of-use assets. Our depreciation of right-of-use assets increased by 14.6% from RMB177.0 million in 2023 to RMB202.9 million in 2024, primarily as a result of an increase in our leases due to the increase in number of our restaurants. Our depreciation of right-of-use assets as a percentage of our revenue increased from 4.9% in 2023 to 5.3% in 2024, primarily due to a decrease in our restaurant level performance.

Other rentals and related expenses. Our other rentals and related expenses decreased by 5.3% from RMB80.3 million in 2023 to RMB76.1 million in 2024, primarily due to a decrease in the variable payment of rent for our restaurants which was calculated with reference to the sales at the relevant restaurants. Our other rentals and related expenses as a percentage of our revenue decreased from 2.2% in 2023 to 2.0% in 2024, primarily due to the same reason.

Depreciation and amortization of other assets. Our depreciation and amortization of other assets increased by 12.9% from RMB192.9 million in 2023 to RMB217.9 million in 2024, primarily due to an increase in restaurant renovation costs in relation to the expansion of our restaurant network. Our depreciation and amortization of other assets as a percentage of our revenue increased from 5.4% in 2023 to 5.7% in 2024, primarily due to a decrease in our restaurant level performance.

Utilities expenses. Our utilities expenses increased by 14.3% from RMB123.6 million in 2023 to RMB141.3 million in 2024, primarily due to an increase in the number of our restaurants in operation during the period. Our utilities expenses as a percentage of our revenue increased from 3.5% in 2023 to 3.7% in 2024, primarily due to a decrease in our restaurant level performance.

Delivery service expenses. Our delivery service expenses increased by 46.1% from RMB82.8 million in 2023 to RMB121.0 million in 2024, primarily due to an increase in the number of delivery orders. Our delivery service expenses as a percentage of our revenue increased from 2.3% in 2023 to 3.1% in 2024, primarily due to an increase in the sales from our delivery service as a percentage of our overall business.

Other expenses. Our other expenses increased by 11.0% from RMB421.0 million in 2023 to RMB467.4 million in 2024, primarily due to increases in property management fees, purchase of consumables, service fees to third-party service providers and transportation expenses as we continue to expand our restaurant network and increase our sales. Our other expenses as a percentage of our revenue increased from 11.7% in 2023 to 12.1% in 2024, primarily due to a decrease in our restaurant level performance.

Other net income/(losses). We recorded net income of RMB2.2 million in 2024 as compared to a net loss of RMB3.9 million in 2023. Such change was primarily due to the one-off compensation we received from landlords for the restaurants we closed due to breach of contract on the part of the relevant landlords.

Finance costs. Our finance costs increased by 6.2% from RMB42.7 million in 2023 to RMB45.3 million in 2024, primarily due to an increase in interests on lease liabilities associated with the increase in the number of our leases. Such increase was partially offset by a decrease in the interest on a bank loan as we repaid such bank loan in January 2024. Our finance costs as a percentage of our revenue remained stable at 1.2% in 2023 and 2024.

Profit before taxation. As a result of the foregoing, our profit before taxation increased by 7.9% from RMB388.0 million in 2023 to RMB418.7 million in 2024. Our profit before taxation as a percentage of our revenue was 10.8% in 2023 and 10.9% in 2024.

Income tax. Our income tax decreased by 25.9% from RMB92.4 million in 2023 to RMB68.5 million in 2024, primarily due to a decrease in our effective tax rate at the group level. Our effective tax rate, calculated by dividing our income tax by our profit before taxation was 23.8% in 2023 and 16.4% in 2024.

Profit for the year. As a result of the cumulative effect of the above factors, our profit for the year increased from RMB295.5 million in 2023 to RMB350.2 million in 2024.

Year Ended December 31, 2022 Compared to Year Ended December 31, 2023

Revenue. Our revenue increased by 51.1% from RMB2,375.5 million in 2022 to RMB3,589.2 million in 2023, primarily attributable to (i) a robust rebound in our results of operations in all regions mainly due to the recovery of our customer traffic due to a significant surge in consumer spending in the first half of 2023 following the easing of government-imposed restrictions related to COVID-19 in December 2022 and (ii) the successful expansion of our restaurant network.

Our revenue generated from restaurant operations and delivery services in Eastern China increased by 56.0% from RMB710.1 million in 2022 to RMB1,107.5 million in 2023. Such increase was primarily due to (i) a robust rebound in our results of operations in this region, which led to increases in total guests served in this region from 11.4 million in 2022 to 17.6 million in 2023, same store sales in this region by 26.1% and table turnover rate in this region from 2.71 in 2022 to 3.11 in 2023 and (ii) the successful expansion of our restaurant network in this region.

Our revenue generated from restaurant operations and delivery services in Guangdong province increased by 31.0% from RMB621.8 million in 2022 to RMB814.7 million in 2023. Such increase was primarily attributable to (i) a robust rebound in our results of operations in this region, which led to increases in total guests served in this region from 9.8 million in 2022 to 13.2 million in 2023, same store sales in this region by 17.1% and table turnover rate in this region from 3.06 in 2022 to 3.37 in 2023 and (ii) the successful expansion of our restaurant network in this region.

Our revenue generated from restaurant operations and delivery services in Northern China increased by 37.0% from RMB517.1 million in 2022 to RMB708.5 million in 2023. Such increase was primarily due to a robust rebound in our results of operations in this region, which led to increases in total guests served in this region from 8.3 million in 2022 to 11.5 million in 2023, same store sales in this region by 31.5% and table turnover rate in this region from 2.78 in 2022 to 3.52 in 2023.

Our revenue generated from restaurant operations and delivery services in other region increased by 80.4% from RMB524.5 million in 2022 to RMB946.4 million in 2023. Such increase was primarily attributable to (i) a robust rebound in our results of operations in this region, which led to increases in total guests served in this region from 8.4 million in 2022 to 15.7 million in 2023, same store sales in this region by 30.9% and table turnover rate in this region from 2.72 in 2022 to 3.28 in 2023 and (ii) our successful expansion in Sichuan, Yunnan, Hainan and Shaanxi province.

Our revenue generated from delivery service increased by 30.2% from RMB397.1 million in 2022 to RMB517.2 million in 2023, primarily due to an increase in the number of restaurants which offered delivery service as a result of our restaurant expansion. Our revenue generated from delivery service as a percentage of our total revenue decreased from 16.7% in 2022 to 14.4% in 2023, primarily due to the robust rebound in our revenue generated from restaurant operation since the Chinese government lifted the "zero-COVID" policy in December 2022.

Our revenue generated from others increased by 561.3% from RMB1.8 million in 2022 to RMB12.0 million in 2023, primarily due to an increase in the sales of products such as cooking oil, condiments and gift boxes.

Other revenue. Our other revenue increased by 26.1% from RMB31.1 million in 2022 to RMB39.2 million in 2023, primarily due to an increase in additional deduction and exemption of value-added tax granted by the government authorities.

Raw materials and consumables used. Our raw materials and consumables used increased by 39.8% from RMB862.3 million in 2022 to RMB1,205.2 million in 2023, primarily due to a robust rebound in our restaurant sales. Our raw materials and consumables used as a percentage of our revenue decreased from 36.3% in 2022 to 33.6% in 2023, primarily due to (i) our effective procurement cost control, (ii) our effort in increasing direct procurement of raw materials from suppliers to enjoy more favorable procurement prices and (iii) decreases in the market price for certain food ingredients such as pork.

Staff costs. Our staff costs increased by 45.4% from RMB626.4 million in 2022 to RMB911.0 million in 2023, primarily due to (i) an increase in the number of our employees due to the expansion of our restaurant network and (ii) an increase in performance-based salaries paid to our restaurant staff as we recorded a robust rebound in our restaurant operations. Our staff costs as a percentage of our revenue decreased from 26.4% in 2022 to 25.4% in 2023, primarily due to the recovery of our restaurant level performance in 2023, partially offset by an increase in overall staff salary.

Depreciation of right-of-use assets. Our depreciation of right-of-use assets increased by 9.9% from RMB161.0 million in 2022 to RMB177.0 million in 2023, primarily as a result of an increase in our leases due to the increase in number of our restaurants. Our depreciation of right-of-use assets as a percentage of our revenue decreased from 6.8% in 2022 to 4.9% in 2023, primarily due to the recovery of our restaurant level performance in 2023.

Other rentals and related expenses. Our other rentals and related expenses increased by 41.8% from RMB56.6 million in 2022 to RMB80.3 million in 2023, primarily as a result of an increase in our leases due to the increase in the number of our restaurants. Our other rentals and related expenses as a percentage of our revenue decreased from 2.4% in 2022 to 2.2% in 2023, primarily due to increase in our restaurant level performance.

Depreciation and amortization of other assets. Our depreciation and amortization of other assets increased by 17.9% from RMB163.6 million in 2022 to RMB192.9 million in 2023, primarily due to an increase in restaurant renovation costs in relation to the expansion of our restaurant network. Our depreciation and amortization of other assets as a percentage of our revenue decreased from 6.9% in 2022 to 5.4% in 2023, primarily due to the recovery of our restaurant level performance in 2023.

Utilities expenses. Our utilities expenses increased by 37.2% from RMB90.0 million in 2022 to RMB123.6 million in 2023, primarily due to (i) an increase in the number of restaurants in operation and (ii) an increase in the total operating hours of our restaurants as the pandemic eases. Our utilities expenses as a percentage of our revenue decreased from 3.8% in 2022 to 3.5% in 2023, primarily due to the recovery of our restaurant level performance in 2023.

Delivery service expenses. Our delivery service expenses increased by 35.3% from RMB61.2 million in 2022 to RMB82.8 million in 2023, primarily due to an increase in the number of delivery orders and an increase in delivery commission fees charged by third-party online food delivery platforms. Our delivery service expenses as a percentage of our revenue slightly decreased from 2.6% in 2022 to 2.3% in 2023.

Other expenses. Our other expenses increased by 36.2% from RMB309.0 million in 2022 to RMB421.0 million in 2023, primarily due to increases in purchase of consumables, service fees to third-party service providers and advertisement expenses as we continue to expand our restaurant network and increase our sales. Our other expenses as a percentage of our revenue decreased from 13.0% in 2022 to 11.7% in 2023, due to the recovery of our restaurant level performance in 2023.

Other net (losses)/income. Our other net losses was RMB3.9 million in 2023 as compared to a net income of RMB8.4 million in 2022. Such change was primarily because we did not receive any rent concessions related to the COVID-19 pandemic in 2023 whereas we received income on COVID-19 rent concessions of RMB10.2 million in 2022.

Finance costs. Our finance costs increased by 2.7% from RMB41.5 million in 2022 to RMB42.7 million in 2023, primarily due to an increase in interests on lease liabilities associated with the increase in the number of our leases. Our finance costs as a percentage of our revenue decreased from 1.7% in 2022 to 1.2% in 2023, primarily due to the recovery of our restaurant level performance in 2023.

Profit before taxation. As a result of the foregoing, our profit before taxation increased to RMB388.0 million in 2023 from RMB43.2 million in 2022. Our profit before taxation as a percentage of our revenue was 1.8% in 2022 and 10.8% in 2023.

Income tax. Our income tax increased by 247.5% from RMB26.6 million in 2022 to RMB92.4 million in 2023 as a result of an increase in our taxable income in 2023. Our effective tax rate, calculated by dividing our income tax by our profit before taxation, was 61.6% in 2022 and 23.8% in 2023. Such decrease was primarily due to (i) the strong recovery of the performance of our restaurant in 2023 and (ii) an increase in the tax benefits our operating subsidiaries enjoyed.

Profit for the year. As a result of the cumulative effect of the above factors, our profit for the year increased from RMB16.6 million to RMB295.5 million.

ANALYSIS OF SELECTED STATEMENT OF FINANCIAL POSITION ITEMS

Inventories

Our inventories consist of food and beverages and other consumables for restaurant operations. The following table sets forth the balance of our inventories as of the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Food and beverages, and other operating items for restaurant operations	56,395	59,576	67,227

The balance of our inventories increased from RMB56.4 million as of December 31, 2022 to RMB59.6 million as of December 31, 2023, and further increased to RMB67.2 million as of December 31, 2024, primarily due to increases in the number of our restaurants in operation.

As of March 31, 2025, RMB67.2 million, or 100% of inventories as of December 31, 2024, had been used, consumed or sold subsequent to December 31, 2024.

The following table sets forth our restaurant related inventory turnover days for the Track Record Period:

	Year Ended December 31,		
	2022	**2023**	**2024**
Total inventory turnover days(1)	21.9	17.6	19.4

Note:

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of restaurant related inventory for a year divided by raw materials and consumables used for the relevant year and multiplied by 365 days.

Our inventory turnover days decreased to 17.6 days in 2023, primarily attributable to the robust recovery of our restaurant operations. Our inventory turnover days increased to 19.4 days in 2024, primarily due to preparations for the Chinese New Year holiday that resulted in higher inventory level at the end of December. We aim to continue to actively manage our inventory turnover in the future.

Trade and Other Receivables

Our trade and other receivables primarily consist of (i) trade debtors, which primarily represented receivables from third-party payment platforms; (ii) other receivables and deposits, which mainly represented rental deposits for our restaurants and other deposits relating to our business operations; (iii) prepayments, which primarily represented prepayments relating to rental expenses, utilities expenses and marketing and advertisement expenses; (iv) value added tax recoverable; and (v) amounts due from related parties, which represented (x) the expenses relating to the expansion and renovation of the Longjing restaurant we advanced to Hangzhou Greentea and (y) receivables relating to our operation of certain restaurants under the cooperation agreements with our connected persons. Such cooperation agreements had been terminated on December 25, 2024, following our acquisition of 100% of equity interest in Hangzhou Greentea, which allows us to own and operate the relevant restaurants without any cooperative arrangement.

The following table sets forth our trade and other receivables as of the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Trade debtors	18,485	36,298	22,550
Other receivables and deposits	50,320	45,137	76,216
Amounts due from related parties	24,298	28,943	–
Value added tax recoverable	109,788	149,396	158,350
Prepayments	37,339	54,726	75,150
Trade and other receivables	**240,230**	**314,500**	**332,266**

As of the Latest Practicable Date, approximately RMB160.9 million, or 48.4%, of our trade and other receivables as of December 31, 2024 had been settled subsequent to December 31, 2024. The lower subsequent settlement percentage of our trade and other receivables was primarily due to value added tax recoverables which we do not believe to have any recoverability issue.

Trade debtors

The majority of our trade debtors were primarily in connection with (i) bills settled through third-party payment platforms such as Alipay or WeChat Pay, which were normally settled within a short period of time; and (ii) bills received by shopping malls on behalf of us for certain restaurants, which were normally settled within one month.

The following table sets forth an aging analysis of our trade debtors as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Within one month	16,903	35,046	21,249
One to two months	372	864	1,037
Two to three months	371	279	247
Other three months but within one year	839	109	17
Total trade debtors	**18,485**	**36,298**	**22,550**

The following table sets forth our trade debtors turnover days for the Track Record Period.

	Year Ended December 31,		
	2022	2023	2024
Trade debtors turnover days(1)	2.6	2.8	2.8

Note:

(1) Trade debtor turnover days are calculated using the average of opening balance and closing balance of trade debtors for a year divided by revenue for the relevant year and multiplied by 365 days.

Our trade debtor turnover days were primarily affected by the settlement periods with third-party payment platforms and shopping malls. Going forward, we do not expect to experience significant change in our trade debtor turnover days.

We did not have any past due trade debtors as of December 31, 2022, 2023 and 2024. As of the Latest Practicable Date, all of our trade debtor as of December 31, 2024 had been settled subsequent to December 31, 2024.

Value added tax recoverable

Our value added tax recoverable increased from RMB109.8 million as of December 31, 2022 to RMB149.4 million as of December 31, 2023, and further increased to RMB158.4 million as of December 31, 2024. Such increases were primarily due to the expansion of our restaurant network.

Value added tax ("**VAT**") recoverable at the end of each reporting period represents the input VAT generated from the purchase of property, plant and equipment (mainly for decorations of new restaurants), raw materials, operating services and receiving leasing service, after deducting output VAT generated from our restaurant operations and delivery services. Our Group's applicable input VAT rates are 5%, 6%, 9% and 13%, depending on the products and/or services purchased, and the applicable output VAT rate is 6%.

In addition, our Group enjoyed additional deduction of VAT of 15% and 10% in 2022 and 2023, respectively, according to the relevant tax regulations. Such policy ceased to be effective on December 31, 2023.

As we continued to expand our restaurant network during the Track Record Period and opened a total of 47, 89 and 120 new restaurants in 2022, 2023 and 2024, respectively, the input VAT generated from the above purchase of property, plant and equipment and purchase of raw materials, operating services and receiving leasing service for restaurant operations was larger than the output VAT generated from restaurant operations and delivery services, which resulted in the VAT recoverable at the end of each reporting period. The VAT recoverable can be utilized through the future revenue generated from restaurant operations or refunded in certain circumstances according to the relevant tax regulations.

Other receivables and deposits

Our other receivables and deposits primarily consist of rental deposits for our restaurants. Our other receivables and deposits decreased from RMB50.3 million as of December 31, 2022 to RMB45.1 million as of December 31, 2023, primarily due to a decrease in our rental deposits which were returned after the completion of restaurant renovation. Our other receivables and deposits increased from RMB45.1 million as of December 31, 2023 to RMB76.2 million as of December 31, 2024, mainly attributable to an increase in our rental deposits as we continued to expand our restaurant network.

Prepayments

Our prepayments primarily consist of prepayments made for rental, utilities and marketing and advertising related expenses. Our prepayments increased from RMB37.3 million as of December 31, 2022 to RMB54.7 million as of December 31, 2023, primarily due to the recovery of our business from the COVID-19 pandemic. Our prepayments increased from RMB54.7 million as of December 31, 2023 to RMB75.2 million as of December 31, 2024, primarily due to the expansion of our restaurant network.

Amounts due from related parties

Our amounts due from related parties primarily consist of (i) the expenses relating to the expansion and renovation of the Longjing restaurant we advanced to Hangzhou Greentea prior to our acquisition of Hangzhou Greentea and its subsidiary on December 25, 2024 and (ii) receivables relating to our operation of certain restaurants under the cooperation agreements with our connected persons, which had been terminated on December 25, 2024. Our amounts due from related parties increased from RMB24.3 million as of December 31, 2022 to RMB28.9 million as of December 31, 2023. Such changes are primarily attributable to (i) the changes in profit before tax of the restaurants we historically managed under the cooperation agreements and (ii) an increase in the volume of food ingredients procurement from our Group by the restaurants we historically managed under the cooperation agreements. Our amounts due from related parties decreased to nil as of December 31, 2024 due to the termination of cooperation agreements with our connected persons following the acquisition of Hangzhou Greentea and its subsidiary on December 25, 2024.

Property, Plant and Equipment

Our property, plant and equipment is comprised of leasehold improvements, kitchen equipment, furniture and fixture, electronic equipment and others and construction in progress relating to our restaurants. Our property, plant and equipment increased from RMB518.9 million as of December 31, 2022 to RMB649.0 million as of December 31, 2023 and further increased to RMB724.8 million as of December 31, 2024, primarily due to the expansion of our restaurant network.

Right-of-Use Assets

Our right-of-use assets are comprised of the leases for our restaurants and employee dormitories. Our right-of-use assets increased from RMB754.5 million as of December 31, 2022 to RMB822.1 million as of December 31, 2023 and further increased to RMB967.0 million as of December 31, 2024. Such increases were primarily due to the expansion of our restaurant network.

Financial assets at fair value through profit or loss (“FVPL”)

Our financial assets at FVPL consist of low-risk wealth management products. We managed and evaluated the performance of wealth management products on a fair value basis in accordance with our business needs and investment strategy. Upon Listing, our investment in financial assets at fair value through profit or loss will be subject to compliance with Chapter 14 of the Listing Rules. See “– Liquidity and Capital Resources – Policies for Wealth Management Products” below for further details on our policies for wealth management products.

In relation to the valuation of the financial assets at FVPL, we adopted the following procedures:

(i) reviewed the terms of the relevant wealth management products;

(ii) reviewed the fair value measurement assessment of the relevant wealth management products presented by our finance department and carefully considered all information available and various applicable valuation techniques and process in determining the valuation of the relevant wealth management products; and

(iii) reviewed the fair value measurement of the financial assets at FVPL taking into account of the valuation techniques and assumptions of unobservable inputs and determine if the level 3 fair value measurement is in compliance with the applicable IFRS.

Based on the above procedures, our Directors are of the view that the valuation analysis is fair and reasonable, and our financial statements are properly prepared. The Joint Sponsors have conducted the following independent due diligence work in relation to the level 3 fair value measurement: they (i) reviewed the relevant notes included in the Accountants' Report as contained in Appendix I to this prospectus; (ii) discussed with the Company on the work they have performed, primary factors taken into account, key assumptions and methodologies adopted for the valuation of the level 3 financial assets, and the internal control measures undertaken by the Company for reviewing and approving the relevant valuation; and (iii) discussed with the Reporting Accountants in respect of the work performed in relation to the valuation of the level 3 financial assets for the purpose of reporting on the historical financial information of the Group for the Track Record Period as a whole. Having considered the work done by the Directors and the Reporting Accountants as stated above, nothing material has come to the attention of the Joint Sponsors that would cause the Joint Sponsors to disagree with the valuation analysis performed by the Company.

Details of the fair value measurement of financial assets at FVPL, particularly the fair value hierarchy, the valuation techniques and key inputs, including significant unobservable inputs, the relationship of unobservable inputs to fair value are disclosed in Note 28(e) to the Accountants' Report in Appendix I to this prospectus. The Reporting Accountants' opinion on Historical Financial Information, as a whole, of the Group for the Track Record Period is set out on pages I-1 to I-3 of Appendix I to this prospectus.

Impairment losses for property, plant and equipment and right-of-use assets

We performed impairment testing on property, plant and equipment and right-of-use assets of each restaurant to identify whether there is any indication of impairment as of December 31, 2022, 2023 and 2024. In view of the unfavorable future prospects of certain restaurants, we recognized an impairment loss of RMB4.6 million for the year ended December 31, 2023.

Although certain restaurants recorded operating losses for the years ended December 31, 2022 and 2024, the recoverable amount of these restaurants with an indication of impairment exceeds the carrying amount. Therefore, no impairment loss was recognized for the years ended December 31, 2022 and 2024.

Trade and Other Payables

The following table sets forth our trade and other payables as of the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Trade payables	193,354	248,488	221,361
Staff cost payable	53,103	86,790	85,506
Listing expense payable	11,772	12,813	12,362
Other payables and accrued charges	70,689	139,778	138,392
Other taxes payable	2,944	5,466	4,718
Total trade and other payables	**331,862**	**493,355**	**462,339**

Trade payables

The majority of our trade payables were in connection with payables to our suppliers. Our suppliers typically grant us a credit period of 30 to 90 days. The following is an aging analysis of our trade payables based on the invoice date for the periods indicated:

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Within one year	188,464	244,325	217,699
Over one year but within two years	4,862	1,443	190
Over two years but within three years	28	2,720	3,472
	193,354	**248,488**	**221,361**

The following table sets forth our trade payables turnover days during the Track Record Period:

	Year Ended December 31,		
	2022	2023	2024
Trade payable turnover days[(1)]	85.4	66.9	71.9

Note:

(1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year divided by raw materials and consumables used for the relevant year and multiplied by 365 days.

Our trade payables turnover days decreased from 85.4 days in 2022 to 66.9 days in 2023 and 71.9 days in 2024, primarily due to the increase in procurement from suppliers which have shorter payment terms as such suppliers generally offer lower procurement prices.

As of the Latest Practicable Date, RMB216.7 million, or 97.9% of our trade payables as of December 31, 2024, had been settled subsequent to December 31, 2024.

Staff cost payables

Our staff cost payables increased from RMB53.1 million as of December 31, 2022 to RMB86.8 million as of December 31, 2023, primarily due to an increase in performance-based compensation as the performance of our restaurants showed a strong recovery after the easing of the COVID-19 pandemic. Our staff cost payables decreased from RMB86.8 million as of December 31, 2023 to RMB85.5 million as of December 31, 2024, primarily due to the settlement of staff cost payables before the end of 2024.

Other payables and accrued charges

Our other payables and accrued charges are comprised of payables relating to restaurant renovations, delivery services and utilities. Our other payables and accrued charges increased from RMB70.7 million as of December 31, 2022 to RMB139.8 million as of December 31, 2023, primarily due to the increase in number of restaurants in operation. Our other payables and accrued charges remained relatively stable at RMB138.4 million as of December 31, 2024.

Contract Liabilities

Our contract liabilities primarily consist of (i) prepayments made by customers for subsequent spending at our restaurants, (ii) consideration from the offering of cash vouchers on our WeChat mini-program and (iii) estimated loyalty points arising from our membership reward system, which could be used in the future consumptions in our restaurants by members of our membership reward system. Our contract liabilities increased from RMB5.5 million as of December 31, 2022 to RMB6.8 million as of December 31, 2023 and RMB8.0 million as of December 31, 2024, primarily attributable to an increase in the estimated loyalty points arising from our membership reward system as the number of our members continued to increase.

Deferred Lease Incentives

During the Track Record Period, certain landlords granted lease incentive amounts to us under certain lease agreements for the reimbursement of leasehold improvement costs of the leased properties. We firstly accounted for the benefit of the lease incentive amounts as a deduction of the initial carrying amount of the right-of-use assets, and then the excess as deferred lease incentives which are amortized on a straight-line basis over the term of the leases. As of December 31, 2022, 2023 and 2024, we had deferred lease incentives of RMB15.5 million, RMB12.8 million and RMB12.8 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Overview

To date, we have financed our operations primarily through cash from our operations and equity investments. As of December 31, 2024, we had RMB247.2 million in cash and cash equivalents, substantially all of which were denominated in Renminbi. Our cash and cash equivalents primarily consist of cash on hand and cash at bank.

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

	Year Ended December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Net cash generated from operating activities	347,612	793,239	733,964
Net cash used in investing activities	(215,843)	(380,434)	(247,787)
Net cash used in financing activities	(127,866)	(190,797)	(595,484)
Net increase/(decrease) in cash and cash equivalents	3,903	222,008	(109,307)
Effect of foreign exchange rate changes	(711)	(129)	170
Cash and cash equivalents at the beginning of the year	131,218	134,410	356,289
Cash and cash equivalents at the end of the year	134,410	356,289	247,152

Operating Activities

Cash generated from operations reflects our profit before income tax, adjusted for (i) the cash flow effects of non-cash items, including depreciation, equity-settled share-based payment expenses, finance costs, net loss on disposal of property, plant and equipment and right-of-use assets; amortization of intangible assets; impairment loss on property, plant and equipment and right-of-use assets; gains on reassessment of right-of-use assets and lease liabilities; and interest income (ii) the effects of changes in our working capital, including changes in inventories, trade and other receivables, rental deposits, trade and other payables.

Net cash generated from operating activities in 2024 was RMB734.0 million, primarily attributable to profit before taxation of RMB418.7 million, adjusted for certain non-cash items and working capital adjustments. Negative working capital adjustments reflect (i) an increase in trade and other receivables and rental deposits of RMB32.4 million, (ii) an increase in inventories of RMB7.3 million and (iii) a decrease in trade and other payables of RMB2.4 million. Such negative working capital adjustments were offset by positive adjustments reflected primarily an increase in contract liabilities of RMB1.2 million.

Net cash generated from operating activities in 2023 was RMB793.2 million, which was primarily attributable to profit before taxation of RMB388.0 million, adjusted for certain non-cash items and working capital adjustments. Negative working capital adjustment reflect primarily (i) an increase in trade and other receivables and rental deposits of RMB69.5 million and (ii) an increase in inventories of RMB3.2 million. Such negative working capital adjustments were offset in part by positive adjustments reflected primarily an increase in trade and other payables of RMB128.9 million, primarily due to the growth of our operation scale.

Net cash generated from operating activities in 2022 was RMB347.6 million, which was primarily attributable to profit before taxation of RMB43.2 million, adjusted for certain non-cash items and working capital adjustments. Negative working capital adjustment reflect primarily (i) an increase in trade and other receivables and rental deposits of RMB30.3 million and (ii) an increase in inventories of RMB9.2 million primarily due to the expansion of our restaurant network. Such negative working capital adjustments were offset in part by positive adjustments reflected primarily an increase in trade and other payables of RMB6.9 million, primarily due to the growth of our operation scale.

Investing Activities

Net cash used in investing activities in 2024 was RMB247.8 million, primarily attributable to (i) payment for purchase of wealth management products of RMB1,785.0 million and (ii) payment for the purchase of property, plant and equipment of RMB336.4 million in connection with the opening of new restaurants, which was partially offset by proceeds from disposal of wealth management products of RMB1,882.7 million. In 2024, we opened a total of 120 new restaurants.

Net cash used in investing activities in 2023 was RMB380.4 million, primarily attributable to (i) payment for purchase of wealth management products of RMB2,328.5 million and (ii) payment for the purchase of property, plant and equipment of RMB306.2 million in connection with the opening of new restaurants, which was partially offset by proceeds from disposal of wealth management products of RMB2,248.5 million. In 2023, we opened a total of 89 new restaurants.

Net cash used in investing activities in 2022 was RMB215.8 million, primarily attributable to payment for the purchase of property, plant and equipment of RMB219.8 million in connection with the opening of new restaurants. In 2022, we opened a total of 47 new restaurants.

Financing Activities

Net cash used in financing activities in 2024 was RMB595.5 million, primarily attributable to (i) the dividends paid to our existing Shareholders the Board declared in May 2023 and settled in June 2024 and (ii) payment of capital element and interest element of lease liabilities of RMB218.2 million.

Net cash used in financing activities in 2023 was RMB190.8 million, primarily attributable to (i) payment of capital element and interest element of lease liabilities of RMB182.4 million, (ii) repayment of bank loans of RMB31.0 million and (iii) placements of restricted bank deposits of RMB25.0 million.

Net cash used in financing activities in 2022 was RMB127.9 million, primarily attributable to (i) payment of capital element and interest element of lease liabilities of RMB155.0 million and (ii) repayment of bank loans of RMB85.5 million, which was partially offset by proceeds from bank loans of RMB116.0 million.

Policies for Wealth Management Products

From time to time, we may purchase wealth management products, which are low-risk investments with the primary purpose of capital preservation. We primarily consider the following factors before purchasing wealth management products.

- ***Product selection and investment risk***. We only invest in wealth management products offered by reputable commercial banks that guarantee the principal amounts of our investments.

- ***Investment return***. We select wealth management products that offer competitive returns compared to similar investment products.

- ***Investment amount and duration***. We only invest in wealth management products in amounts and with durations that are consistent with our working capital needs. Such durations are generally between 30 days to 90 days.

According to our internal control measures, the value of the wealth management product will decide whether the purchase of such product is subject to pre-approval by our Board or by our shareholders:

(i) If the value of such wealth management product is less than 10% of our net asset according to our most recent audited financials, our chief executive officer is authorized by the Board to approve the purchase of such product. Our chief executive officer is only required to report such purchase in the next Board meeting.

(ii) If the value of such wealth management product is over 10% but less than 20% of our net asset according to our most recent audited financials, purchase of such product requires pre-approval by our Board.

(iii) If the value of such wealth management product is over 20% of our net asset according to our most recent audited financials, purchase of such product needs to be pre-approved by our shareholders at a shareholders' meeting.

In addition, our internal audit team is responsible for monitoring the approval, purchase and audit of such wealth management products. Our audit committee also has the authority to review our investments, including the purchase of wealth management products.

COMMITMENTS

As of December 31, 2022, 2023 and 2024 the total amount of our capital expenditure contracted for but not yet provided was RMB25.0 million, RMB15.9 million and RMB34.2 million, respectively.

CAPITAL EXPENDITURES

Our capital expenditure consists of payment for purchases of property, plant and equipment, primarily used to open new restaurants, procure property, plant and equipment for new restaurants, renovate existing restaurants and purchase furniture and equipment used for our restaurant operations. We made payment for the capital expenditures of RMB219.8 million, RMB306.2 million and RMB336.4 million in 2022, 2023 and 2024, respectively. These historical capital expenditures were funded primarily by cash generated from our operating activities.

We currently plan to open approximately 118 new restaurants in 2025 (excluding restaurants that had been opened as of the Latest Practicable Date). We estimate the total capital expenditure for the opening of the 118 new restaurants to be RMB273.1 million. We plan to fund these capital expenditures with our existing cash and cash equivalents, cash flow generated from operating activities and proceeds from the Global Offering. See "Business – Growth Strategies," "Business – Expansion Plan and Management" and "Future Plans and Use of Proceeds" for further details about our planned capital expenditure.

WORKING CAPITAL

The table below sets forth the details of our current assets and liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB in thousands)			
				(unaudited)
Current assets				
Inventories	56,395	59,576	67,227	59,485
Trade and other receivables	240,230	314,500	332,266	296,678
Income tax prepayments	2,887	1,492	1,395	6,502
Financial assets at fair value through profit or loss ("FVPL")	40,000	120,192	25,002	85,746
Restricted Deposits	–	25,000	–	–
Cash and cash equivalents	134,410	356,289	247,152	337,632
Total current assets	**473,922**	**877,049**	**673,062**	**786,043**
Current liabilities				
Trade and other payables	331,862	493,335	462,339	475,413
Dividend payable	–	350,028	–	–
Contract liabilities	5,480	6,847	8,021	9,896
Current portion of long-term payables	6,148	7,593	–	–
Lease liabilities	181,859	214,345	256,728	260,469
Bank loans	31,000	50,100	–	–
Current taxation	5,831	55,442	10,916	19,161
Total current liabilities	**562,180**	**1,177,690**	**738,004**	**764,939**
Net current (liabilities)/assets	**(88,258)**	**(300,641)**	**(64,942)**	**21,104**

We recorded net current assets of RMB21.1 million as of March 31, 2025 as compared to net current liabilities of RMB64.9 million as of December 31, 2024, primarily due to a strong cash inflow generated from operating activities as we recorded profit for the period.

Our net current liabilities decreased from RMB300.6 million as of December 31, 2023 to RMB64.9 million as of December 31, 2024, primarily due to a strong cash inflow generated from operating activities as we recorded profit for the year.

We recorded net current liabilities of RMB300.6 million as of December 31, 2023 as compared to net current liabilities of RMB88.3 million as of December 31, 2022, primarily due to (i) the dividend payable we recorded relating to the dividend to our existing Shareholders our Board declared in May 2023 and (ii) an increase in trade and other payables which was caused by the increase in the number of our restaurants in operation in 2023.

We recorded net current liabilities in 2022, 2023 and 2024, mainly because we utilized significant portions of cash generated from our operations to expand our restaurant network. As a result, we recorded significant amounts of (i) lease liabilities in accordance with IFRS 16 and (ii) trade and other payables in relation to renovation costs, purchases food ingredients and recruitment and employee expenses. In particular, the current portion of lease liabilities amounted to RMB181.9 million, RMB214.3 million and RMB256.7 million as of December 31, 2022, 2023 and 2024, respectively.

We believe that our net current liabilities position will be improved with net cash inflows generated from operating activities once the newly opened restaurants begin to make profit and from the net proceeds from the Global Offering. In addition, we will also continue to improve our net current liabilities position by leveraging centralized procurement through our direct procurement center to control costs, as well as the improved economies of scale as our restaurant network continues to grow. We also expect to take advantage of our strong brand recognition to continue negotiating with landlords for more favorable lease terms in lower tier cities in the future to control our costs.

Furthermore, we will continue to closely monitor our liquidity position to ensure that it is in line with our business operations and expansion needs. We will also manage the level of our cash and liquid assets to ensure the availability of sufficient cash flows to meet any planned or unexpected cash requirements arising from our operations. We will continue to assess the availability of resources for financing our business needs on an ongoing basis.

Taking into consideration the financial resources presently available to us, including cash on hand and cash at banks, the available banking facilities, expected cash generated from our operations and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital for our present working capital requirements for at least the next 12 months from the date of this prospectus. As such, we believe that our business operation and financial condition will not be materially and adversely affected by our historical net current liabilities position.

INDEBTEDNESS

The table below sets forth the details of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB in thousands)			
				(unaudited)
Bank loans				
– Unsecured loans	31,000	25,100	–	–
– Secured loans	–	25,000	–	–
	31,000	50,100	–	–
Lease liabilities				
– Short-term lease liabilities	181,859	214,345	256,728	260,469
– Long-term lease liabilities	605,933	659,207	846,212	872,006
	787,792	873,552	1,102,940	1,132,475
Total indebtedness	**818,792**	**923,652**	**1,102,940**	**1,132,475**

Bank Loans

As of December 31, 2022, 2023 and 2024 and March 31, 2025, our outstanding bank loans amounted to RMB31.0 million, RMB50.1 million, nil and nil, respectively. All of our bank loans were repayable within one year or on demand. The interest rate on our bank loans is 3.50% to 3.85%.

As of the Latest Practicable Date, our unutilized banking facilities amounted to RMB600.0 million.

Our bank loan agreements contain standard terms and conditions that are customary for commercial bank loans and there had been no material covenant on any of our outstanding bank loans. Our Directors confirm that there was no default in payments of our liabilities, difficulty in obtaining bank loans or other borrowings, and/or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

We lease rental properties for our restaurants. These leases are typically made for fixed terms and the longest lease term is between 31 to 32 years. As of December 31, 2022, 2023 and 2024 and the Latest Practicable Date, 185, 245, 322 and 344 of our restaurants were under hybrid rent arrangements, respectively, which include both variable payment and fixed payment, and our variable rent payable was tied to the sales at the particular restaurant. Revenues generated from such restaurants accounted for 66.2%, 67.8%, 67.6% of our total revenue in 2022, 2023 and 2024, respectively. The leases under hybrid rent arrangements include a minimum rent payment clause pursuant to which we are required to pay the higher of the minimum rent or the contingent rent calculated with reference to the revenue of the restaurant. Other leases were under fixed rent arrangements. The following table shows the remaining contractual maturities of our lease liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2022	**2023**	**2024**	**2025**
		(RMB in thousands)		
				(unaudited)
Within one year	181,859	214,345	256,728	260,469
After one year but within two years	139,603	148,404	187,495	212,095
After two years but within five years	308,436	336,390	417,395	418,952
After five years	157,894	174,413	241,322	240,959
	787,792	**873,552**	**1,102,940**	**1,132,475**

Save as disclosed above, we did not have outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other contingent liabilities or any covenant in connection therewith as of March 31, 2025, being our indebtedness statement date. After due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material change in our indebtedness since March 31, 2025.

CONTINGENT LIABILITIES

As of March 31, 2025, we did not have significant contingent liabilities.

KEY FINANCIAL RATIOS

The following table sets forth the key financial ratios as of the dates indicated:

	As of December 31,		
	2022	2023	2024
Current ratio(1)	0.84	0.74	0.91
Quick ratio(2)	0.74	0.69	0.82
Gearing ratio(3)	6.6%	12.1%	–

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities.

(2) Quick ratio is calculated by dividing current assets less inventory by current liabilities.

(3) Gearing ratio equals bank loans divided by total equity and multiplied by 100%.

Current Ratio

Our current ratio decreased from 0.84 as of December 31, 2022 to 0.74 as of December 31, 2023, primarily due to the dividend payable we recorded in 2023 relating to the dividend to our existing Shareholders our Board declared in May 2023. Our current ratio increased from 0.74 as of December 31, 2023 to 0.91 as of December 31, 2024, primarily due to our strong cash inflow generated from operating activities as we recorded profit for the period and the settlement of the dividend payable in June 2024, which significantly decreased our current liabilities.

Quick Ratio

Our quick ratio decreased from 0.74 as of December 31, 2022 to 0.69 as of December 31, 2023, and increased to 0.82 as of December 31, 2024. Our quick ratio generally follows the trend of our current ratio and the changes are for the same reasons.

Gearing Ratio

Our gearing ratio increased from 6.6% as of December 31, 2022 to 12.1% as of December 31, 2023. Such increase was primarily due to the increase in bank borrowings. We have repaid all of our outstanding bank loan recorded as of December 31, 2023 and did not have any outstanding bank loans as of December 31, 2024. As such, our gearing ratio had decreased to nil as of December 31, 2024.

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

RELATED PARTY TRANSACTIONS

For a discussion of related party transactions, see note 30 to the Accountants' Report set forth in Appendix I to this prospectus.

Our Directors believe that the related party transactions were carried out on an arm's length basis and will not distort our results during the Track Record Period or make such results not reflective of our future performance.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of market risks including credit risk and liquidity risk in the normal course of our business. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For details of the risks to which we are exposed, see Note 28 in "Appendix I – Accountants' Report" to this prospectus.

LISTING EXPENSES

The estimated total listing expenses to be borne by us (based on an Offer Price of HK$7.19 per Share and assuming that the Over-allotment Option is not exercised and all discretionary incentive fees in the Global Offering are paid in full) incurred or to be incurred in relation to the Global Offering are approximately RMB94.5 million (HK$101.6 million). Until December 31, 2024, RMB43.9 million (HK$47.2 million) of such listing expenses were charged as other expenses to our consolidated statement of profit or loss and other comprehensive income and approximately RMB12.5 million (HK$13.4 million) were recognized as prepayment, which were expected to be charged against equity upon Listing. We expect to incur additional listing expenses of RMB38.1 million (HK$41.0 million) after December 31, 2024 (based on an Offer Price of HK$7.19 per Share), of which RMB15.7 million (HK$16.9 million) are expected to be recognized as listing expenses in 2025, and RMB22.4 million (HK$24.1 million) is expected to be recognized as a deduction in equity directly. The listing expenses amounted to 12.0% of our estimated gross proceeds of HK$847.4 million from the Global Offering, based on an Offer Price of HK$7.19 per Offer Share. The estimated listing expenses consist of (i) underwriting-related expenses (including but not limited to underwriting fees and commissions) of HK$36.3 million, (ii) fees and expenses of legal advisers and accountants of HK$48.8 million and (iii) other fees and expenses of HK$16.5 million. Our Directors do not expect such expenses to have a material adverse impact on our financial results in 2025.

DIVIDENDS

According to the Articles of Association, our Company may declare dividends in any currency to be paid to our Shareholders in general meetings, provided that no dividend shall exceed the amount recommended by our Directors. In addition, our Directors may from time to time pay to our Shareholders such interim dividends as appeared to our Directors to be justified by the financial conditions and profits of our Company. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require a foreign-invested enterprise to set aside at least 10% of its after-tax profits, each year to its general reserves or statutory capital reserve fund until the aggregate amount of such reserves reaches 50% of its respective registered capital. Distributions from us and our subsidiaries may also become subject to any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiaries may enter into in the future.

Our Board did not declare any dividend to our Shareholders during the Track Record Period, primarily due to concerns of cash preservation for the potential needs in relation to the COVID-19 pandemic. Considering the ease of the COVID-19 pandemic since the first quarter of 2023, the robust rebound of our results of operations and the balance of our net current assets, our Board believes it would be beneficial to distribute dividends to our existing Shareholders. Therefore, in May 2023, the Board declared a dividend of RMB350 million to our then Shareholders, namely Time Sonic, Partners Gourmet and Longjing Memory Limited in respect of our distributable retained profits of our PRC subsidiaries as of December 31, 2022. We had settled such dividend with the cash available at hand in June 2024.

In addition, we intend to declare and distribute by December 2025 a special dividend (the "**Special Dividend**") in an amount of no less than RMB180 million to our Shareholders (including our new Shareholders after the Listing) based on our distributable retained profits from our subsidiaries as of December 31, 2024 and share premium, upon the declaration of the Special Dividend. We will hold a general meeting after the Listing to approve the declaration of the Special Dividend and will make announcements in due course in respect of the declaration and payment of the Special Dividend. The Controlling Shareholders have undertaken to vote in favor of the Shareholders' resolution for the declaration and payment of such Special Dividend.

Dividends declared in the past are not indicative of our future dividend policy. All the dividends declared have been or will be settled before Listing. The amount of dividends actually distributed to our Shareholders will depend upon our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to approval of our Shareholders. Our Board has the absolute discretion to recommend any dividend. We do not have any pre-determined dividend pay-out ratio.

DISTRIBUTABLE RESERVES

As of December 31, 2024, our Company had reserves of RMB30.2 million available for distribution to our members.

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial and trading position or prospects since December 31, 2024, and there is no event since December 31, 2024 which would materially affect the information shown in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to equity shareholders of the Company as if the Global Offering had been completed on December 31, 2024. The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of December 31, 2024 or any future date.

	Consolidated net tangible assets of the Group attributable to equity shareholders of the Company as of December 31, 2024	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$7.19 per Share	767,678	737,036	1,504,714	2.23	2.40

Notes:

(1) The consolidated net tangible assets of the Group attributable to equity shareholders of the Company as of December 31, 2024 have been calculated based on the consolidated total equity of the Company as of December 31, 2024 of RMB770,733,000 less intangible assets of RMB3,055,000, extracted from the Accountants' Report set out in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on an Offer Price of HK$7.19 per Share and the assumption that there are 117,854,800 newly issued Shares in the Global Offering, after deduction of the estimated underwriting commissions and other listing related expenses paid and payable by the Group (excluding the listing expenses charged to profit or loss up to December 31, 2024) and taking no account of any Shares which may fall to be issued upon the exercise of Over-allotment Option. The estimated net proceeds of the Global Offering have been converted to RMB at the exchange rate of HK$1.0000 to RMB0.9295. No representation is made that the Hong Kong dollar amounts have been, could have been or could be converted into RMB, or vice versa, at that rate or at any other rates.

(3) The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company per Share is based on 673,454,800 Shares in issue immediately upon the completion of the Global Offering, assuming that the Global Offering has been completed on December 31, 2024, and taking no account of any Shares which may fall to be issued upon the exercise of the Over-allotment Option.

(4) For illustrative purpose, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company per Share in RMB are converted to the Hong Kong dollar at the exchange rate of HK$1.00 to RMB0.9295. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to RMB, or vice versa, at the rate or at any other rates or at all.

(5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to December 31, 2024. The Company intends to declare and distribute by December 2025 a special dividend (the "**Special Dividend**") in an amount of no less than RMB180 million to its shareholders (including its new shareholders after the listing of the Company's shares on the Stock Exchange) based on its distributable retained profits from the subsidiaries as of December 31, 2024 and share premium, upon the declaration of the Special Dividend. The Company will make announcements in due course after the listing of its shares on the Stock Exchange in respect of the declaration and payment of the Special Dividend. The Controlling Shareholders (including entities controlled by them) have undertaken to vote in favor of the shareholders' resolution for the declaration and payment of such Special Dividend. This effect has not been adjusted in the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

As of the Latest Practicable Date, our Directors confirmed that there are no circumstances that will give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO SIGNIFICANT INTERRUPTIONS

Our Directors confirm that there have been no interruptions in our business that may have a material adverse effect on our financial position and results of operations in the 12 months period prior to the Latest Practicable Date.

FUTURE PLANS

See "Business – Growth Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, based on an Offer Price of HK$7.19 per Offer Share, will be approximately HK$745.7 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

We intend to use the net proceeds of the Global Offering for the following purposes based on the Offer Price fixed at HK$7.19 per Offer Share.

- Approximately 63.3%, or HK$471.9 million, will be used to expand our restaurant network. Our estimated investment costs (including renovation expenses, equipment costs, rental deposits and start-up costs) for opening each new restaurant on average amount to approximately RMB2.1 million to RMB3.5 million in Mainland China and RMB6.0 million to RMB15.0 million overseas mainly depending on the size of the restaurant. On average, approximately 95% of the investment costs for opening each restaurant will be used as capital expenditure, such as construction, decoration and purchase of equipment and furniture; the remaining 5% will be used as pre-opening expense, including staff salary and training expenses, marketing expenses and other miscellaneous expenses incurred prior to the opening of the new restaurant. Set forth below is a breakdown of restaurants we expect to open by geographical regions from 2025 to 2027. We plan to fund the expansion plan with a mix of cash flow generated from our operations and the proceeds from the Global Offering. Please refer to "Business – Expansion Plan and Management" for further details of our restaurant expansion plan.

	2025	**2026**	**2027**
Mainland China			
Eastern China(1)	44	53	62
Guangdong Province	19	13	10
Northern China(2)	18	13	19
Other(3)	64	111	109
Overseas(4)	5	10	13
Total	**150**	**200**	**213**

Notes:

(1) Consisting of Zhejiang, Shanghai, Anhui, Jiangsu, Jiangxi and Fujian.

(2) Consisting of Beijing, Hebei and Tianjin.

(3) Consisting of Yunnan, Inner Mongolia, Sichuan, Shandong, Shanxi, Guangxi, Henan, Hubei, Gansu, Tibet, Guizhou, Chongqing, Shaanxi, Heilongjiang, Liaoning, Jilin, Hunan and Hainan.

(4) For the purpose of this prospectus, consisting of Hong Kong SAR, Southeast Asia and North America.

Set forth below is a breakdown of restaurants we expect to open by city tiers from 2025 to 2027:

	2025	**2026**	**2027**
Mainland China			
Tier one and new tier one cities	47	56	44
Tier two cities	40	40	43
Tier three and lower tier cities	58	94	113
Overseas[1]	5	10	13
Total	**150**	**200**	**213**

Note:

(1) For the purpose of this prospectus, consisting of Hong Kong SAR, Southeast Asia and North America.

Set forth below is a breakdown of restaurants we expect to open by restaurant size from 2025 to 2027:

	2025	**2026**	**2027**
Small restaurants[1]	139	183	193
Large restaurants[2]	11	17	20
Total	**150**	**200**	**213**

Notes:

(1) Refers to restaurants with GFA of less than 450 square meters.

(2) Refers to restaurants with GFA of 450 square meters or more.

Set forth below is a breakdown of estimated costs of new restaurants we plan to open in the relevant periods:

Investment project	Estimated cost	Percentage of net proceeds
Open around 563 restaurants from 2025 to 2027[(1)]	2025: HK$262.5 million 2026: HK$209.4 million	2025: 35.2%[(2)] 2026: 28.1%[(3)]
Total	Total: HK$471.9 million	Total: 63.3%

Notes:

(1) We expect to fund our restaurant expansion plan in 2027 with cash flow generated from our operations.

(2) Prior to the Global Offering, we expect to fund our restaurant expansion plan through cash flow generated from our operations.

(3) We expect to fund our restaurant expansion plan in 2026 with a mix of cash flow generated from our operations and the proceeds from the Global Offering.

- Approximately 26.3%, or HK$196.3 million, will be used to finance the capital expenditures required in connection with the establishment of our centralized food processing facility in Zhejiang Province. Set forth below is a breakdown of the estimated costs by nature for the establishment of our centralized food processing facility:

Investment projects	Estimated cost	Percentage of net proceeds	Estimated time frame of implementation
Acquisition of the land for the centralized food processing facility	HK$32.3 million	4.3%	2025: HK$32.3 million 2026: nil 2027 onward: nil
Design, renovation and construction of the facility	HK$94.4 million	12.7%	2025: HK$94.4 million 2026: nil 2027 onward: nil
Procurement of food processing equipment	HK$69.6 million	9.3%	2025: nil 2026: HK$51.8 million 2027 onward: HK$17.7 million
Total	HK$196.3 million	26.3%	

The facility is designed to produce (i) semi-processed meat products, such as semi-processed roasted chicken for our *Green Tea Roasted Chicken* (綠茶烤雞); (ii) bakery products, such as bread for our *Bread Temptation* (麵包誘惑); and (iii) cleaned and processed ingredients, such as cleaned and processed vegetables.

The construction of our centralized food processing facility is expected to commence in the third quarter of 2025 and complete in the second quarter of 2026. We have entered into a framework agreement with the local government of a town in Zhejiang Province. Pursuant to the framework agreement, the local government has agreed to assist us in acquiring land use rights to establish a food processing facility in the local area. We will continue to explore available parcels of land and select a suitable location once funding is in place. During the first 12 months of operation, we expect the facility to supply (i) approximately 7,800 tons of semi-processed food products and bakery products to a third of our restaurants nationwide and (ii) approximately 55,000 tons of cleaned and processed ingredients to all of our restaurants in Eastern China. We expect the facility to reach its maximum annual production capacity of approximately 165,000 tons by 2028 along with the expansion of our restaurant network nationwide, and will be able to produce approximately (i) 44,600 tons of semi-processed products and bakery products and (ii) 120,400 tons of cleaned and processed ingredients. In the long run, we expect approximately 90% of the semi-processed food products and bakery products produced by the facility to be supplied to our restaurants nationwide and the remaining 10% will be sold to consumers as retail food products. On the other hand, all cleaned and processed ingredients produced by the facility will be supplied to all of our restaurants in Eastern China.

We expect the facility to offer us several benefits. First, it will give us direct control over raw material sourcing and production processes. As a result, we expect to more efficiently implement our standards on product quality and food safety in our facility. As we will continue to update 20% of our menu items each year, we also expect to leverage the facility to develop our new menu items and better protect the confidentiality of our proprietary recipes. We believe the facility can provide us with more flexibility in further standardizing our menu items and strengthen our development capabilities as compared to solely relying on third-party food processing companies.

In addition, given the production capabilities, the facility will enable us to explore new retail product offerings, such as semi-processed food products for our signature dishes that can be easily cooked by consumers with their home appliances, in the long run. We expect to start offering retail products after 2026. In the meantime, we expect the facility will further improve the operating efficiency of our restaurant kitchens by providing semi-processed food products and bakery products, as well as cleaned, processed and ready to cook food ingredients at lower costs with improved economies of scale through centralized procurement. For details, see "Business – Food Processing Facility."

We have conducted a costs saving analysis comparing the costs of production at the new facility and the costs of procuring semi-processed food products, bakery products and cleaned and processed ingredients from third parties. The costs saving analysis seeks to answer the question whether the new facility will generate operating profit, assuming that (i) the facility procures raw materials from third-party suppliers at fair market prices and (ii) the facility sells semi-processed food products, bakery products and cleaned and processed ingredients to our restaurants at fair market prices. Any operating profit of the new facility represents our cost savings compared to procurements from third-party food processing companies. Our analysis is primarily based on (i) our average historical procurement amounts per restaurant from third-party food processing companies, (ii) the cost structure of producing the semi-processed food products, bakery products provided by CIC based on its market research, (iii) the assumptions that the centralized food processing plants will be depreciated on a straight line basis over 30 years and the relevant food processing equipment will be depreciated on a straight line basis over 10 years, and (iv) our estimates as to the number of restaurants that the new facility will be able to support in each relevant year. The table below sets forth the calculation of the estimated operating profit margin of our centralized food processing facility for selling semi-processed food products, bakery products and cleaned and processed ingredients to our restaurants at fair market prices. Actual results may differ from the estimates set forth in this table.

	Year of operation		
	First year*	**Second year***	**Third year***
	(RMB in thousands, except for percentages)		
Semi-processed food products and bakery products:			
Revenue[(1)]	**287,278**	**372,926**	**726,937**
Cost of raw materials[(2)]	(215,458)	(279,694)	(545,203)
Cost of staff[(3)]	(17,237)	(22,376)	(43,616)
Cost of land acquisition[(4)]	(783)	(783)	(783)
Depreciation[(5)]	(7,101)	(7,101)	(7,101)
Utilities expenses[(6)]	(5,746)	(7,459)	(14,539)
Delivery service expenses[(6)]	(8,618)	(11,188)	(21,808)
Other expenses[(6)]	(7,182)	(9,323)	(18,173)
Operating profit	**25,153**	**35,002**	**75,714**
Operating profit margin	**8.8%**	**9.4%**	**10.4%**

	Year of operation		
	First year*	**Second year***	**Third year***
	(RMB in thousands, except for percentages)		
Cleaned and processed ingredients:			
Revenue(1)	**142,914**	**185,548**	**240,792**
Cost of raw materials(2)	(100,040)	(129,884)	(168,555)
Cost of staff(3)	(18,579)	(24,121)	(31,303)
Cost of land acquisition(4)	(130)	(130)	(130)
Depreciation(5)	(2,037)	(2,037)	(2,037)
Utilities expenses(6)	(2,858)	(3,711)	(4,816)
Delivery service expenses(6)	(4,287)	(5,566)	(7,224)
Other expenses(6)	(6,431)	(8,350)	(10,836)
Operating profit	**8,551**	**11,749**	**15,892**
Operating profit margin	**6.0%**	**6.3%**	**6.6%**

Notes:

* For the purpose of the calculation of the estimated operating profit margin of our centralized food processing facility, the first year, second year and third year means the first 12 months, second 12 months and third 12 months of operation of the facility, respectively.

(1) Estimated using our average historical procurement amounts per restaurant from third-party food processing companies multiplied by the expected number of restaurants to be supported by the facility in the relevant year.

(2) Estimated based on the assumption that cost of raw materials will account for 75% and 70% of revenues for (i) semi-processed food products and bakery products and (ii) cleaned and processed ingredient, respectively, which assumption is based on market research conducted by CIC.

(3) Estimated based on the assumption that cost of staff will account for 6% and 13% of revenues for (i) semi-processed food products and bakery products and (ii) cleaned and processed ingredient, respectively, which assumption is based on market research conducted by CIC.

(4) Estimated based on the assumption that the land use right will be depreciated on a straight line basis over 30 years.

(5) Estimated based on the assumptions that the centralized food processing plants will be depreciated on a straight line basis over 30 years and the relevant food processing equipment will be depreciated on a straight line basis over 10 years.

(6) Estimated based on the assumption the relevant cost will account for a certain percentage of revenues, which percentage is based on market research conducted by CIC.

Based on the above analysis, we estimate that the facility will generate an operating profit margin of approximately 6% to 10%. Therefore, we expect to achieve cost savings by establishing the centralized food processing facility as compared to purchasing from third-party food processing companies.

We expect the facility to commence operation in the third quarter of 2026. We plan to engage third-party logistics service providers to support the logistics of the products of the facility.

- Approximately 5.4%, or HK$40.3 million, will be used over the next three years to upgrade our IT system and related infrastructure. Set forth below is a breakdown of estimated costs of each type of IT systems and related infrastructure we intend to upgrade with our net proceeds from the Global Offering:

Investment projects	**Estimated costs**	**Percentage of net proceeds**	**Estimated timeline of implementation**
Upgrade our finance, budgeting and data management systems	HK$15.5 million	2.1%	2025: HK$5.2 million 2026: HK$9.0 million 2027: HK$1.3 million
Upgrade our restaurant management system	HK$9.1 million	1.2%	2025: HK$2.1 million 2026: HK$2.2 million 2027: HK$4.8 million
Upgrade our office management systems	HK$1.9 million	0.2%	2025: HK$1.0 million 2026: HK$0.9 million 2027: nil
Upgrade our supply chain management systems	HK$8.7 million	1.2%	2025: HK$2.8 million 2026: HK$3.7 million 2027: HK$2.2 million
Upgrade our customer relations management systems	HK$5.1 million	0.7%	2025: HK$1.1 million 2026: HK$3.2 million 2027: HK$0.8 million

- Approximately 5.0%, or HK$37.3 million, will be used to provide funding for our working capital and other general corporate purposes.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will only deposit the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.

Based on the Offer Price at HK$7.19 per Offer Share and assuming the Over-allotment Option is not exercised, the net proceeds the Selling Shareholder receives will be approximately HK$348.6 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering.

In the event that the Over-allotment Option is exercised in full, we and the Selling Shareholder will receive additional net proceeds of approximately HK$104.6 million and HK$69.7 million, respectively, based on an Offer Price of HK$7.19 per Share, after deduction of underwriting fees and commissions and estimated expenses payable by the Selling Shareholder in connection with the Global Offering.

We will not receive any proceeds from the sale of Sale Shares by the Selling Shareholder in the Global Offering.

HONG KONG UNDERWRITERS

Citigroup Global Markets Asia Limited
CMB International Capital Limited
(in alphabetical order)
GF Securities (Hong Kong) Brokerage Limited
Guoyuan Securities Brokerage (Hong Kong) Limited
(in alphabetical order)
ABCI SECURITIES COMPANY LIMITED
Celestial Securities Limited
China Galaxy International Securities (Hong Kong) Co., Ltd
CMBC Securities Company Limited
First Shanghai Securities Limited
Futu Securities International (Hong Kong) Limited
Long Bridge HK Limited
Morton Securities Limited
Orient Securities (Hong Kong) Limited
Patrons Securities Limited
SDICS International Securities (Hong Kong) Limited
Zhongtai International Securities Limited
(in alphabetical order)

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 16,836,400 Hong Kong Offer Shares for subscription by the public in Hong Kong SAR on and subject to the terms and conditions of this Prospectus. Subject to the Listing Committee granting listing of, and permission to deal in, our Shares in issue and to be offered as mentioned herein and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally and not jointly to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions of this Prospectus and the Hong Kong Underwriting Agreement. The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by written notice to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

(a) there develops, occurs, exists or comes into effect:

(i) any new Law or any change or development involving a prospective change in existing Law, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent Authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom or Cayman Islands (each a "**Relevant Jurisdiction**" and collectively **"Relevant Jurisdictions**"); or

(ii) any change or development involving a prospective change or development, or any event or circumstances or series of events resulting in or likely to result in or representing a change or development, or prospective change or development, in local, national, regional or international financial, political, military, industrial, economic, trading, currency market, fiscal or regulatory market conditions, equity securities or any monetary or trading settlement system or other financial markets (including conditions in stock and bond markets, money and foreign exchange markets, inter-bank markets and credit markets) in or affecting any Relevant Jurisdiction; or

(iii) any event or a series of events, in the nature of force majeure (including any act of government or order of any court, strike, labour dispute, calamity, crisis, lock-out, fire, explosion, flooding, earthquake, civil commotion, act of war, outbreak or escalation of hostilities (whether or not war is declared), act of God, act of terrorism (whether or not responsibility has been claimed), declaration of a national or international emergency, riot, public disorder, pandemics or epidemics, including but not limited to COVID-19, SARS, swine or avian flu, H5N1, H1N1, H1N7, H7N9, Ebola virus, Middle East respiratory syndrome (MERS) and such related/mutated forms,, in or affecting the Relevant Jurisdictions, in each case beyond the control of the Hong Kong Underwriters; or

(iv) any moratorium, suspension or limitation (including any imposition of or requirement for any minimum or maximum price limit or price range) on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or

(v) any change or prospective change in or affecting taxation, foreign exchange controls, currency exchange rates or foreign investment regulations (including a devaluation of the United States Dollar, Hong Kong dollar or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies) or the implementation of any exchange control in any Relevant Jurisdiction adversely affecting an investment in the Shares; or

(vi) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent Authority), New York (imposed at Federal or New York State level or other competent Authority), the PRC, or any other Relevant Jurisdiction (declared by the relevant authorities) or any disruption in commercial banking or foreign exchange trading or securities trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdictions; or

(vii) the imposition of economic sanctions, or the withdrawal of trading privileges, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(viii) other than with the prior consent of the Sponsor-Overall Coordinators, the issue or requirement to issue by the Company of a supplemental or amendment to the Prospectus, Preliminary Offering Circular or Offering Circular or other documents in connection with the offer and sale of the Shares pursuant to the Companies (WUMP) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange, the SFC or the CSRC, that in the sole and absolute opinion of the Sponsor-Overall Coordinators and the Joint Sponsors is materially adverse to the completion of the Global Offering; or

(ix) any litigation, dispute or legal action or claim being threatened or instigated against any Group Company or any Director or any member of the Group's senior management; or

(x) an Authority or organisation in any Relevant Jurisdiction commencing any investigation or other action (including arrest or detainment) or proceedings, or announcing an intention to investigate or take other action (including arrest or detainment) or proceedings, against any Group Company or any Director or any member of the Group's senior management; or

(xi) any of the Director, the chief financial officer, or any other member of the senior management of the Company vacating his or her office (other than by reason of death, incapacity or serious illness); or

(xii) any executive Director being charged with an indictable offence or prohibited by operation of Laws or otherwise disqualified from taking part in the management of a company or the commencement by any governmental, political or regulatory body of any investigation or other action against any Director in his or her capacity as such, or an announcement by any governmental, political or regulatory body that it intends to commence any such investigation or take any such action; or

(xiii) any valid demand by creditors for repayment of indebtedness of any Group Company or in respect of which the Group Company is liable prior to its stated maturity; or

(xiv) a petition being presented for the winding-up or liquidation of any Group Company or any Group Company making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any Group Company or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of any Group Company or anything analogous thereto occurs in respect of any Group Company; or

(xv) any contravention by any Group Company or any Director of any applicable Laws including the Companies Ordinance, the PRC Company Law, the Listing Rules except where waiver for non-compliance has been granted by the Stock Exchange; or

(xvi) any non-compliance of the Prospectus, the CSRC Fillings or any other documents used in connection with the contemplated subscription and sale of the Offer Shares or any aspect of the Global Offering with the Listing Rules, the CSRC Rules or any other applicable Laws; or

(xvii) any event, act or omission which gives or is likely to give rise to any liability of the Company or the Indemnified Parties pursuant to the Hong Kong Underwriting Agreement; or

(xviii) either (a) there has been a breach of any of the representations, warranties, undertakings or provisions of either the Hong Kong Underwriting Agreement or the International Underwriting Agreement by the Company or the Controlling Shareholders or the Selling Shareholder or (b) any of the representations, warranties and undertakings given by the Company, the Controlling Shareholders or the Selling Shareholder in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable, is (or would when repeated be) untrue, inaccurate or misleading; or

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters: (a) is, will be or may be materially adverse to, the assets, liabilities, business, general affairs, management, prospects, shareholder's equity, profitability, results of operations, position or condition (financial or otherwise), or performance of any Group Company or the Group as a whole; or (b) has, will have or is likely to have a material adverse effect on the success of the Global Offering or the level of Offer Shares being applied for, under the Hong Kong Public Offering or the level of interest under the International Offering; or (c) makes, will make it or is likely to make it impracticable or inadvisable or incapable to proceed with the Hong Kong Public Offering and/or the International Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by the Prospectus or the Final Offering Circular; or (d) would have or is likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there comes to the notice of any of the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters):

(i) a prohibition (including but not limited to a governmental or regulatory prohibition by a competent authority) on the Company or the Selling Shareholder for whatever reason from issuing or selling the Shares (including the Option Shares) pursuant to the terms of the Global Offering; or

(ii) that any statement contained in any of the Hong Kong Public Offering Documents, the Application Proof Prospectus, the PHIP, the CSRC Filings and any notice, announcement, advertisement, communication or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto, but excluding information relating to the Underwriters) was, when it was issued or has become untrue, incomplete, inaccurate, incorrect in any material respect, misleading or deceptive, or any forecast, estimate, expression of opinion, intention or expectation expressed in any of the Hong Kong Public Offering Documents, the CSRC Filings and/or any notice, announcement, advertisement, communication or any other documents so issued or used is not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions; or

(iii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the Prospectus Date, constitute a material omission from or material misstatement in the Hong Kong Public Offering Documents and/or any notice, announcement, advertisement, communication or any other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto); or

(iv) any of the experts named in the Prospectus (other than the Joint Sponsors), have withdrawn their respective consent to the issue of the Prospectus with the inclusion of their reports, letters, summaries or legal opinions (as the case may be) and references to their names included in the form and context in which they respectively appear; or

(v) any material breach of any of the obligations imposed upon the Company or any other party to the Hong Kong Underwriting Agreement under the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Sponsor-Overall Coordinators, the Joint Sponsors or the International Underwriters) under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(vi) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Sponsor-Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws; or

(vii) a significant portion of the orders in the book-building process at the time the International Underwriting Agreement is entered into, or the investment commitments by any cornerstone investors after signing of the Cornerstone Agreements, has been withdrawn, terminated or cancelled; or the Company has withdrawn the Prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or

(viii) the Admission by the Listing Committee is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld,

then the Sponsor-Overall Coordinators may (for themselves and on behalf of the Underwriters), in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

In accordance with Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that (except pursuant to the Global Offering and the Over-allotment Option) at any time during the period commencing on the Listing Date and ending on the expiry of the 6-month period after the Listing Date, our Company will not, without the prior consent of the Stock Exchange and unless in compliance with the requirements of the Listing Rules, allot or issue or agree to allot or issue any Shares or other securities convertible into equity securities of our Company (including warrants or other convertible securities and whether or not such allotment or issuance of shares or securities will be completed within 6 months from the Listing Date), whether or not of a class already listed, except in certain circumstances prescribed in Rule 10.08 of the Listing Rules.

Undertakings by the Controlling Shareholders

In accordance with Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has irrevocably and unconditionally undertaken to the Stock Exchange and to our Company that, except pursuant to the Global Offering, including the Over-allotment Option and the Stock Borrowing Agreement, it/he/she shall not and shall procure that the relevant registered holder(s) it/he/she has a beneficial interest shall not, unless in compliance with the requirements of the Listing Rules:

(i) in the period from the Listing Date and ending on the date (the "**End Date**") which is six months from the Listing Date, dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances in respect of, any of those securities of our Company in respect of which it/he/she is shown by this Prospectus to be the beneficial owner (the "**Relevant Securities**"); and

(ii) in the period of six months commencing on the End Date, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests, or encumbrances in respect of the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/he/she would cease to be a controlling shareholder (as defined in the Listing Rules) of our Company.

Pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, Rule 10.07 does not prevent a Controlling Shareholder from using the Shares beneficially owned by it/him/her as security (including a charge or pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan.

In accordance with Note (3) to Rule 10.07(2) of the Listing Rules, our Controlling Shareholders have further undertaken to the Stock Exchange and to our Company that within the 12 months from the Listing Date, he/she shall:

(i) when it/he/she or the relevant registered holder(s) controlled by it/him/her pledge or charge any Shares beneficially owned by it/him/her in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong), pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform our Company in writing of such pledge or charge together with the number of Shares so pledged or charged; and

(ii) when it/he/she receive indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform our Company in writing of such indications.

We will inform the Stock Exchange as soon as we have been informed of the matters referred to in paragraphs (i) and (ii) above (if any) by any of our Controlling Shareholders and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

Undertaking by Partners Gourmet

Partners Gourmet agrees and undertakes to each of the Joint Sponsors and the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters that it shall not, at any time during the First Six-Month Period,

(i) offer, pledge, charge, sell, mortgage, lend, create, transfer, assign or otherwise dispose, grant any option, warrant or right to purchase, sell, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or create any third party right of whatever nature over any and all Shares, as reclassified, redesignated and subdivided from the Shares as held by Partners Gourmet on the date of this undertaking in the manner as set out in the Prospectus as if the reclassification, redesignation and subdivision has been completed on the date of this undertaking, other than any Shares to be disposed of by Partners Gourmet pursuant to the Global Offering (the "**Relevant Shares**") or any other securities convertible into or exercisable or exchangeable for such Relevant Shares, or that represent the right to receive, such Relevant Shares, or any interest in them; or

(ii) enter into any option, swap or other arrangement that transfers to another, in whole or in part, any beneficial ownership of the Relevant Shares or any of the economic consequences or incidents of ownership of Relevant Shares or any other securities of the Company or any interest therein or which transfers or derives any significant part of its value from such Relevant Shares; or

(iii) enter into any transaction, directly or indirectly, with the same economic effect as any transaction specified in paragraph (i) or (ii) above; or

(iv) offer to or agree or contract to effect or publicly disclose that it will or may enter into any transaction specified in paragraph (i), (ii) or (iii) above, or

(v) permit or cause a change in control of any company or entity holding or controlling (directly or indirectly) any Relevant Shares,

and it shall procure that no company or entity holding or controlling (directly or indirectly) any Relevant Shares or any nominee or trustee holding in trust for Partners Gourmet will dispose of any Relevant Shares.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

We have also undertaken to each of the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option, at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the "**First Six-Month Period**"), it will not, and each of the Controlling Shareholders shall procure that our Company will not without the prior written consent of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) (and such consent shall not be unreasonably withheld or delayed) and unless in compliance with the requirements of the Listing Rules:

(i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, hedge, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance over, or contract or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other equity securities of the Company or any interest in any of the foregoing (including any equity securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other equity securities of the Company);

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any other equity securities of the Company or any interest in any of the foregoing (including any equity securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other equity securities of the Company);

(iii) enter into any transaction with the same economic effect as any transaction described in (i) or (ii) above; or

(iv) offer to or agree to do any of the foregoing or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other equity securities, in cash or otherwise (whether or not the issue of such share capital or other equity securities will be completed within the First Six-Month Period). We further agree that, in the event our Company is allowed to enter into any of the transactions described in (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), we will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of our Company will, create a disorderly or false market for any Shares or other securities of our Company.

Undertakings by the Controlling Shareholders

Each of the Controlling Shareholders agrees and undertakes to our Company and each of the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling the First Six-Month Period, it/he/she will not, without the prior written consent of the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, hedge, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of the Company or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any other securities of the Company) beneficially owned by it as at the Listing Date (the "**Locked-up Securities**");

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Locked-up Securities;

(c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or

(d) offer to or agree to do any of the foregoing or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the issue of such share capital or other equity securities will be completed within the First Six-Month Period); and

(i) during the Second Six-Month Period, each of our Controlling Shareholders will not enter into any transaction described in paragraphs (a), (b) and (c) above or agree or contract to or publicly announce any intention to enter into any such transaction if, immediately following such transaction, the shareholding of Time Sonic in the Company will be reduced to below 30%; and

(ii) until the expiry of the Second Six-Month Period, in the event that he/she enters into any such transactions specified in paragraphs (a), (b) or (c) above or agrees or contracts to, or publicly announces an intention to enter into any such transactions, each of our Controlling Shareholders will take all reasonable steps to ensure that he/she will not create a disorderly or false market in the securities of our Company. The restrictions above do not apply to any pledge or charge of any Shares or other equity securities of the Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other equity securities of the Company) after the Global Offering in favor of an authorized institution as defined in the Banking Ordinance (Cap. 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Indemnity

Each of the Company and the Controlling Shareholders jointly and severally, and the Selling Shareholder has severally undertaken, from time to time, to indemnify, among others, Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from the performance of their obligations under the Underwriting Agreements and any breach by us of the Underwriting Agreements, as the case may be.

The International Offering

In connection with the International Offering, it is expected that our Company, our Controlling Shareholders and the Selling Shareholder will enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally and not jointly, agree to procure subscribers or purchasers for the International Offer Shares, failing which they agree to subscribe for or purchase their respective proportions of the International Offer Shares which are not taken up under the International Offering.

Each of the Company and the Selling Shareholder is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sponsor-Overall Coordinators on behalf of the International Underwriters at any time from the date of the International Underwriting Agreement until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require the Company to issue and allot, and require the Selling Shareholder to sell in aggregate up to an aggregate of 25,254,400 additional Offer Shares representing approximately 15% of the initial Offer Shares, at the Offer Price to cover, among other things, over-allocations (if any) in the International Offering.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed.

Total Commission and Expenses

The Underwriters will receive an underwriting commission of 3% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option) (the “**Fixed Fees**”), out of which they will pay any sub-underwriting commissions and other fees.

The Company and the Selling Shareholder may, at their sole discretion, pay to any one or more of the Underwriters a discretionary incentive fee of an aggregate of up to 1% of the Offer Price for each New Share and Sale Share, respectively (the “**Discretionary Fees**”). Assuming that the Discretionary Fees are paid in full, the ratio of the Fixed Fees and Discretionary Fees payable is therefore approximately 61.5:38.5.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, and such commission will be paid to the relevant International Underwriters.

The aggregate underwriting commissions and fees payable by the Company, together with the Stock Exchange listing fees, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering (collectively, the "**Commissions and Fees**") are estimated to be approximately HK$36.3 million (based on an Offer Price of HK$7.19 per Offer Share and assuming the Over-allotment Option is not exercised).

The Selling Shareholder shall bear, and be responsible for the payment of, all the underwriting commission, incentive fee (if any), the SFC transaction levy, the AFRC transaction levy, the Stock Exchange trading fee and the stamp duty payable by the Selling Shareholder in connection with the Sale Shares. Such listing expenses payable by the Selling Shareholder in connection with the sale of the Sale Shares (based on the Offer Price of HK$7.19 per Share) are estimated to be HK$14.6 million.

Each of the Company, the Controlling Shareholders and the Selling Shareholder has agreed to indemnify the Hong Kong Underwriters and International Underwriters for certain losses which they may suffer, including liabilities under the U.S. Securities Act, losses incurred arising from their performance of their obligations under the Underwriting Agreements and any breach by our Company of the Underwriting Agreements.

Activities by Syndicate Members

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and, together referred to as "Syndicate Members", may each individually undertake, and which do not form part of the underwriting or the stabilizing process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

The Syndicate Members (except for CMB International Global Markets Limited as the Stabilizing Manager, its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the Shares. All such activities could occur in Hong Kong SAR and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described in the sections headed "Structure and Conditions of the Global Offering – The International Offering – Over-allotment Option" and "Structure and Conditions of the Global Offering – The International Offering – Stabilization". These activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

Hong Kong Underwriters' Interests in our Company

Save for its obligations under the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding interests in our Company or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Underwriting Agreements.

Other Services to our Company

Certain of the Overall Coordinators, the Hong Kong Underwriters or their respective affiliates have, from time to time, provided and expect to provide in the future investment banking and other services to our Company and our respective affiliates, for which such Overall Coordinators, Hong Kong Underwriters or their respective affiliates have received or will receive customary fees and commissions.

Other Services Provided by the Overall Coordinators, the Joint Bookrunners and the Underwriters

The Overall Coordinators, the Joint Bookrunners and the Underwriters may in their ordinary course of business provide financing to investors subscribing for the Offer Shares offered by this Prospectus. Such Overall Coordinators, Joint Bookrunners and Underwriters may enter into hedges and/or dispose of such Offer Shares in relation to the financing which may have a negative impact on the trading price of our Shares.

Over-Allotment and Stabilization

Details of the arrangements relating to the stabilization and Over-allotment Option are set forth in the sections headed "Structure and Conditions of the Global Offering – The International Offering – Stabilization", and "Structure and Conditions of the Global Offering – The International Offering – Over-allotment Option".

Sponsor's Independence

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(i) the Hong Kong Public Offering of initially 16,836,400 Offer Shares in Hong Kong as described below in the paragraph headed "– The Hong Kong Public Offering" below; and

(ii) the International Offering of initially 151,527,600 Offer Shares (comprising 101,018,400 New Shares and 50,509,200 Sale Shares) outside the United States in reliance on Regulation S under the U.S. Securities Act. At any time from the date of the International Underwriting Agreement until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, the Sponsor-Overall Coordinators, as representative of the International Underwriters, have an option to require the Company to issue and allot, and require the Selling Shareholder to sell in aggregate up to 25,254,400 additional Offer Shares, representing approximately 15% of the initial number of Offer Shares to be offered in the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 3.67% of the Company's enlarged share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made.

Investors may apply for Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 25% of the enlarged issued share capital of the Company immediately after completion of Global Offering (without taking into consideration our Shares that may be allotted and issued or sold upon the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 28.12% of the enlarged issued share capital of the Company immediately after completion of the Global Offering and the exercise of the Over-allotment Option as set out in the paragraph headed "– The International Offering – Over-allotment Option" below.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering may be subject to reallocation as described in the paragraph headed "– The Hong Kong Public Offering – Reallocation and clawback" below.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 16,836,400 Offer Shares for subscription by the public in Hong Kong SAR at the Offer Price, representing 10% of the total number of Offer Shares initially available under the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong SAR as well as to institutional and professional investors. The Hong Kong Offer Shares will represent approximately 2.5% of the Company's registered share capital immediately after completion of the Global Offering (without taking into consideration our Shares that may be allotted and issued or sold upon the exercise of the Over-allotment Option). Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed "– The International Offering – Conditions of the Hong Kong Public Offering" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Offer Shares initially available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) is to be divided into two pools for allocation purposes: 8,418,400 Offer Shares for pool A and 8,418,000 Offer Shares for pool B. The Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable) or less. The Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable) and up to the total value in pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Offer Shares in one (but not both) of the pools are undersubscribed, the surplus Offer Shares will be transferred to the other pool to satisfy demand in this other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for Offer Shares means the price payable on application therefore. Applicants can only receive an allocation of Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 8,418,000 Offer Shares are liable to be rejected.

Reallocation and clawback

The allocation of Shares between the Hong Kong Public Offering and the International Offering is subject to adjustment. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to certain percentages of the total number of Offer Shares to be offered in the Global Offering if certain prescribed total demand levels in the Hong Kong Public Offering are to the effect as further described below (the "**Mandatory Reallocation**"):

(i) 16,836,400 Offer Shares are initially available in the Hong Kong Public Offering, representing 10% of the Offer Shares initially available under the Global Offering;

in the event that the International Offer Shares are fully subscribed or oversubscribed,

(ii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 50,509,200 Offer Shares, representing 30% of the Offer Shares initially available under the Global Offering;

(iii) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 67,345,600 Offer Shares, representing 40% of the Offer Shares initially available under the Global Offering; and

(iv) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more than the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 84,182,000 Offer Shares, representing 50% of the Offer Shares initially available under the Global Offering.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Joint Sponsors. Subject to the foregoing paragraph, the Sponsor-Overall Coordinators and the Joint Sponsors may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed for, the Sponsor-Overall Coordinators and the Joint Sponsors have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Sponsor-Overall Coordinators and the Joint Sponsors deem appropriate.

In addition to any Mandatory Reallocation which may be required, the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and the Joint Sponsors may, at their discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in Pool A and Pool B under the Hong Kong Public Offering. In the event that (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed as to less than 15 times of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering based on the Offer Price of HK$7.19, up to 16,836,400 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offer will be increased to 33,672,800 Offer Shares, representing 20% of the number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the International Offering.

References in this Prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of Offer Shares offered

Subject to reallocation as described above and the Over-allotment Option, the International Offering will consist of an aggregate of 151,527,600 Offer Shares (comprising 101,018,400 New Shares and 50,509,200 Sale Shares) to be initially offered by us.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "– The International Offering – Pricing of the Global Offering" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

The Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sponsor-Overall Coordinators so as to allow them to identify the relevant application under the Hong Kong Public Offering and to ensure that it is excluded from any application of Offer Shares under the Hong Kong Public Offering.

Over-allotment Option

In connection with the Global Offering, we are expected to grant an Over-allotment Option to the International Underwriters exercisable by the Sponsor-Overall Coordinators on behalf of the International Underwriters.

Pursuant to the Over-allotment Option, the Sponsor-Overall Coordinators have the right, exercisable at any time from the date of the International Underwriting Agreement until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require the Company to issue and allot, and require the Selling Shareholder to sell in aggregate up to 25,254,400 additional Offer Shares, representing approximately 15% of the initial Offer Shares, at the Offer Price to cover, among other things, over-allocation in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional

Offer Shares will represent approximately 3.67% of the Company's share capital immediately following the completion of the Global Offering and the full exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

Stock Borrowing Agreement

In order to facilitate the settlement of over-allocations, if any, in connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it) may choose to borrow up to 25,254,400 Shares (being the maximum number of Shares which may be sold pursuant to the exercise of the Over-allotment Option and representing approximately 15.0% of the number of Offer Shares initially available under the Global Offering) from Time Sonic, pursuant to the Stock Borrowing Agreement, which is expected to be entered into between the Stabilizing Manager (or its affiliates or any person acting for it) and Time Sonic on or about May 14, 2025. If the Stock Borrowing Agreement is entered into, the borrowing of Shares will only be effected by the Stabilizing Manager (or its affiliates or any person acting for it) for the settlement of over-allocations in the International Offering and such borrowing arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules, provided that the requirements set out in Rule 10.07(3) of the Listing Rules, being that the Stock Borrowing Agreement will be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering, are complied with.

The same number of Shares so borrowed must be returned to Time Sonic on the third business day following the earlier of (a) the last day the Over-allotment Option may be exercised and (b) the day on which the Over-allotment Option is exercised. The Shares borrowing arrangement described above will be affected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to Time Sonic by the Stabilizing Manager (or its affiliates or any person acting for it) in relation to such Shares borrowing arrangement.

Stabilization

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent, any decline in the market price of the securities below the Offer Price. In Hong Kong SAR and certain other jurisdictions, the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager or any person acting for them, on behalf of the Underwriters, may over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market. Short sales involve the sale by the Stabilizing Manager of a greater number of Shares than the

Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-allotment Option. The Stabilizing Manager may close out the covered short position by either exercising the Over-allotment Option to purchase additional Shares or purchasing Shares in the open market. In determining the source of the Shares to close out the covered short position, the Stabilizing Manager will consider, among others, the price of Shares in the open market as compared to the price at which they may purchase additional Shares pursuant to the Over-allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Shares while the Global Offering is in progress. Any market purchases of the Shares may be effected on any stock exchange, including the Stock Exchange, any over-the-counter market or otherwise, provided that they are made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days after the last day for the lodging of applications under the Hong Kong Public Offering. The number of the Shares that may be over-allocated will not exceed the number of the Shares that may be sold under the Over-allotment Option, namely, 25,254,400 Shares, which is approximately 15% of the number of Offer Shares initially available under the Global Offering, in the event that the whole or part of the Over-allotment Option is exercised.

In Hong Kong SAR, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules. Stabilizing actions permitted pursuant to the Securities and Futures (Price Stabilizing) Rules include:

(a) over-allocation for the purpose of preventing or minimising any reduction in the market price;

(b) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimising any deduction in the market price;

(c) subscribing, or agreeing to subscribe, for the Shares pursuant to the Over-allotment Option, in order to close out any position established under (a) or (b) above;

(d) purchasing, or agreeing to purchase, the Shares for the sole purpose of preventing or minimising any reduction in the market price;

(e) selling the Shares to liquidate a long position held as a result of those purchases; and

(f) offering or attempting to do anything described in (b), (c), (d) and (e) above.

Stabilizing actions by the Stabilizing Manager, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong SAR on stabilization.

As a result of effecting transactions to stabilize or maintain the market price of the Shares, the Stabilizing Manager, or any person acting for it, may maintain a long position in the Shares. The size of the long position, and the period for which the Stabilizing Manager, or any person acting for it, will maintain the long position is at the discretion of the Stabilizing Manager and is uncertain. In the event that the Stabilizing Manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of the Shares.

Stabilizing action by the Stabilizing Manager, or any person acting for it, is not permitted to support the price of the Shares for longer than the stabilizing period, which begins on the day on which trading of the Shares commences on the Stock Exchange and ends on the thirtieth day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to end on Thursday, June 12, 2025. As a result, demand for the Shares, and their market price, may fall after the end of the stabilizing period. These activities by the Stabilizing Manager may stabilize, maintain or otherwise affect the market price of the Shares. As a result, the price of the Shares may be higher than the price that otherwise may exist in the open market. Any stabilizing action taken by the Stabilizing Manager, or any person acting for it, may not necessarily result in the market price of the Shares staying at or above the Offer Price either during or after the stabilizing period. Bids for or market purchases of the Shares by the Stabilizing Manager, or any person acting for it, may be made at a price at or below the Offer Price and therefore at or below the price paid for the Shares by purchasers. A public announcement in compliance with the Securities and Futures (Price Stabilizing) Ordinance will be made within seven days of the expiration of the stabilizing period.

Pricing of the Global Offering

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price will be HK$7.19 per Offer Share unless otherwise announced.

The Sponsor-Overall Coordinators (on behalf of the Hong Kong Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with our consent, reduce the number of Offer Shares and/or the Offer Price below as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering.

In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause there to be published on the website of our Company (**www.china-greentea.com.cn**) and the website of the Stock Exchange (**www.hkexnews.hk**) notices of the reduction. As soon as practicable of such reduction of the number of Offer Shares and/or the Offer Price, our Company will cancel the Global Offering and relaunch the offer and issue a supplemental Prospectus updating investors of such reduction together with an update of all financial and other information in connection with such change. Upon issue of such a notice, the revised Offer Price will be final and conclusive.

Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon between our Company and the Sponsor-Overall Coordinators, will under no circumstances be revised as stated in this prospectus.

In the event of a reduction in the number of Offer Shares, the Sponsor-Overall Coordinators may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10.0% of the total number of Offer Shares available under the Global Offering. The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Sponsor-Overall Coordinators.

Save for any subsequent changes in the number of Offer Shares and/or the Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of and results of allocations of Offer Shares under the Hong Kong Public Offering are expected to be announced on Thursday, May 15, 2025 on the website of our Company (**www.china-greentea.com.cn**) and the website of the Stock Exchange (**www.hkexnews.hk**).

Hong Kong Underwriting Agreement

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, and the respective Underwriting Agreements, are summarized in the section headed "Underwriting".

Shares will be eligible for CCASS

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and HKSCC Operational Procedures in effect from time to time.

Conditions of the Hong Kong Public Offering

Acceptance of all applications for Offer Shares pursuant to the Hong Kong Public Offering will be conditional on:

(i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Offer Shares being offered pursuant to the Global Offering (including the additional Offer Shares which may be made available pursuant to the exercise of the Over-allotment Option) (subject only to allotment);

(ii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

(iii) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our Company at **www.china-greentea.com.cn** on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for the Hong Kong Offer Shares".

Share certificates for the Offer Shares are expected to be issued on Thursday, May 15, 2025 but will only become valid evidence of title at 8:00 a.m. on Friday, May 16, 2025 provided that (i) the Global Offering has become unconditional in all respects; and (ii) the right of termination as described in the section headed "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Grounds for Termination" has not been exercised.

Dealings in the Shares

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong SAR on Friday, May 16, 2025, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, May 16, 2025.

The Shares will be traded in board lots of 400 Shares each and the stock code of the Shares will be 6831.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.china-greentea.com.cn.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong SAR pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong SAR address *(for the **HK eIPO White Form** service only)*.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Thursday, May 8, 2025 and end at 12:00 noon on Tuesday, May 13, 2025 (Hong Kong SAR time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	**www.hkeipo.hk**	Investors who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Thursday, May 8, 2025 to 11:30 a.m. on Tuesday, May 13, 2025, Hong Kong SAR time. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, May 13, 2025, Hong Kong SAR time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **HK eIPO White Form** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through the HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. LEI registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong SAR address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint account holders on FINI is capped at 4[1] in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through the HKSCC EIPO channel, and making an application under a power of attorney, we and the Sponsor-Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

1 Subject to change, if the Company's Articles of Incorporation and applicable company law prescribe a lower cap.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	400
Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment	:	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below. The Offer Price is HK$7.19 per Share. If you are applying through the HKSCC EIPO channel, you are required to prefund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong SAR. By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO Channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
400	2,905.00	6,000	43,575.06	90,000	653,626.00	1,000,000	7,262,511.16
800	5,810.01	8,000	58,100.09	100,000	726,251.11	2,000,000	14,525,022.30
1,200	8,715.01	10,000	72,625.11	200,000	1,452,502.24	3,000,000	21,787,533.46
1,600	11,620.02	20,000	145,250.22	300,000	2,178,753.35	4,000,000	29,050,044.60
2,000	14,525.02	30,000	217,875.33	400,000	2,905,004.45	5,000,000	36,312,555.76
2,400	17,430.03	40,000	290,500.45	500,000	3,631,255.58	6,000,000	43,575,066.90
2,800	20,335.03	50,000	363,125.56	600,000	4,357,506.69	7,000,000	50,837,578.06
3,200	23,240.03	60,000	435,750.67	700,000	5,083,757.80	8,418,000(1)	61,135,818.87
3,600	26,145.04	70,000	508,375.78	800,000	5,810,008.92		
4,000	29,050.04	80,000	581,000.89	900,000	6,536,260.04		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is approximately 50% of the Hong Kong Offer Shares initially offered.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "– *A. Applications for Hong Kong Offer Shares – 3. Information Required to Apply*" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

The Hong Kong Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("**Best Practice Note**") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorise us and/or the Sponsor-Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons(2), the Hong Kong Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the Hong Kong Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "*– G. Personal Data – 3. Purposes and 4. Transfer of personal data*" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the Hong Kong Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "*– B. Publication of Results*" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "*– C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares*" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong SAR;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong SAR that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong SAR as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Sponsor-Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC and the **HK eIPO White Form** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **HK eIPO White Form** service or HKSCC EIPO channel:		
Website	From the "Allotment Results" function page at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function	24 hours, from 11:00 p.m. on Thursday, May 15, 2025 to 12:00 midnight on Wednesday, May 21, 2025 (Hong Kong SAR time)
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result**.	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.china-greentea.com.cn** which will provide links to the above mentioned websites of the Hong Kong Share Registrar.	No later than 11:00 p.m. on Thursday, May 15, 2025 (Hong Kong SAR time).
Telephone	+852 3691 8488 – the allocation results telephone enquiry line provided by the Hong Kong Share Registrar	between 9:00 a.m. and 6:00 p.m., from Friday, May 16, 2025 to Wednesday, May 21, 2025 (Hong Kong SAR time) on a business day

For those applying through the HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, May 14, 2025 (Hong Kong SAR time)

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, May 14, 2025 (Hong Kong SAR time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the level of indications of interest in the Global Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.china-greentea.com.cn** by no later than 11:00 p.m. on Thursday, May 15, 2025 (Hong Kong SAR time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Sponsor-Overall Coordinators, the Hong Kong Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "*– A. Applications for Hong Kong Offer Shares – 5. Multiple Applications Prohibited*" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Sponsor-Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the Global Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the Hong Kong Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Share certificates will only become valid at 8:00 a.m. on Friday, May 16, 2025 (Hong Kong SAR time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of Share certificate[3]		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person at the Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong SAR	Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account
	Time: 9:00 a.m. to 1:00 p.m. on Friday, May 16, 2025 (Hong Kong SAR time)	No action by you is required
	If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	

	HK eIPO White Form service	HKSCC EIPO channel
	Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar. *Note:* If you do not collect your Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	
For application of less than 1,000,000 Hong Kong Offer Shares	Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk **Date:** Thursday, May 15, 2025	

Refund mechanism for surplus application monies paid by you

Date	Friday, May 16, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party	Hong Kong Share Registrar	Your broker or custodian
Application monies paid through single bank account	**HK eIPO White Form** e-Auto Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

3 Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong SAR in the morning on Thursday, May 15, 2025 rendering it impossible for the relevant Share certificates to be despatched to HKSCC in a timely manner, the Company shall procure the Hong Kong Share Registrar to arrange for delivery of the supporting documents and Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "*– E. Bad Weather Arrangements*" in this section.

E. BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, May 13, 2025 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions

(collectively, "**Bad Weather Signals**"),

in force in Hong Kong SAR at any time between 9:00 a.m. and 12:00 noon on Tuesday, May 13, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Bad** Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.china-greentea.com.cn** of the revised timetable.

If a **Bad** Weather Signal is hoisted on Thursday, May 15, 2025, the Hong Kong Share Registrar will make appropriate arrangements for the delivery of the Share certificates to the CCASS Depository's service counter so that they would be available for trading on Friday, May 16, 2025.

If a **Bad** Weather Signal is hoisted on Thursday, May 15, 2025, for application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical Share certificate(s) will be made by ordinary post when the post office re-opens after the **Bad** Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, May 15, 2025 or on Friday, May 16, 2025).

If a **Bad** Weather Signal is hoisted on Friday, May 16, 2025, for application of 1,000,000 Hong Kong Offer Shares or more, physical Share certificate(s) will be available for collection in person at the Hong Kong Share Registrar's office after the **Bad** Weather Signal is lowered or cancelled (e.g. in the afternoon of Friday, May 16, 2025 or on Monday, May 19, 2025).

Prospective investors should be aware that if they choose to receive physical Share certificates issued in their own name, there may be a delay in receiving the Share certificates.

F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the Hong Kong Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the Hong Kong Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong SAR and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the Hong Kong Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the Hong Kong Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong SAR) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the Hong Kong Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the Hong Kong Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the Hong Kong Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the Hong Kong Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the Hong Kong Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-64, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GREEN TEA GROUP LIMITED, CITIGROUP GLOBAL MARKETS ASIA LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Green Tea Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-64, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements, for each of the years ended 31 December 2022, 2023 and 2024 (the "Relevant Periods"), 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-64 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 8 May 2025 (the "Prospectus") in connection with the initial listing 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 the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 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.

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 purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2022, 2023 and 2024 and of the Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing 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 27(d) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its incorporation.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
8 May 2025

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by KPMG Huazhen LLP Hangzhou Branch in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Expressed in Renminbi)

	Note	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*4*	2,375,453	3,589,178	3,838,202
Other revenue	*5*	31,081	39,195	31,957
Raw materials and consumables used		(862,316)	(1,205,219)	(1,192,902)
Staff costs	*6(b)*	(626,397)	(911,028)	(989,008)
Depreciation of right-of-use assets		(161,048)	(177,036)	(202,868)
Other rentals and related expenses		(56,611)	(80,294)	(76,064)
Depreciation and amortisation of other assets		(163,641)	(192,947)	(217,875)
Utilities expenses		(90,049)	(123,562)	(141,251)
Delivery service expenses		(61,187)	(82,788)	(120,972)
Other expenses	*6(c)*	(308,980)	(420,950)	(467,408)
Other net income/(losses)	*6(d)*	8,413	(3,919)	2,153
Finance costs	*6(a)*	(41,541)	(42,657)	(45,309)
Profit before taxation	*6*	43,177	387,973	418,655
Income tax	*7*	(26,598)	(92,430)	(68,488)
Profit for the year		16,579	295,543	350,167
Attributable to:				
Equity shareholders of the Company		16,579	295,543	350,167
Non-controlling interests		–	–	–*
Earnings per share				
Basic earnings per share (RMB)	*10(a)*	0.03	0.55	0.66
Diluted earnings per share (RMB)	*10(b)*	0.03	0.55	0.65

* The amount represents amount less than RMB1,000.

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi)

	Note	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year		16,579	295,543	350,167
Other comprehensive income for the year				
Items that may not be reclassified to profit or loss:				
Exchange differences on translation of financial statements of the Company		2,423	477	410
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of overseas subsidiaries		(1,841)	(366)	198
Total comprehensive income for the year		17,161	295,654	350,775
Attributable to:				
Equity shareholders of the Company		17,161	295,654	350,775
Non-controlling interests		–	–	–*
Total comprehensive income for the year		17,161	295,654	350,775

* The amount represents amount less than RMB1,000.

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	At 31 December 2022 RMB'000	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000
Non-current assets				
Property, plant and equipment	11(a)	518,851	648,973	724,765
Right-of-use assets	11(b)	754,525	822,055	966,954
Intangible assets	12	1,751	2,138	3,055
Deferred tax assets	24(c)	36,876	45,095	44,258
Rental deposits		27,470	25,287	39,038
Other non-current assets	25	286	407	13,213
		1,339,759	1,543,955	1,791,283
Current assets				
Inventories	14	56,395	59,576	67,227
Trade and other receivables	15	240,230	314,500	332,266
Income tax prepayments	24(a)	2,887	1,492	1,395
Financial assets at fair value through profit or loss ("FVPL")	28(e)	40,000	120,192	25,022
Restricted deposits	23	–	25,000	–
Cash and cash equivalents	16(a)	134,410	356,289	247,152
		473,922	877,049	673,062
Current liabilities				
Trade and other payables	17	331,862	493,335	462,339
Dividend payable	27(d)	–	350,028	–
Contract liabilities	18	5,480	6,847	8,021
Current portion of long-term payables	20	6,148	7,593	–
Lease liabilities	19	181,859	214,345	256,728
Bank loans	23	31,000	50,100	–
Current taxation	24(a)	5,831	55,442	10,916
		562,180	1,177,690	738,004
Net current liabilities		(88,258)	(300,641)	(64,942)
Total assets less current liabilities		1,251,501	1,243,314	1,726,341
Non-current liabilities				
Lease liabilities	19	605,933	659,207	846,212
Long-term payables	20	79,283	76,685	–
Provisions	21	35,040	43,116	51,620
Deferred lease incentives	22	15,504	12,769	12,823
Deferred tax liabilities	24(c)	47,700	37,026	44,553
		783,460	828,803	955,208
NET ASSETS		468,041	414,511	771,133
CAPITAL AND RESERVES				
Share capital	27(a)	76	76	76
Reserves		467,965	414,435	770,657
Total equity attributable to equity shareholders of the Company		–	–	770,733
Non-controlling interests		–	–	400
TOTAL EQUITY		468,041	414,511	771,133

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in Renminbi)

	Note	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Non-current assets				
Interests in subsidiaries	*13*	80,912	82,234	136,675
Current assets				
Cash and cash equivalents		308	5,223	22,180
Other receivables	*15*	8,194	403,780	14,082
		8,502	409,003	36,262
Current liabilities				
Other payables	*17*	34,072	49,589	83,010
Dividend payable	*27(d)*	–	350,028	–
		34,072	399,617	83,010
NET CURRENT (LIABILITIES)/ ASSETS		(25,570)	9,386	(46,748)
NET ASSETS		55,342	91,620	89,927
CAPITAL AND RESERVES	*27(b)*			
Share capital		76	76	76
Reserves		55,266	91,544	89,851
TOTAL EQUITY		55,342	91,620	89,927

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Renminbi)

	Note	Share capital	Share premium	Share-based payments reserve	Exchange reserve	Statutory surplus reserve	Shares held for RSU schemes	Retained profits	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		27(a)	*27(c)(i)*	*27(c)(ii)*	*27(c)(iii)*	*27(c)(iv)*	*27(c)(v)*		
Balance at 1 January 2022		76	45,250	53,513	(1,652)	14,091	(4)	340,385	451,659
Changes in equity for 2022:									
Profit for the year		–	–	–	–	–	–	16,579	16,579
Other comprehensive income		–	–	–	582	–	–	–	582
Total comprehensive income		–	–	–	582	–	–	16,579	17,161
Appropriation to statutory reserve		–	–	–	–	8,092	–	(8,092)	–
RSU schemes:									
– Equity settled share-based transactions	*27(c)*	–	–	(779)	–	–	–	–	(779)
Balance at 31 December 2022		76	45,250	52,734	(1,070)	22,183	(4)	348,872	468,041
Balance at 1 January 2023		76	45,250	52,734	(1,070)	22,183	(4)	348,872	468,041
Changes in equity for 2023:									
Profit for the year		–	–	–	–	–	–	295,543	295,543
Other comprehensive income		–	–	–	111	–	–	–	111
Total comprehensive income		–	–	–	111	–	–	295,543	295,654
Appropriation to statutory reserve		–	–	–	–	19,284	–	(19,284)	–
RSU schemes:									
– Equity settled share-based transactions	*27(c)*	–	–	844	–	–	–	–	844
Dividends declared	*27(d)*	–	(45,250)	–	–	–	–	(304,778)	(350,028)
Balance at 31 December 2023		76	–	53,578	(959)	41,467	(4)	320,353	414,511

The accompanying notes form part of the Historical Financial Information.

		Attributable to equity shareholders of the Company									
	Note	**Share capital** *RMB'000* *27(a)*	**Share premium** *RMB'000* *27(c)(i)*	**Share-based payments reserve** *RMB'000* *27(c)(ii)*	**Exchange reserve** *RMB'000* *27(c)(iii)*	**Statutory surplus reserve** *RMB'000* *27(c)(iv)*	**Share held for RSU schemes** *RMB'000* *27(c)(v)*	**Retained profits** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total equity** *RMB'000*
Balance at 1 January 2024		76	–	53,578	(959)	41,467	(4)	320,353	414,511	–	414,511
Changes in equity for the year ended 31 December 2024:											
Profit for the year		–	–	–	–	–	–	350,167	350,167	–*	350,167
Other comprehensive income		–	–	–	608	–	–	–	608	–	608
Total comprehensive income		–	–	–	608	–	–	350,167	350,775	–*	350,775
Appropriation to statutory reserve		–	–	–	–	21,101	–	(21,101)	–	–	–
Recognition of non-controlling interests in an acquisition of subsidiaries		–	–	–	–	–	–	–	–	400	400
RSU schemes:											
– Equity settled share-based transactions	27(c)	–	–	5,447	–	–	–	–	5,447	–	5,447
Balance at 31 December 2024		76	–	59,025	(351)	62,568	(4)	649,419	770,733	400	771,133

* The amount represents amount less than RMB1,000.

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED CASH FLOW STATEMENTS

(Expressed in Renminbi)

	Note	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Operating activities				
Cash generated from operations	*16(b)*	364,702	853,556	838,517
Income tax paid	*24(a)*	(17,090)	(60,317)	(104,553)
Net cash generated from operating activities		347,612	793,239	733,964
Investing activities				
Payment for the purchase of property, plant and equipment		(219,761)	(306,224)	(336,359)
Proceeds from disposal of property, plant and equipment		24	–	910
Payment for purchase of intangible assets		–	(734)	(1,539)
Payment for purchase of wealth management products		(931,200)	(2,328,457)	(1,785,000)
Proceeds from disposal of wealth management products		931,200	2,248,457	1,882,660
Payment for the acquisition of subsidiaries, net of cash acquired	*16(e)*	–	–	(10,395)
Interest income received		4,266	6,753	3,959
Payment for provisions		(372)	(229)	(2,023)
Net cash used in investing activities		(215,843)	(380,434)	(247,787)
Financing activities				
Proceeds from bank loans	*16(c)*	116,000	50,100	–
Repayment of bank loans	*16(c)*	(85,500)	(31,000)	(50,100)
Payment of capital element of lease liabilities	*16(c)*	(119,558)	(145,804)	(178,893)
Payment of interest element of lease liabilities	*16(c)*	(35,450)	(36,640)	(39,305)
Interest expenses of bank loans paid	*16(c)*	(595)	(188)	(37)
Placements of restricted bank deposits		–	(25,000)	–
Withdrawal of restricted bank deposits		–	–	25,000
Dividends paid to equity shareholders of the Company	*27(d)*	–	–	(350,028)
Payment of listing expenses	*16(c)*	(2,763)	(2,265)	(2,121)
Net cash used in financing activities		(127,866)	(190,797)	(595,484)
Net increase/(decrease) in cash and cash equivalents		3,903	222,008	(109,307)
Effect of foreign exchange rate changes		(711)	(129)	170
Cash and cash equivalents at 1 January	*16(a)*	131,218	134,410	356,289
Cash and cash equivalents at 31 December	*16(a)*	134,410	356,289	247,152

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Green Tea Group Limited (the "Company") was incorporated in the Cayman Islands on 4 June 2015 as an exempted company with limited liability under the Companies Act (as revised) of the Cayman Islands.

The Company is an investment holding company and has not carried on any business operation since the date of its incorporation save for the group reorganisation as detailed in the section headed "History, Reorganization and Corporate Structure" in the Prospectus. The Company and its subsidiaries (together, the "Group") are principally engaged in restaurant operations in the People's Republic of China (the "PRC"). No statutory financial statements have been prepared for the Company since the date of its incorporation. Details of the Group's subsidiaries are set out in Note 13.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding the net current liabilities of the Group of RMB64,942,000 as at 31 December 2024. Based on a detailed review of the Group's working capital forecast for the twelve months ending 31 December 2025 and the unutilised banking facilities as at the date of this report, the directors are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months from 31 December 2024.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information adopted are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards that are effective for the Relevant Periods consistently throughout the Relevant Periods. The Group has not applied any new standard or interpretation that is not yet effective during the Relevant Periods. The revised and new accounting standards and interpretations issued but not yet effective for the Relevant Periods are set out in Note 32.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of measurement

The Historical Financial Information is presented in Renminbi ("RMB"), rounded to the nearest thousand except when otherwise indicated. The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that financial assets measured at FVPL are stated at their fair value as explained in Note 2(d).

Item included in the Historical Financial Information of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity.

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. 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 financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(m) or (o) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(h)(ii)).

(d) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 28(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(s)(ii)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- Financial assets at fair value through other comprehensive income ("FVOCI") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial assets was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in other comprehensive income. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

– Leasehold improvements	5 to 30 years, or lease term, whichever is shorter
– Kitchen equipment	5 years
– Furniture and fixture	3-5 years
– Electronic equipment and others	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) 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 (see Note 2(h)(ii)).

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, if any, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

– Software	5 years
– Others	2 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily apartments and kitchen equipment. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(h)(ii).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in debt securities carried at amortised cost (see Note 2(d)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and long-term rental deposits).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

– fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Inventories and other contract costs

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see Note 2(i)(i)), property, plant and equipment (see Note 2(e)) or intangible assets (see Note 2(f)).

Incremental costs of obtaining a contract e.g. sales commission are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see Note 2(s)(i)).

(j) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(s)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(h)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see Note 2(k)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(s)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(k)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(s)).

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(h)(i)).

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in Note 2(h)(i).

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity.

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2(u)).

(p) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the income approach model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income ("OCI").

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the period and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(r) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the sales of goods or the provision of services.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group principally generates revenue from restaurant operations. Revenue excludes value added tax or other sales taxes and is after deduction of other sales taxes or any trade discounts.

For restaurant operations for which the control of services is transferred at a point in time, revenue is recognised when the related services have been rendered to customers.

For sales of goods for which the control of goods is transferred at a point in time, revenue is recognised when the goods are delivered and accepted by the customers.

Revenue for rendering of other services is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation as the customer simultaneously receives the benefits provided by the Group's performance as the Group performs.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are initially recognised as deferred income at fair value and then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

(t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

– an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

– a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and

– qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to non-controlling interests ("NCI").

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(v) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

(w) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

   (i) has control or joint control over the Group;

   (ii) has significant influence over the Group; or

   (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

   (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   (iii) Both entities are joint ventures of the same third party.

   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

Control assessment of cooperation agreements

As further disclosed in Note 13(e), the Group entered into a series of cooperation agreements with certain entities controlled by Wang Qinsong and Lu Changmei, controlling shareholders of the Group, pursuant to which the Group is responsible for providing entrusted management services of running the restaurant business of these entities and is awarded of the management fee which represents the operation results of the restaurant business of these entities.

Pursuant to the cooperation agreements, the Group has the rights to use the underlying restaurant premises, fixtures and furniture and kitchen equipment to provide catering services to the customers, and acquires the procurement contracts with the suppliers. All staff employed by these entities are transferred to the Group. The Group is responsible for approving the financial and operational policies and the annual financial budgets of the underlying restaurant businesses and making decisions about the procurement process and staff arrangement. The Group receives substantially all of the economic interest returns generated by these restaurant businesses in consideration for the management service fee which equals to the profits before taxes during the cooperation period less accumulated losses incurred during previous financial years (if any). Therefore, the Group is acting as a principal to operate the underlying restaurant businesses with delegated decision-making rights pursuant to the cooperation agreements and controls the underlying restaurant businesses through the cooperation agreements under IFRS 10 *Consolidated financial statements*.

Accordingly, the operation results of the relevant restaurant businesses, and related property, plant and equipment and right-of-use assets used for the operation of the restaurant businesses are consolidated in the Historical Financial Information of the Group during the period of entrusted management services until the Group terminated the cooperation agreements.

(b) Sources of estimation uncertainty

Significant sources of estimation uncertainty in the process of applying the Group's accounting policies are as follows:

(i) Depreciation and amortisation

Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over the estimated useful lives of the assets. Intangible assets are amortised on a straight-line basis over the estimated useful lives. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation or amortisation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets. The depreciation or amortisation expense for future periods is adjusted if there are material changes from previous estimates.

(ii) Impairment of property, plant and equipment, right-of-use assets and intangible assets

Internal and external sources of information are reviewed at the end of each reporting period to assess whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may be impaired. If any such indication exists, the recoverable amount of the property, plant and equipment, right-of-use assets and intangible assets is estimated. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect profit or loss in future periods.

(iii) Provision for restoration costs

As explained in Note 21, the Group makes provision for restoration costs based on the best estimate of the expected costs to be incurred upon expiry of the respective tenancy agreements, which are subject to uncertainty and might differ from the actual costs incurred. Any increase or decrease in the provision would affect profit or loss in future periods.

(iv) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses carried forward and deductible temporary differences are recognised and measured based on the expected manner of realisation or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting date. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are restaurant operations in the PRC.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15:			
Restaurant operation	1,976,519	3,059,989	3,099,173
Delivery service	397,114	517,153	723,057
Other revenue	1,820	12,036	15,972
	2,375,453	3,589,178	3,838,202

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Disaggregated by timing of revenue recognition			
– Point in time	2,375,226	3,588,509	3,837,729
– Overtime *(Note)*	227	669	473
	2,375,453	3,589,178	3,838,202

Note: Revenue from rendering of parking services was recognised over time during the contract period.

No revenue from individual customer contributed over 10% of total revenue of the Group for the Relevant Periods.

(ii) Revenue expected to be recognised in the future arising from contracts in existence at the reporting date

As at 31 December 2022, 2023 and 2024, the Group has applied the practical expedient in paragraph 121 of IFRS 15 to its contracts for rendering service such that information about revenue expected to be recognised in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for rendering service that had an expected duration of one year or less.

(b) Segment reporting

The directors of the Company have been identified as the Group's most senior executive management. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group has one operating segment, which is restaurant operations. The Group's most senior executive management reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. Accordingly, no reportable segment information is presented.

As substantially all of the Group's operations and assets are in the PRC, no geographic information is presented.

5 OTHER REVENUE

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Other revenue			
Interest income on:			
– bank deposits	2,895	2,527	3,959
– rental deposits	1,876	2,120	2,483
	4,771	4,647	6,442
Investment income on wealth management products	1,214	4,418	2,490
Government grants *(Note (i))*	23,833	28,342	22,322
Lease incentives *(Note 22)*	1,263	1,788	703
Total	31,081	39,195	31,957

Note:

(i) Government grants mainly represented additional deduction of value-added tax and various forms of incentives and subsidies granted to the Group by the local government authorities in Mainland China. The additional deduction of value-added tax policy has expired on 31 December 2023.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2022 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*
Interest on bank loans *(Note 16(c))*	594	188	37
Interest on lease liabilities *(Note 16(c))*	35,450	36,640	39,305
Interest on long-term payable	3,925	3,818	3,729
Interest on provisions *(Note 21)*	1,572	2,011	2,238
	41,541	42,657	45,309

(b) Staff costs

	2022 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*
Salaries, wages and other benefits	615,115	895,245	965,419
Contributions to defined contribution scheme *(Note (i))*	12,061	14,939	18,142
Equity-settled share-based payment expenses *(Note 26)*	(779)	844	5,447
	626,397	911,028	989,008

Note:

(i) The employees of the subsidiaries of the Group established in Mainland China participate in a defined contribution scheme managed by the local municipal governments, whereby these companies are required to contribute to the scheme at certain rates of the employees' salaries as agreed by the local municipal governments. Employees of these companies are entitled to benefits, calculated based on a percentage of the average salaries level in Mainland China, from the above mentioned retirement scheme at their normal retirement age.

The Group's employees in Hong Kong SAR participate in a defined contribution scheme registered under the Mandatory Provident Fund Scheme Ordinance (Cap. 485) (the "MPF Scheme"). The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of Hong Kong dollars ("HKD") 30,000. Contributions to the plan vest immediately.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(c) Other expenses

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Property management expenses	59,444	72,110	87,609
Low-value consumables	67,279	91,345	94,736
Services fees to third-party service providers	56,898	65,879	70,639
Platform service fees	11,247	48,696	65,498
Transportation charges	22,638	25,053	30,704
Business development expenses	15,551	28,032	33,868
Advertising and promotion expenses	23,966	27,448	30,105
Office expenses	3,322	6,060	5,746
Impairment losses of property, plant and equipment and right-of-use assets	–	4,636	–
Listing expenses	11,210	8,547	6,312
Others	37,425	43,144	42,191
	308,980	420,950	467,408

(d) Other net (income)/losses

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Net losses on restaurant closures	1,122	2,066	756
Income on COVID-19 rent concessions *(Note 11(b)(iv))*	(10,176)	–	–
Net foreign exchange (income)/loss	(62)	(14)	35
Net losses/(gains) on disposal of property, plant and equipment and right-of-use assets	494	840	(485)
Other losses/(income)	209	1,027	(2,459)
	(8,413)	3,919	(2,153)

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
Provision for the year	12,316	67,561	58,477
Over-provision in respect of prior years	(42)	(29)	(733)
	12,274	67,532	57,744
Deferred tax			
Origination and reversal of tax losses and temporary differences	14,324	24,898	10,744
	26,598	92,430	68,488

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Profit before taxation	43,177	387,973	418,655
Notional tax on profit before taxation, calculated at the applicable rates in the tax jurisdictions concerned *(Note i, ii, iii)*	11,625	97,011	105,961
Tax benefit of subsidiaries subject to preferential tax rates *(Note iii)*	(5,614)	(38,721)	(48,176)
PRC dividend withholding tax *(Note 24(b))*	20,697	33,117	9,907
Tax effect of non-deductible expenses	169	837	1,619
Tax effect of unused tax losses not recognised	29	236	15
Over-provision in respect of prior years	(42)	(29)	(733)
Tax effect of utilisation of the tax losses not recognised as deferred tax asset in previous years	(266)	(21)	(105)
Actual tax expenses	26,598	92,430	68,488

Notes:

(i) Pursuant to the tax rules and regulations of the Cayman Islands and the Republic of Seychelles, the Group is not subject to any income tax in the Cayman Islands and the Republic of Seychelles.

(ii) The applicable profits tax rate of the Group's subsidiaries incorporated in Hong Kong Special Administrative Region (the "Hong Kong SAR") was 16.5% for the Relevant Periods. A two-tiered profits tax rates regime was introduced in 2018 whereby the first HKD2 million in assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) while the remaining profits will continue to be taxed at 16.5%.

The subsidiaries in Hong Kong SAR of the Group did not have any assessable profits for the Relevant Periods.

(iii) Taxable income for the subsidiaries of the Company in Mainland China are subject to PRC income tax rate of 25% for the Relevant Periods, unless otherwise specified below.

Tibet Green Tea Food & Beverage Management Co., Ltd ("Tibet Green Tea F&B") was established in Tibet in Mainland China in 2016 and was entitled to the preferential income tax rate of 15% since its operation according to the Notice No. 51 issued by the Tibet People's Government on 1 May 2014. According to the Notice No. 23 issued by the Ministry of Finance, State Taxation Administration and National Development and Reform Commission on 23 April 2020, Tibet Green Tea F&B could continue to meet the relevant criteria to enjoy the preferential income tax rate. Thus, Tibet Green Tea F&B will continue to be entitled to the preferential income tax rate of 15% from 2021 to 2030.

For the year ended 31 December 2022, the Group's certain subsidiaries fulfilled the criteria required for preferential income tax rate granted to small and low profit-making enterprised in Mainland China, and were entitled to a preferential income tax rate of 2.5% on taxable income for the first RMB1,000,000 and 5% on taxable income for the subsequent RMB1,000,000 to RMB3,000,000.

For the year ended 31 December 2023 and 2024, the Group's certain subsidiaries fulfilled the criteria required for preferential income tax rate granted to small and low profit-making enterprised in Mainland China, and were entitled to a preferential income tax rate of 5% on taxable income within RMB3,000,000.

8 DIRECTORS' EMOLUMENTS

Directors' emoluments as recorded in the Historical Financial Information are as follows:

For the year ended 31 December 2022

	Directors' and supervisors' fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	2022 Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director							
Mr. Wang Qinsong	–	396	–	13	409	–	409
Executive directors							
Ms. Yu Liying	–	571	–	7	578	(156)	422
Mr. Wang Jiawei	–	610	–	7	617	(83)	534
Non-executive directors							
Ms. Lu Changmei	–	219	–	4	223	–	223
Mr. Liu Sheng	–	–	–	–	–	–	–
Mr. Tao Ye	–	–	–	–	–	–	–
	–	1,796	–	31	1,827	(239)	1,588

For the year ended 31 December 2023

	Directors' and supervisors' fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	2023 Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director							
Mr. Wang Qinsong	–	1,032	–	13	1,045	–	1,045
Executive directors							
Ms. Yu Liying	–	823	–	7	830	74	904
Mr. Wang Jiawei	–	798	–	7	805	40	845
Non-executive directors							
Ms. Lu Changmei	–	394	–	16	410	–	410
Mr. Liu Sheng	–	–	–	–	–	–	–
Mr. Tao Ye (resigned on 5 December 2023)	–	–	–	–	–	–	–
Ms. Xu Ruijie (appointed on 5 December 2023)	–	–	–	–	–	–	–
	–	3,047	–	43	3,090	114	3,204

For the year ended 31 December 2024

	Directors' and supervisors' fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	2024 Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director							
Mr. Wang Qinsong	–	1,937	–	74	2,011	–	2,011
Executive directors							
Ms. Yu Liying	–	834	–	9	843	266	1,109
Mr. Wang Jiawei	–	816	–	9	825	142	967
Non-executive directors							
Ms. Lu Changmei	–	387	–	20	407	–	407
Mr. Liu Sheng	–	–	–	–	–	–	–
Ms. Xu Ruijie	–	–	–	–	–	–	–
	–	3,974	–	112	4,086	408	4,494

Note:

During the Relevant Periods, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in Note 9 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the years ended 31 December 2022, 2023 and 2024, of the five individuals with the highest emoluments, one, two and one are directors whose emoluments are disclosed in Note 8.

The aggregate of the emoluments in respect of the other four, three and four individuals are as follows:

	Year ended 31 December 2022	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Salaries and other emoluments	3,181	3,713	5,413
Contributions to defined contribution scheme	36	25	39
Equity-settled share-based payment expenses	(129)	388	969
	3,088	4,126	6,421

The emoluments of the four, three and four individuals with the highest emoluments are within the following bands:

	Year ended 31 December 2022	**Year ended 31 December 2023**	**Year ended 31 December 2024**
	Number of individuals	*Number of individuals*	*Number of individuals*
Nil – HKD1,000,000	3	–	–
HKD1,000,001 – HKD1,500,000	1	1	1
HKD1,500,001 – HKD2,000,000	–	2	2
HKD2,000,001 – HKD2,500,000	–	–	1

10 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity shareholders of the Company by the weighted average number of ordinary and preference shares in issue during the Relevant Periods as follows:

	Year ended 31 December 2022	**Year ended 31 December 2023**	**Year ended 31 December 2024**
Profit attributable to equity shareholders of the Company (RMB'000)	16,579	295,543	350,167
Issued ordinary and preference shares at 1 January *(Note (i))*	522,250,000	522,250,000	522,250,000
Effect of shares vested under RSU scheme *(Note (ii))*	10,742,823	10,625,561	10,513,727
Weighted average number of ordinary and preference shares in issue at 31 December	532,992,823	532,875,561	532,763,727
Basic earnings per share (expressed in RMB per share)	0.03	0.55	0.66

Notes:

(i) The preference shares issued by the Company have the same right to share in the profit of the Group as ordinary shares. Therefore, the Company did not present separate earnings per share information for the preference shares.

(ii) The shares vested under RSU scheme include those vested RSUs, which were granted to certain directors and employees of the Group under Scheme A and Scheme B at a price of RMB0.01 per unit, before the Relevant Periods. Under Scheme A, 7,125,570 RSUs and 972,300 RSUs were vested on 28 February 2020 and 28 December 2020, respectively. Under Scheme B, 3,079,182 RSUs were vested on 28 February 2021. Details of RSU scheme are set out in Note 26.

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary and preference shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the years ended 31 December 2022, 2023 and 2024, the Company has one category of dilutive potential ordinary shares, which is the restricted share units granted to certain directors and employees of the Group under Scheme C with service condition only (see Note 26). The restricted share units are assumed to have been fully vested and released from restrictions with no significant impact on earnings.

	Year ended 31 December 2022	Year ended 31 December 2023	Year ended 31 December 2024
Profit attributable to equity shareholders of the Company (RMB'000)	16,579	295,543	350,167
Weighted average number of ordinary and preference shares in issue *(Note (a))*	532,992,823	532,875,561	532,763,727
Effect of shares under RSU scheme	3,563,937	3,805,141	3,649,165
Weighted average number of ordinary and preference shares for the calculation of diluted earnings per share	536,556,760	536,680,702	536,412,892
Diluted earnings per share (expressed in RMB per share)	0.03	0.55	0.65

11 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Reconciliation of carrying amount of property, plant and equipment

	Kitchen equipment *RMB'000*	Furniture and fixture *RMB'000*	Electronic equipment and others *RMB'000*	Leasehold improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost:						
At 1 January 2022	153,653	80,764	17,994	611,495	1,576	865,482
Additions	6,639	829	1,926	1,494	197,862	208,750
Transfer from construction-in-progress	18,726	17,612	2,969	138,318	(177,625)	–
Disposals	(6,564)	(3,594)	(1,508)	(23,755)	–	(35,421)
At 31 December 2022 and 1 January 2023	172,454	95,611	21,381	727,552	21,813	1,038,811
Additions	500	137	5,143	3,297	323,212	332,289
Transfer from construction-in-progress	59,209	29,151	7,377	230,824	(326,561)	–
Disposals	(8,185)	(2,499)	(547)	(21,881)	–	(33,112)
At 31 December 2023 and 1 January 2024	223,978	122,400	33,354	939,792	18,464	1,337,988
Additions	9,035	609	1,667	3,054	283,559	297,924
Transfer from construction in progress	42,853	23,354	6,986	201,648	(274,841)	–
Disposals	(13,743)	(6,408)	(1,572)	(49,504)	(64)	(71,291)
Exchange adjustments	14	8	5	140	33	200
At 31 December 2024	262,137	139,963	40,440	1,095,130	27,151	1,564,821

	Kitchen equipment	Furniture and fixture	Electronic equipment and others	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation:						
At 1 January 2022	72,448	34,161	11,401	266,749	–	384,759
Charge for the year	27,416	16,375	3,775	115,744	–	163,310
Written back on disposals	(6,163)	(2,989)	(932)	(18,025)	–	(28,109)
At 31 December 2022 and 1 January 2023	93,701	47,547	14,244	364,468	–	519,960
Charge for the year	31,248	18,224	5,206	137,922	–	192,600
Written back on disposals	(7,240)	(2,169)	(491)	(18,281)	–	(28,181)
At 31 December 2023 and 1 January 2024	117,709	63,602	18,959	484,109	–	684,379
Charge for the year	37,167	20,063	7,571	152,436	–	217,237
Written back on disposals	(13,008)	(6,214)	(1,496)	(42,842)	–	(63,560)
Exchange adjustments	–	–	–	4	–	4
At 31 December 2024	141,868	77,451	25,034	593,707	–	838,060
Impairment:						
At 1 January 2022	17	9	2	42	–	70
Written back on disposals	(17)	(9)	(2)	(42)	–	(70)
At 31 December 2022 and 1 January 2023	–	–	–	–	–	–
Charge for the year	–	–	–	2,576	2,060	4,636
At 31 December 2023 and 1 January 2024	–	–	–	2,576	2,060	4,636
Written back on disposals	–	–	–	(2,576)	(64)	(2,640)
At 31 December 2024	–	–	–	–	1,996	1,996
Net book value:						
At 31 December 2024	120,269	62,512	15,406	501,423	25,155	724,765
At 31 December 2023	106,269	58,798	14,395	453,107	16,404	648,973
At 31 December 2022	78,753	48,064	7,137	363,084	21,813	518,851

All of the property, plant and equipment owned by the Group are located in Mainland China and Hong Kong SAR.

Impairment assessment

The recoverable amount of each restaurant ("CGU") with an indication of impairment is estimated at the end of each reporting period. As at the end of each reporting period, in view of the unfavourable future prospects of certain restaurants, there was an indication that the CGUs may suffer an impairment loss. Management of the Group has conducted impairment testing. The recoverable amount of each CGU is determined based on fair value less cost of disposal or value-in-use calculations by preparing cash flow projections of the relevant CGU derived from the most recent financial forecast approved by management covering the remaining lease term, which is higher. The cash flows are discounted using a discount rate of 14.5%, 14.2% and 13.9%, respectively as at 31 December 2022, 2023 and 2024. The discount rate used is pre-tax and reflects specific risks relating to the relevant CGU.

As at 31 December 2023, the carrying amount of certain CGUs exceeds their recoverable amount and, therefore, an impairment loss of RMB4,636,000 was recognised in profit or loss as the "Other expenses" in the consolidated statements of profit or loss. As at 31 December 2022 and 2024, the recoverable amount of the respective CGUs of the Group with an indication of impairment exceeds the carrying amount. Therefore, no impairment loss was recognised in the profit or loss in the consolidated statements of profit or loss for the year ended 31 December 2022 and 2024.

(b) Right-of-use assets

The reconciliation of carrying amount of right-of-use assets by class of underlying asset is as follows:

	Properties	**Kitchen equipment**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At 1 January 2022	1,114,528	13,509	1,128,037
Additions	218,121	5,852	223,973
Disposal	(80,988)	(1,628)	(82,616)
At 31 December 2022 and 1 January 2023	1,251,661	17,733	1,269,394
Additions	241,898	6,181	248,079
Disposal	(91,984)	(2,310)	(94,294)
At 31 December 2023 and 1 January 2024	1,401,575	21,604	1,423,179
Additions	363,039	4,548	367,587
Disposals	(115,049)	(4,267)	(119,316)
Exchange adjustments	546	1	547
At 31 December 2024	1,650,111	21,886	1,671,997
Accumulated depreciation:			
At 1 January 2022	398,501	5,134	403,635
Charge for the year	158,125	2,923	161,048
Written back on disposals	(48,264)	(1,550)	(49,814)
At 31 December 2022 and 1 January 2023	508,362	6,507	514,869
Charge for the year	173,145	3,891	177,036
Written back on disposals	(88,744)	(2,037)	(90,781)
At 31 December 2023 and 1 January 2024	592,763	8,361	601,124
Charge for the year	198,309	4,559	202,868
Written back on disposals	(95,080)	(3,911)	(98,991)
Exchange adjustments	42	–	42
At 31 December 2024	696,034	9,009	705,043

	Properties	Kitchen equipment	Total
	RMB'000	*RMB'000*	*RMB'000*
Impairment:			
At 1 January 2022	740	18	758
Written back on disposals	(740)	(18)	(758)
At 31 December 2022, 2023 and 2024	–	–	–
Net book value:			
At 31 December 2024	954,077	12,877	966,954
At 31 December 2023	808,812	13,243	822,055
At 31 December 2022	743,299	11,226	754,525

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities *(Note 6(a))*	35,450	36,640	39,305
Expense relating to leases of low-value assets and short-term leases	45,144	54,421	50,837
Variable lease payments not included in the measurement of lease liabilities	13,902	26,820	26,451
COVID-19-related rent concessions received *(Note (iv))*	(11,940)	–	–
Lease incentives *(Note 22)*	(1,934)	(2,735)	(1,927)

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 16 and 19, respectively.

The Group has adopted the Amendment to IFRS 16, *Leases*, *Covid-19-Related Rent Concessions* and IFRS 16, *Leases, Covid-19-Related Rent Concessions beyond 30 June 2021*, and applies the practical expedient introduced by the Amendment to all eligible rent concessions received by the Group during the Relevant Periods. Further details are disclosed in Note (iv) below.

Notes:

(i) Properties – right-of-use assets

The Group has obtained the right of use properties as its restaurants through tenancy agreements. The leases typically run for an initial period of lease terms of 4 to 31.4 years. Lease payments are usually increased every 2 years to reflect market rentals.

(ii) Kitchen equipment – right-of-use assets

The Group leases certain kitchen equipment under leases expiring from 3 to 5 years.

(iii) Rental deposits

The refundable rental deposits themselves are not parts of the lease payments and the measurement are within the scope of IFRS 9. Therefore, the rental deposits should be measured at fair value on initial recognition. The difference between the initial fair value and the nominal value of the deposit is an additional lease payment made by the Group and it is included in the measurement of the right-of-use assets.

(iv) COVID-19-related rent concessions received

2022

	Fixed payments	Variable payments	COVID-19 rent concessions: Deducted from variable payments	COVID-19 rent concessions: Recognised as income	COVID-19 rent concessions: Subtotal	Total payments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Properties	155,008	13,902	(1,764)	(10,176)	(11,940)	156,970

12 INTANGIBLE ASSETS

	Software	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At 1 January 2022	3,125	377	3,502
Additions	–	–	–
At 31 December 2022 and 1 January 2023	3,125	377	3,502
Additions	734	–	734
At 31 December 2023 and 1 January 2024	3,859	377	4,236
Additions	1,555	–	1,555
At 31 December 2024	5,414	377	5,791
Accumulated amortisation:			
At 1 January 2022	1,144	276	1,420
Charge for the year	313	18	331
At 31 December 2022 and 1 January 2023	1,457	294	1,751
Charge for the year	331	16	347
At 31 December 2023 and 1 January 2024	1,788	310	2,098
Charge for the year	628	10	638
At 31 December 2024	2,416	320	2,736
Net book value:			
At 31 December 2024	2,998	57	3,055
At 31 December 2023	2,071	67	2,138
At 31 December 2022	1,668	83	1,751

13 INTERESTS IN SUBSIDIARIES

The Company

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Interests in subsidiaries			
– Investments in subsidiaries *(Note (i))*	41	41	41
– Deemed investments arising from share-based compensation *(Note 26)*	52,734	53,578	59,025
– Amounts due from subsidiaries *(Note (ii))*	28,137	28,615	77,609
	80,912	82,234	136,675

Notes:

(i) As at 31 December 2022, 2023 and 2024, the Company's investments in subsidiaries was USD6,000, equivalent to RMB41,000.

(ii) As at 31 December 2022, 2023 and 2024, the amounts due from subsidiaries were interest-free and had no fixed terms of payment.

During the Relevant Periods and as at the date of this report, the Company has direct or indirect interests in subsidiaries, all of which are private companies. The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated:

Company name	Place and date of incorporation/ establishment and operations	Type of legal entity	Particulars of issued and paid up capital	Effective interest held by the Group As at 31 December 2022	2023	2024	At the date of this report	Principal activities	Name of auditor
Directly held by the Company									
Everlasting Thrive Limited *(note (b))*	The Republic of Seychelles 23 July 2015	Limited liability company	USD2,000	100%	100%	100%	100%	Investment holding	*Note (b)*
Emperor Favour Limited *(note (b))*	The Republic of Seychelles 23 July 2015	Limited liability company	USD2,000	100%	100%	100%	100%	Investment holding	*Note (b)*
August Fountain Limited *(note (b))*	The Republic of Seychelles 23 July 2015	Limited liability company	USD2,000	100%	100%	100%	100%	Investment holding	*Note (b)*
Indirectly held by the Company									
Hong Kong Greentea Group Limited *(note (c))*	Hong Kong SAR 21 August 2015	Limited liability company	HKD10,000	100%	100%	100%	100%	Investment holding and restaurant operations	*Note (c)*
Hong Kong Guan Dong Zao Group Limited *(note (c))*	Hong Kong SAR 21 August 2015	Limited liability company	HKD10,000	100%	100%	100%	100%	Investment holding	*Note (c)*

Company name	Place and date of incorporation/ establishment and operations	Type of legal entity	Particulars of issued and paid up capital	Effective interest held by the Group As at 31 December 2022	2023	2024	At the date of this report	Principal activities	Name of auditor
Hong Kong August Fountain Group Limited *(note (c))*	Hong Kong SAR 21 August 2015	Limited liability company	HKD10,000	100%	100%	100%	100%	Investment holding	*Note (c)*
Shenzhen Qianhai Green Tea Investment Consultancy Company Limited 深圳前海綠茶投資諮詢有限公司 *(note (a)(b))*	The People's Republic of China 23 December 2015	Wholly foreign-owned enterprise	RMB10,000,000	100%	100%	100%	100%	Investment holding	*Note (b)*
Hangzhou Dinghuan Investment Management Company Limited ("Hangzhou Dinghuan") 杭州鼎寰投資管理有限公司 *(note (a)(d))*	The People's Republic of China 27 March 2017	Limited liability company	RMB10,000,000	100%	100%	100%	100%	Restaurant operations	*Note (d)*
Tibet Green Tea Food & Beverage Management Company Limited 西藏綠茶餐飲管理有限公司 *(note (a)(b))*	The People's Republic of China 30 March 2016	Limited liability company	RMB20,408,200	100%	100%	100%	100%	Restaurant operations	*Note (b)*
Wuhan Lujia Food & Beverage Management Company Limited 武漢路家餐飲管理有限公司 *(note (a)(b))*	The People's Republic of China 30 March 2017	Limited liability company	RMB100,000	100%	100%	100%	100%	Restaurant operations	*Note (b)*
Sanquan Green Tea (Beijing) Food & Beverage Management Company Limited 三泉綠茶 (北京) 餐飲管理有限公司 *(note (a)(b))*	The People's Republic of China 27 March 2017	Limited liability company	RMB100,000	100%	100%	100%	100%	Restaurant operations	*Note (b)*
Tibet Green Tea Quan Enterprise Management Company Limited 西藏綠茶泉企業管理有限公司 (formerly known as Tibet Green Tea Quan Investment Management Company Limited 西藏綠茶泉投資管理有限公司) *(note (a)(b))*	The People's Republic of China 30 March 2016	Limited liability company	RMB5,000,000	100%	100%	100%	100%	Investment holding	*Note (b)*
Shenzhen Green Tea Renjia Trading Company Limited 深圳市綠茶人家貿易有限公司 *(note (a)(b))*	The People's Republic of China 24 June 2016	Limited liability company	RMB5,000,000	100%	100%	100%	100%	Food procurement	*Note (b)*
Zhejiang Lvqin Supply Chain Management Company Limited 浙江綠勤供應鏈管理有限公司 *(note (a)(b))*	The People's Republic of China 29 December 2020	Limited liability company	RMB10,000,000	100%	100%	100%	100%	Food wholesale industry	*Note (b)*
Yiwu Dinghuan Investment Management Consultancy Company Limited 義烏市鼎寰企業管理諮詢有限公司 *(note (a)(b))*	The People's Republic of China 8 January 2021	Limited liability company	–	100%	100%	100%	100%	Restaurant operations	*Note (b)*
Shenzhen Maoye Dinghuan Food & Beverage Management Company Limited. 深圳市茂業鼎寰餐飲管理有限公司 *(note (a)(b))*	The People's Republic of China 13 January 2021	Limited liability company	RMB1,000,000	100%	100%	100%	100%	Restaurant operations	*Note (b)*
Beijing Dinghuan Food & Beverage Management Company Limited 北京鼎寰餐飲管理有限公司 *(note (a)(b))*	The People's Republic of China 25 January 2021	Limited liability company	–	100%	100%	100%	100%	Restaurant operations	*Note (b)*

Company name	Place and date of incorporation/ establishment and operations	Type of legal entity	Particulars of issued and paid up capital	Effective interest held by the Group As at 31 December 2022	2023	2024	At the date of this report	Principal activities	Name of auditor
Shanxi Dinghuan Food & Beverage Management Company Limited 山西鼎寰餐飲管理有限公司 *(note (a)(b))*	The People's Republic of China 2 February 2021	Limited liability company	–	100%	100%	100%	100%	Restaurant operations	*Note (b)*
Hangzhou Lvwu Food & Beverage Management Company Limited 杭州綠蕪餐飲管理有限公司 *(note (a)(b))*	The People's Republic of China 22 March 2022	Limited liability company	–	100%	100%	100%	100%	Restaurant operations	*Note (b)*
Miaohui (Zhejiang Zhoushan) Trading Company Limited 妙會(浙江舟山)貿易有限責任公司 *(note (a)(b))*	The People's Republic of China 15 December 2022	Limited liability company	–	100%	100%	100%	100%	Food wholesale industry	*Note (b)*
Zhejiang Daxin Supply Chain Management Company Limited 浙江大心供應鏈管理有限公司 *(note (a)(b))*	The People's Republic of China 24 May 2023	Limited liability company	–	–	100%	100%	100%	Food wholesale industry	*Note (b)*
Shaoxing Dinghuan Food & Beverage Management Company Limited 紹興鼎寰餐飲管理有限公司 *(note (a)(b))*	The People's Republic of China 29 June 2023	Limited liability company	RMB500,000	–	100%	100%	100%	Restaurant operations	Note (b)
Hangzhou Green Tea Food & Beverage Management Company Limited 杭州綠茶餐飲管理有限公司 *(note (a)(b)(e))*	The People's Republic of China 21 February 2008	Limited liability company	RMB500,000	–	–	100%	100%	Restaurant operations	*Note (b)*
Beijing Green Tea Food & Beverage Management Company Limited 北京綠茶餐飲管理有限公司 *(note (a)(b)(e))*	The People's Republic of China 11 November 2009	Limited liability company	RMB1,000,000	–	–	60%	60%	Restaurant operations	*Note (b)*

Notes:

(a) These entities are PRC limited liability companies. The official names of these entities are in Chinese. The English translation of the names is for identification only.

(b) No audited financial statements have been prepared for these entities for the Relevant Periods.

(c) Hong Kong Greentea Group Limited prepared the financial statements for the year ended 31 December 2022 in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the HKICPA and have been properly prepared in compliance with the Hong Kong Companies Ordinance. The financial statements for the year ended 31 December 2022 were audited by Uniwin International CPA Limited, certified public accountants registered in Hong Kong SAR. As at the date of this report, no audited financial statements have been prepared for the years ended 31 December 2023 and 2024.

Hong Kong Guan Dong Zao Group Limited and Hong Kong August Fountain Group Limited prepared the financial statements for the years ended 31 December 2022 and 2023 in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the HKICPA and have been properly prepared in compliance with the Hong Kong Companies Ordinance. The financial statements for the years ended 31 December 2022 and 2023 were audited by Uniwin International CPA Limited, certified public accountants registered in Hong Kong SAR. As at the date of this report, no audited financial statements have been prepared for the year ended 31 December 2024.

(d) The entity prepared the financial statements for the years ended 31 December 2022 and 2023 in accordance with the requirements of Accounting Standards for Business Enterprises, issued by the Ministry of Finance of the PRC. The financial statements for the years ended 31 December 2022 and 2023 were audited by Zhejiang Tianping Accounting Firm Co., Ltd, certified public accountants registered in Mainland China. As at the date of this report, no audited financial statements have been prepared for the year ended 31 December 2024.

(e) In 2017, the Group entered into a series of cooperation agreements with certain entities controlled by Wang Qinsong and Lu Changmei, controlling shareholders of the Group, including Hangzhou Greentea Catering Management Co., Ltd. ("Hangzhou Greentea"), Wuhan Jiangnan Greentea Catering Management Co., Ltd. ("Wuhan Greentea", deregistered on 19 March 2025), Beijing Greentea Catering Management Co., Ltd. ("Beijing Greentea") and Ningbo Greentea Catering Management Co., Ltd. ("Ningbo Greentea", deregistered on 22 October 2019), pursuant to which, the Group is responsible for providing entrusted management services of running the restaurant business of these entities and is awarded of the management fee approximate to the operation results of the restaurant business of these entities. The cooperation agreements expired on 30 April 2023 and were renewed for another three years till 30 April 2026. The cooperation agreements will be automatically renewed unless the Group terminates the agreements upon expiry.

As the Group has the ability to use its power over the restaurant business of the above entities to affect the amount of the Group's returns, the operation results of the relevant restaurant business and related property, plant and equipment and right-of-use assets used for the operation of the restaurant business are consolidated in the Historical Financial Information of the Group during the period of entrusted management services until the Group terminated the cooperation agreements.

In September 2024, the Group terminated the cooperation agreement with Wuhan Greentea since the lease agreement associated with the restaurant expired in September 2024 and the Group ceased the operation of the restaurant accordingly.

On 24 December 2024, Hangzhou Dinghuan, a subsidiary of the Group, entered into an equity transfer agreement with Wang Qinsong, to acquire 100% equity interests in Hangzhou Greentea (including its non-wholly owned subsidiary Beijing Greentea) at a total consideration of RMB21,278,400. On 25 December 2024, the transaction was completed and Hangzhou Greentea and Beijing Greentea became the subsidiaries of the Group since then. On 25 December 2024, the Group also terminated the cooperation agreements with Hangzhou Greentea and Beijing Greentea in relation to the entrusted management operations of the relevant restaurant business of these entities. As the group of assets acquired and liabilities assumed do not constitute a business, the transaction was accounted for an asset acquisition.

All companies now comprising the Group have adopted 31 December as their financial year end date.

14 INVENTORIES

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Food and beverages, and other operating items for restaurant operations	56,395	59,576	67,227

All of the inventories are expected to be recovered within one year.

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2022 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*
Carrying amount of inventories sold and consumed	862,316	1,205,219	1,192,902

15 TRADE AND OTHER RECEIVABLES

The Group

	At 31 December 2022 RMB'000	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000
Trade debtors	18,485	36,298	22,550
Other receivables and deposits	50,320	45,137	76,216
Amounts due from related parties *(Note 30(d))*	24,298	28,943	–
Financial assets measured at amortised cost	93,103	110,378	98,766
Value added tax recoverable	109,788	149,396	158,350
Prepayments *(Note)*	37,339	54,726	75,150
	147,127	204,122	233,500
	240,230	314,500	332,266

Note: Prepayments mainly represent prepayments for rental and property management expenses, utilities expenses and listing expenses.

Ageing analysis:

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the revenue recognition date, is as follows:

	At 31 December 2022 RMB'000	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000
Within 1 month	16,903	35,046	21,249
1 to 2 months	372	864	1,037
2 to 3 months	371	279	247
Over 3 months but within 1 year	839	109	17
	18,485	36,298	22,550

Trade debtors are due within 1 year from the date of revenue recognition. Further details on the Group's credit policy are set out in Note 28.

The Company

	At 31 December 2022 RMB'000	At 31 December 2023 RMB'000	At 31 December 2024 RMB'000
Prepayments for listing expenses	8,194	10,549	12,484
Dividends receivables	–	393,231	–
Other receivables	–	–	1,598
	8,194	403,780	14,082

16 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Cash on hand	369	609	1,281
Cash at bank	134,041	355,680	245,871
	134,410	356,289	247,152

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2022 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*
Profit before taxation		43,177	387,973	418,655
Adjustments for:				
Interest income and investment income	*5*	(5,985)	(9,065)	(8,932)
Depreciation		324,358	369,636	420,105
Amortisation of lease incentives	*5*	(1,263)	(1,788)	(703)
Amortisation of intangible assets		331	347	638
Finance costs	*6(a)*	41,541	42,657	45,309
Net losses/(gains) on disposal of property, plant and equipment and right-of-use assets		1,263	707	(1,046)
Impairment loss on property, plant and equipment and right-of-use assets	*6(c)*	–	4,636	–
Equity-settled share-based payment expenses	*6(b)*	(779)	844	5,447
Income on COVID-19 rent concessions	*6(d)*	(10,176)	–	–
Changes in working capital:				
Increase in inventories		(9,240)	(3,181)	(7,336)
Increase in trade and other receivables and rental deposits		(30,288)	(69,500)	(32,353)
Increase/(decrease) in trade and other payables		6,943	128,923	(2,441)
Increase in contract liabilities		4,820	1,367	1,174
Cash generated from operations		364,702	853,556	838,517

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Lease liabilities	**Bank loans**	**Dividend payable**	**Listing expense payable – capital element (included in trade and other payables)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 19)	*(Note 23)*	*(Note 27(d))*		
At 1 January 2022	746,798	501	–	131	747,430
Proceeds from bank loans	–	116,000	–	–	116,000
Repayment of bank loans	–	(85,500)	–	–	(85,500)
Interest of bank loans paid	–	(595)	–	–	(595)
Payment of capital element of lease liabilities	(119,558)	–	–	–	(119,558)
Payment of interest element of lease liabilities	(35,450)	–	–	–	(35,450)
Listing expenses paid	–	–	–	(2,763)	(2,763)
Total changes from financing cash flows	(155,008)	29,905	–	(2,763)	(127,866)
Other changes:					
Interest expenses	35,450	594	–	–	36,044
Additions	198,107	–	–	3,064	201,171
Disposal	(37,555)	–	–	–	(37,555)
Total other changes	196,002	594	–	3,064	199,660
At 31 December 2022 and 1 January 2023	787,792	31,000	–	432	819,224
Proceeds from bank loans	–	50,100	–	–	50,100
Repayment of bank loans	–	(31,000)	–	–	(31,000)
Interest of bank loans paid	–	(188)	–	–	(188)
Payment of capital element of lease liabilities	(145,804)	–	–	–	(145,804)
Payment of interest element of lease liabilities	(36,640)	–	–	–	(36,640)
Listing expenses paid	–	–	–	(2,265)	(2,265)
Total changes from financing cash flows	(182,444)	18,912	–	(2,265)	(165,797)

	Lease liabilities *RMB'000* *(Note 19)*	Bank loans *RMB'000* *(Note 23)*	Dividend payable *RMB'000* *(Note 27(d))*	Listing expense payable – capital element (included in trade and other payables) *RMB'000*	Total *RMB'000*
Other changes:					
Interest expenses	36,640	188	–	–	36,828
Additions	237,447	–	–	2,355	239,802
Disposals	(5,883)	–	–	–	(5,883)
Dividends declared	–	–	350,028	–	350,028
Total other changes	268,204	188	350,028	2,355	620,775
At 31 December 2023 and 1 January 2024	873,552	50,100	350,028	522	1,274,202
Repayment of bank loans	–	(50,100)	–	–	(50,100)
Interest of bank loans paid	–	(37)	–	–	(37)
Payment of capital element of lease liabilities	(178,893)	–	–	–	(178,893)
Payment of interest element of lease liabilities	(39,305)	–	–	–	(39,305)
Dividends paid	–	–	(350,028)	–	(350,028)
Payment of listing expenses	–	–	–	(2,121)	(2,121)
Total changes from financing cash flows	(218,198)	(50,137)	(350,028)	(2,121)	(620,484)
Exchange adjustments	560	–	–	–	560
Other changes:					
Interest expenses	39,305	37	–	–	39,342
Additions	432,428	–	–	1,935	434,363
Disposals	(24,707)	–	–	–	(24,707)
Total other changes	447,026	37	–	1,935	448,998
At 31 December 2024	1,102,940	–	–	336	1,103,276

(d) Total cash out flow for leases:

	2022 *RMB'000*	**2023** *RMB'000*	**2024** *RMB'000*
Within operating cash flows	56,611	80,294	76,064
Within financing cash flows	155,008	182,444	218,198
	211,619	262,738	294,262

(e) Net cash outflow arising from the acquisition:

The recognised amounts of assets and liabilities at the date of acquisition on (see Note 13(e)) comprise the following:

	RMB'000
Trade and other receivables	4,582
Lease receivables	26,725
Cash and cash equivalents	10,883
Other assets	331
Trade and other payables	(20,843)
Total net assets acquired	21,678
Non-controlling interests arising from acquisition	(400)
Total consideration paid in cash	21,278
Less: cash and cash equivalents of subsidiaries acquired	(10,883)
	10,395

17 TRADE AND OTHER PAYABLES

The Group

	At 31 December 2022 *RMB'000*	**At 31 December 2023** *RMB'000*	**At 31 December 2024** *RMB'000*
Trade payables	193,354	248,488	221,361
Staff cost payable	53,103	86,790	85,506
Listing expense payable	11,772	12,813	12,362
Other payables and accrued charges	70,689	139,778	138,392
Other taxes payable	2,944	5,466	4,718
	331,862	493,335	462,339

As of the end of the reporting period, the ageing analysis of trade payable (which are included in trade and other payables), based on the invoice date, is as follows:

	At 31 December 2022 *RMB'000*	**At 31 December 2023** *RMB'000*	**At 31 December 2024** *RMB'000*
Within 1 year	188,464	244,325	217,699
Over 1 year but within 2 years	4,862	1,443	190
Over 2 years but within 3 years	28	2,720	3,472
	193,354	248,488	221,361

The Company

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Amounts due to subsidiaries	22,294	40,657	71,715
Other payables	11,778	8,932	11,295
	34,072	49,589	83,010

The amounts due to subsidiaries are unsecured and interest-free.

18 CONTRACT LIABILITIES

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Advanced payment received	3,053	2,463	2,107
Customer loyalty scheme *(Note)*	2,427	4,384	5,914
	5,480	6,847	8,021

Note: The estimated loyalty points arising from the customer loyalty scheme could be used in the future consumptions in the restaurants. The balance at the end of each reporting period represented the transaction price allocated to unsatisfied performance obligation.

Movement in contract liabilities

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
At the beginning of the year	660	5,480	6,847
Net increase in contract liabilities during the year	5,480	4,498	7,250
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(660)	(3,131)	(6,076)
At the end of the year	5,480	6,847	8,021

Certain contract liabilities related to the customer loyalty scheme will be recognised as revenue when the points are redeemed by the customers, which are expected to occur over the next two years.

19 LEASE LIABILITIES

At 31 December 2022, 2023 and 2024 the lease liabilities were repayable as follows:

	At 31 December 2022	At 31 December 2023	At 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities included in the consolidated statements of financial position			
– Within 1 year	181,859	214,345	256,728
– After 1 year but within 2 years	139,603	148,404	187,495
– After 2 years but within 5 years	308,436	336,390	417,395
– After 5 years	157,894	174,413	241,322
	605,933	659,207	846,212
	787,792	873,552	1,102,940

20 LONG-TERM PAYABLES

In respect of the entrusted management operations of certain restaurant businesses as disclosed in Note 13(e), the Group recognised long term payables to related parties for the acquisition of certain property, plant and equipment and right-of-use assets of the related parties.

The following table shows the remaining contractual maturities of the Group's long-term payables at the end of the reporting period:

	At 31 December 2022	At 31 December 2023	At 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Long-term payables included in the consolidated statements of financial position			
– Within 1 year	6,148	7,593	–
– After 1 year but within 2 years	5,803	5,232	–
– After 2 years but within 5 years	13,581	11,696	–
– After 5 years	59,899	59,757	–
	79,283	76,685	–
	85,431	84,278	–

21 PROVISIONS

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Provisions for restoration costs	35,040	43,116	51,620

The movements of provisions during the Relevant Periods were as follows:

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Balance at the beginning	30,199	35,040	43,116
Additional provisions	3,641	6,294	8,271
Interest on provisions	1,572	2,011	2,238
Provisions utilised	(372)	(229)	(2,023)
Exchange adjustments	–	–	18
Balance at the end	35,040	43,116	51,620

Pursuant to the terms of the respective tenancy agreements entered into by the Group, the Group is required to restore certain leased properties to the conditions as stipulated in the tenancy agreements at the expiration of the corresponding lease term as appropriate. The provision for restoration costs was estimated based on certain assumptions and estimates made by the Group's management with reference to historical restoration costs and/or other available market information. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

22 DEFERRED LEASE INCENTIVES

In accordance with the Group's lease agreements, the Group has been granted lease incentive amounts from certain lessors for the reimbursement of leasehold improvement costs of the leased properties. The Group accounted for the benefit of the lease incentive amounts firstly as a deduction of the initial carrying amount of the right-of-use assets, and then the excess as deferred lease incentives which are amortised on a straight-line basis over the term of the leases.

In the consolidated cash flow statements, payments to the suppliers by the lessors amounting to RMB4,894,000, nil and RMB1,981,000 for the years ended 31 December 2022, 2023 and 2024 were non-cash transactions.

The movement of deferred lease incentives during the Relevant Periods was as follows:

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Balance at the beginning	12,544	15,504	12,769
Additions	4,894	–	1,981
Less accumulated amortisation			
– deducted from variable lease payments	(671)	(947)	(1,224)
– recognised as other income	(1,263)	(1,788)	(703)
Balance at the end	15,504	12,769	12,823

23 BANK LOANS

The analysis of the carrying amount of current bank loans and other borrowings is as follows:

	At 31 December 2022	At 31 December 2023	At 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Within one year or on demand			
– secured	–	25,000	–
– unsecured	31,000	25,100	–
	31,000	50,100	–

As at 31 December 2023, the secured bank loan was pledged by bank deposits of RMB25,000,000.

As at 31 December 2022, 2023 and 2024, banking facilities of the Group totaling RMB330,000,000, RMB400,000,000 and RMB600,000,000 were utilised to the extent of RMB31,000,000, RMB25,100,000 and nil, respectively.

24 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

	At 31 December 2022	At 31 December 2023	At 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning	7,760	2,944	53,950
Provision for the PRC Corporate Income Tax *(Note 7(a))*	12,274	67,532	57,744
Withholding tax payable	–	43,791	2,380
PRC Corporate Income Tax paid for the year	(17,090)	(60,317)	(104,553)
Balance at the end	2,944	53,950	9,521
Representing:			
Current taxation	5,831	55,442	10,916
Income tax prepayments	(2,887)	(1,492)	(1,395)
	2,944	53,950	9,521

(b) Deferred tax assets/(liabilities) recognised

The components of deferred tax assets recognised in the consolidated statements of financial position and the movements during the year are as follows:

	Unused tax losses	Unrealised profits	Right-of-use assets	Lease liabilities	Impairment	Customer loyalty scheme	Withholding tax on dividends	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	3,467	–	(149,226)	176,113	149	–	(27,003)	3,500
Credit/(charged) to profit or loss	4,576	75	38,988	(37,554)	(149)	437	(20,697)	(14,324)
At 31 December 2022	8,043	75	(110,238)	138,559	–	437	(47,700)	(10,824)
Withholding tax payable	–	–	–	–	–	–	43,791	43,791
Credit/(charged) to profit or loss	4,817	733	5,058	(2,741)	–	352	(33,117)	(24,898)
At 31 December 2023	12,860	808	(105,180)	135,818	–	789	(37,026)	8,069
Withholding tax payable	–	–	–	–	–	–	2,380	2,380
Credit/(charged) to profit or loss	(2,238)	(336)	5,184	(3,722)	–	275	(9,907)	(10,744)
At 31 December 2024	10,622	472	(99,996)	132,096	–	1,064	(44,553)	(295)

According to PRC corporate income tax laws and its implementation rules, dividends receivable by non-PRC corporate residents from Mainland China enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008.

In 2024, the Company's Hong Kong SAR subsidiary received the certificate of Hong Kong SAR resident status. Pursuant to the Arrangement between the Mainland China and the Hong Kong SAR for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income ("Tax Treaties") and the Announcement of the State Taxation Administration in relation to "Beneficial Owner" in Tax Treaties ("Announcement No. 9"), the Hong Kong subsidiary meets the requirement for enjoying the preferential rate and is subject to withholding tax at a rate of 5% for dividends received from Mainland China subsidiaries since 2024.

As at 31 December 2022, 2023 and 2024, deferred tax liabilities of RMB47,700,000, RMB37,026,000 and RMB44,553,000 have been recognised in connection with the withholding tax that would be payable on the distribution of retained profits of the Group's Mainland China subsidiaries in the foreseeable future.

(c) Reconciliation to consolidated statements of financial position

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	36,876	45,095	44,258
Net deferred tax liabilities recognised in the consolidated statements of financial position	(47,700)	(37,026)	(44,553)
	(10,824)	8,069	(295)

(d) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(q), the Group has not recognised deferred tax assets in respect of certain deductible temporary differences and cumulative tax losses as it is not probable that future taxable profits against which the losses or deductible temporary differences can be utilised will be available in the relevant tax jurisdiction and entity.

The following table presents the Group's unused tax losses at the reporting dates:

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
Unused tax losses	719	5,166	6,785

The expiration information of the Group's unused tax losses is set out below:

	At 31 December 2022 *RMB'000*	At 31 December 2023 *RMB'000*	At 31 December 2024 *RMB'000*
2026	155	155	155
2027	116	116	116
2028	448	4,895	2,831
2029	–	–	950
Deductible losses without expiry date	–	–	2,733
Total	719	5,166	6,785

All the tax losses of subsidiaries of the Group in the Mainland China can be carried forward for a maximum period of five years. Pursuant to the Notice No. 8 issued by the Ministry of Finance and the State Administration of Taxation of the PRC on 6 February 2020, the maximum carried forward period of the tax losses affected by COVID-19 in certain difficult industries, such as catering industry, is extended from five years to eight years.

All the tax losses of subsidiaries of the Group in Hong Kong SAR can be carried forward without expiry date.

(e) Deferred tax liabilities not recognised

At 31 December 2022, 2023 and 2024, temporary differences relating to the undistributed profits of Mainland China subsidiaries amounted to nil, nil and RMB198,140,000. Deferred tax liabilities of nil, nil and RMB9,907,000 have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of Mainland China subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

25 OTHER NON-CURRENT ASSETS

	At 31 December 2022	At 31 December 2023	At 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Prepayments for purchase of property, plant and equipment	286	407	13,213

26 EQUITY SETTLED SHARE-BASED PAYMENTS

Pursuant to a resolution of the board of directors of the Company passed on 28 February 2020, a restricted share unit ("RSU") scheme ("the Scheme") was adopted for purpose of providing incentives to the qualified employees of the Group. The RSUs will be granted to qualified employees of the Group through an RSU platform and each RSU gives the holder the right to own one ordinary share of the Company. Under the Scheme, the number of total RSUs is not more than 33,350,000 units, equal to 4.5% of total ordinary and preference shares of the Company immediately after the Global Offering as mentioned in the Prospectus. The Scheme shall be valid and effective for a period of 10 years commencing from 28 February 2020. The RSUs shall be exercised no earlier than 6 months after the Listing. The unvested RSUs shall be forfeited if a grantee resigns or has his/her employment terminated after the grant-date.

Pursuant to a resolution of the board of directors of the Company passed on 28 February 2020, 28 December 2020 and 31 May 2022, the Company granted 24,406,582 RSUs, 7,003,338 RSUs and 3,600,288 RSUs, respectively to certain directors and employees of the Group as follows:

Scheme A: On 28 February 2020 and 28 December 2020, 7,125,570 and 972,300 RSUs were granted to 3 directors and 61 employees of the Group at a price of RMB0.01 per unit, respectively and vested immediately.

Scheme B: On 28 February 2020, 9,547,060 RSUs were granted to 3 directors and 50 employees of the Group at a price of RMB0.01 per unit and are scheduled to be vested over four tranches, among which, the first tranche has only service conditions to be met and the remaining tranches have service conditions and certain performance conditions to be met. Subject to the grantee continuing to be an employee of the Group, 25%, 25%, 25% and 25% of RSUs shall be vested on 28 February 2021, 2022, 2023 and 2024, respectively.

On 28 December 2020, 2,769,666 RSUs were granted to 11 employees of the Group at a price of RMB0.01 per unit and are scheduled to be vested over four tranches, among which, the first tranche has only service conditions and the remaining tranches have service conditions and certain performance conditions to be met. Subject to the grantee continuing to be an employee of the Group, 25%, 25%, 25% and 25% of RSUs shall be vested on 28 February 2021, 2022, 2023 and 2024, respectively.

If the ending date of six months after the Listing ("the Updated Vesting Date") is later than 28 February 2022, the second tranche of 25% of RSUs granted on 28 February 2020 and 28 December 2020 mentioned above shall be vested on the Updated Vesting Date and the remaining third and fourth tranches of RSUs shall be vested on the ending date of 12 months and 24 months after the Updated Vesting Date, respectively.

On 31 May 2022, 2,283,516 RSUs were granted to 21 employees of the Group at a price of RMB0.01 per unit and are scheduled to be vested over four tranches, which have service conditions and certain performance conditions to be met. Subject to the grantee continuing to be an employee of the Group, 25%, 25%, 25% and 25% of RSUs shall be vested on the ending date of 6 months, 18 months, 30 months and 42 months after the Listing, respectively.

If the performance conditions are not fulfilled, the corresponding tranche of RSUs granted can be renewed for one year. If the performance conditions are still not fulfilled in the subsequent year, the corresponding tranche of RSUs granted cannot be vested.

Scheme C: On 28 February 2020, 7,733,952 RSUs were granted to 3 directors and 50 employees of the Group at a price of RMB2.92 per unit respectively and are scheduled to be vested over four tranches with service conditions only. Subject to the grantee continuing to be an employee of the Group, 25%, 25%, 25% and 25% of RSUs shall be vested on 28 February 2021, 2022, 2023 and 2024, respectively.

On 28 December 2020, 3,261,372 RSUs were granted to 11 employees of the Group at a price of RMB2.92 per unit respectively and are scheduled to be vested over four tranches with service conditions only. Subject to the grantee continuing to be an employee of the Group, 25%, 25%, 25% and 25% of RSUs shall be vested on 28 February 2021, 2022, 2023 and 2024, respectively.

If the ending date of six months after the Listing ("the Updated Vesting Date") is later than 28 February 2022, the second tranche of 25% of RSUs granted on 28 February 2020 and 28 December 2020 mentioned above shall be vested on the Updated Vesting Date and the remaining third and fourth tranches of RSUs shall be vested on the ending date of 12 months and 24 months after the Updated Vesting Date, respectively.

On 31 May 2022, 1,316,772 RSUs were granted to 21 employees of the Group at a price of RMB2.92 per unit and are scheduled to be vested over four tranches, which have service conditions and certain performance conditions to be met. Subject to the grantee continuing to be an employee of the Group, 25%, 25%, 25% and 25% of RSUs shall be vested on the ending date of 6 months, 18 months, 30 months and 42 months after the Listing, respectively.

The numbers and fair value of RSUs are as follows:

	Weighted grant date fair value per RSU *RMB*	**Number of RSUs**
Outstanding as at 1 January 2022	3.16	16,632,580
Granted during the year	4.50	3,600,288
Forfeited during the year	2.94	(202,099)
Outstanding as at 31 December 2022	3.40	20,030,769
Forfeited during the year	3.85	(808,398)
Outstanding as at 31 December 2023	3.38	19,222,371
Forfeited during the year	4.37	(304,191)
Outstanding as at 31 December 2024	3.37	18,918,180

Fair value of RSUs

The fair value of RSUs was calculated based on the fair value of underlying ordinary shares as at the grant date. The directors have used the income approach to determine the fair value of the underlying shares of the Company and adopted the discounted cash flow to determine the fair value of the underlying ordinary shares.

	Grant-date fair value		
	Scheme A	**Scheme B**	**Scheme C**
	RMB'000	*RMB'000*	*RMB'000*
28 February 2020	2.94	2.94	2.94
28 December 2020	3.85	3.85	3.85
31 May 2022	N/A	4.50	4.50

The discounted cash flow derived by management considered the Company's future business plan, specific business and financial risks, the stage of development of the Company's operations and economic and competitive elements affecting the Company's business, industry and market. The discount rates used for the grant date fair value were 15.6%, 15.5% and 15.4% for RSUs granted as at 28 February 2020, 28 December 2020 and 31 May 2022 respectively.

The directors estimated the risk-free interest rate based on the yield of Chinese government bonds with maturity of 20 years. Weighted average cost of capital was estimated based on selected comparable companies.

Expected retention rate of grantees

The Group estimates the expected yearly percentage of grantees that will stay within the Group at the end of vesting periods of RSUs (the "Expected Retention Rate") in order to determine the amount of share-based payment expenses charged to the consolidated statement of profit or loss. As at 31 December 2022, 2023 and 2024, the Expected Retention Rate was assessed to be 100%, 100% and 100%, respectively.

Share-based payment expenses of RMB844,000 and RMB5,447,000 are recognised as staff costs in the consolidated statements of profit or loss for the years ended 31 December 2023 and 2024, respectively. Deduction of share-based payment expenses of RMB779,000 are adjusted in staff costs in the consolidated statements of profit or loss for the year ended 31 December 2022 due to the updated expectation of the satisfaction of service conditions after considering the expected Listing date.

27 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

Ordinary Shares	**Number of shares**	**Amount**	**Share capital**
		USD	*RMB*
As at 1 January 2022, 31 December 2022, 2023 and 2024	398,950,000	7,979	54,778

Preference Shares	**Number of shares**	**Amount**	**Share capital**
		USD	*RMB*
As at 1 January 2022, 31 December 2022, 2023 and 2024	156,650,000	3,133	21,606

Ordinary shares

The Company was incorporated in the Cayman Islands on 4 June 2015 with authorised share capital of USD50,000 divided into 50,000 ordinary shares with a par value of USD1.00 each. 10,000 ordinary shares were issued to Time Sonic Investments Limited on 9 July 2015.

On 25 May 2017, 2,688 ordinary shares of par value of USD1.00 each were repurchased by the Company.

On 17 March 2021, 667 ordinary shares of par value of USD1.00 each were newly issued to Longjing Memory Limited (the "**RSU Nominee**") , which was established in the British Virgin Islands for the purpose of holding share for grant under the RSU Scheme.

Preference shares

On 25 May 2017, the Company issued a total of 3,133 preference shares of par value of USD1.00 each to Partners Group Gourmet House Limited. The preference shareholder were, subject to certain limitations, entitled to certain customary special rights including (i) redemption right to transfer its shares to Wang Qinsong and Lu Changmei if the listing of the Company approval was not obtained by 25 May 2023 or such later date as may be extended for one year by the parties in the event of a force majeure event with regard to an affected fiscal year, or the performance of the Group does not meet certain target performance since 2019, (ii) right to appoint two directors, (iii) pre-emptive right, (iv) co-sale right, and (v) information right. The redemption rights shall terminate and be of no further force or effect immediately before the Company submits its application for the Listing (the "Submission"), provided in the event where the Submission is withdrawn, rejected, lapses and is not renewed within a prescribed period of time, or the Company fails to consummate the Global Offering, such redemption rights shall automatically be reinstated in full. All other special rights will be terminated automatically upon completion of the Global Offering. Each preference share shall automatically be converted into an ordinary share on a one to one ratio upon the Listing.

The preference shares were recorded as equity of the Company.

Share sub-division

Pursuant to the resolution passed by the board of directors of the Company on 22 March 2021, each of the above shares of par value of USD1.00 each was sub-divided into 50,000 shares of par value of USD0.00002 each.

(b) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Share capital *RMB'000*	**Share premium** *RMB'000*	**Share-based payments reserve** *RMB'000*	**Exchange reserve** *RMB'000*	**Shares held for RSU schemes** *RMB'000*	**(Accumulated losses)/retained profits** *RMB'000*	**Total** *RMB'000*
Balance at 1 January 2022	76	45,250	53,513	(2,702)	(4)	(30,937)	65,196
Changes in equity for 2022:							
Loss for the year	–	–	–	–	–	(11,498)	(11,498)
Other comprehensive income	–	–	–	2,423	–	–	2,423
Equity settled share-based transactions	–	–	(779)	–	–	–	(779)
Balance at 31 December 2022	76	45,250	52,734	(279)	(4)	(42,435)	55,342

	Share capital RMB'000	Share premium RMB'000	Share-based payments reserve RMB'000	Exchange reserve RMB'000	Shares held for RSU schemes RMB'000	(Accumulated losses)/retained profits RMB'000	Total RMB'000
Balance at 1 January 2023	76	45,250	52,734	(279)	(4)	(42,435)	55,342
Changes in equity for 2023:							
Profit for the year	–	–	–	–	–	384,985	384,985
Other comprehensive income	–	–	–	477	–	–	477
Equity settled share-based transactions	–	–	844	–	–	–	844
Dividends declared	–	(45,250)	–	–	–	(304,778)	(350,028)
Balance at 31 December 2023	76	–	53,578	198	(4)	37,772	91,620
Balance at 1 January 2024	76	–	53,578	198	(4)	37,772	91,620
Changes in equity for 2024:							
Loss for the year	–	–	–	–	–	(7,550)	(7,550)
Other comprehensive income	–	–	–	410	–	–	410
Equity settled share-base settled transactions	–	–	5,447	–	–	–	5,447
Balance at 31 December 2024	76	–	59,025	608	(4)	30,222	89,927

(c) Nature and purposes of reserves

(i) Share premium

As at 31 December 2022, the share premium comprises capital contribution from Partners Group Gourmet House Limited in excess of the par value of preference shares issued.

Under the Companies Law of Cayman Islands, the share premium account of the Company is distributable to the equity shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debt as they fall due in the ordinary course of business.

(ii) Share-based payments reserve

The share-based payments reserve represents the portion of the grant date fair value of RSUs granted to the directors and employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(p)(ii).

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial information of operations with functional currency other than RMB.

(iv) Statutory reserve

Statutory reserves are established in accordance with the PRC Company Law and the Articles of Association of the companies comprising the Group which are incorporated in Mainland China.

Appropriations to the reserves were required to allocate 10% of their profits after tax until the reserves reach 50% of their respective registered capital.

Statutory reserve fund can be used to cover previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

(v) Shares held for RSU schemes

On 1 March 2021, the Company appointed The Core Trust Company Limited (the "RSU Trustee") as the trustee to assist with the administration and vesting of RSUs granted pursuant to the RSU Scheme through the RSU Nominee, a wholly-owned subsidiary of the RSU Trustee. Further details of the RSU Scheme are set out in Note 26.

The RSU Nominee's activities are conducted on behalf of the Company to settle its obligation under the RSU Scheme and the Company also has the right to deal with the outstanding RSUs if the Company terminates the RSU Scheme. The directors are of the view that the RSU Nominee is controlled by the Company. Accordingly, the ordinary shares held by the RSU Nominee for RSU scheme are deducted from shareholders' equity on consolidation until the shares are vested unconditionally to the grantees.

(d) Dividends

In accordance with the resolution of the board of directors of the Company dated 10 May 2023, a dividend of RMB350,028,000 (RMB0.63 per ordinary share and RMB0.63 per preference share) was declared to Time Sonic Investments Limited, Partners Group Gourmet House Limited and Longjing Memory Limited by the Company out of share premium of RMB45,250,000 and retained profits of RMB304,778,000. The dividends were paid to the equity shareholders of the Company in June 2024.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group's overall strategy remains unchanged throughout the Relevant Periods. The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, as at 31 December 2022, 2023 and 2024 was 74%, 83% and 69%.

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and rental deposits. The Group's exposure to credit risk arising from cash and cash equivalents and financial assets at FVPL are limited because the counterparties are banks and financial institutions with high-credit-quality, for which the Group considers to have low credit risk.

The Group's trade receivables in connection with bills settled through payment platforms such as Unionpay, Alipay or WeChat Pay are with high credit rating and no past due history. Management of the Group considers these assets are short-term in nature and the probability of default is negligible on the basis of high-credit-rating issuers during the Relevant Periods, and accordingly, no provision for impairment of trade receivables is considered necessary by management for the Relevant Periods.

The Group has concentration of credit risk on amounts due from related parties as at the end of each reporting period with details set out in Note 30. Management has made periodic assessments as well as individual assessment on recoverability based on historical settlement records and adjusts for forward-looking information. In view of the strong financial capability of these related parties and considered the future prospects of the industry these related parties operate, management do not consider there is a risk of default and do not expect any losses from non-performance by these related parties, and accordingly, no impairment was recognised in respect of the amounts due from related parties.

In determining the ECL for rental deposits and other receivables, management of the Group has taken into account the historical default experience and forward-looking information, as appropriate. Management of the Group has assessed that other receivables have not had a significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, no provision for impairment of other receivables is considered necessary by management for the Relevant Periods.

The expected credit loss rate is insignificant and close to zero.

The Group does not provide any guarantees which would expose the Group to credit risk.

(b) Liquidity risk

In management of liquidity risk, the Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contracted rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

	31 December 2022 Contractual undiscounted cash outflow					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	331,862	–	–	–	331,862	331,862
Bank loans	31,188	–	–	–	31,188	31,000
Lease liabilities	211,954	165,183	350,874	178,632	906,643	787,792
Long-term payables	8,755	8,317	21,571	106,176	144,819	85,431
	583,759	173,500	372,445	284,808	1,414,512	1,236,085

	31 December 2023 Contractual undiscounted cash outflow					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	493,335	–	–	–	493,335	493,335
Bank loans	50,138	–	–	–	50,138	50,100
Dividend payable	350,028	–	–	–	350,028	350,028
Lease liabilities	246,885	175,160	380,786	194,841	997,672	873,552
Long-term payables	11,206	8,684	21,980	105,761	147,631	84,278
	1,151,592	183,844	402,766	300,602	2,038,804	1,851,293

	31 December 2024 Contractual undiscounted cash outflow					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	462,339	–	–	–	462,339	462,339
Lease liabilities	300,652	221,341	477,516	300,491	1,300,000	1,102,940
	762,991	221,341	477,516	300,491	1,762,339	1,565,279

(c) Interest rate risk

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end the Relevant Periods:

	Effective interest rate	**At 31 December 2022**
	%	*RMB'000*
Fixed rate borrowings		
– Bank loans	3.20%-3.90%	31,000
– Lease liabilities	4.35%-5.37%	787,792
– Long-term payables	4.35%-5.37%	85,431
		904,223

	Effective interest rate	At 31 December 2023
	%	*RMB'000*
Fixed rate borrowings		
– Bank loans	3.50%-3.85%	50,100
– Lease liabilities	3.50%-5.37%	873,552
– Long-term payables	3.83%-5.37%	84,278
		1,007,930

	Effective Interest rate	At 31 December 2024
	%	*RMB'000*
Fixed rate borrowings		
– Lease liabilities	3.50%-5.37%	1,102,940

The Group does not account for any fixed rate financial instruments at fair value through profit or loss. Therefore, a change in interest rate at the end of the reporting period would not affect profit or loss.

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative financial instruments held by the Group, such as cash and cash equivalents, at the end of the reporting period, the Group is not exposed to significant interest rate risk as the interest rates of cash at bank are not expected to change significantly.

Overall, the Group's exposure to interest rate risk is not significant.

(d) Currency risk

The Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than functional currencies of the respective entities comprising the Group are not significant.

(e) Fair value measurement

(i) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3: Fair value measured using significant unobservable inputs

	Fair value at 31 December 2022	Fair value measurements as at 31 December 2022 categorised into		
		Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets at FVPL:				
– wealth management products	40,000	–	–	40,000

	Fair value at 31 December 2023	Fair value measurements as at 31 December 2023 categorised into		
		Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets at FVPL:				
– wealth management products	120,192	–	–	120,192

	Fair value at 31 December 2024	Fair value measurements as at 31 December 2024 categorised into		
		Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets at FVPL:				
– wealth management products	25,022	–	–	25,022

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Wealth management products	Discounted cash flow *(Note)*	Discount rate

Note: The fair value of wealth management products are calculated by discounting the expected future cash flows. The fair value measurement is negatively correlated to discount rate. The discount rate is determined according to market expected return rate. As at 31 December 2022, 2023 and 2024, it is estimated that with all other variables held constant, an increase/decrease in fair value of wealth management products by 5% would have increased/decreased the Group's profit for the year by RMB1,605,000, RMB4,683,000 and RMB1,038,000.

(ii) Fair value of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair value as at 31 December 2022, 2023 and 2024.

29 COMMITMENTS

Capital commitments outstanding at each reporting date during the Relevant Periods not provided for in the consolidated financial statements were as follows:

	At 31 December 2022	At 31 December 2023	At 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Contracted for	25,011	15,932	34,150

30 MATERIAL RELATED PARTY TRANSACTIONS

The Group entered into the following material related party transactions.

(a) Name and relationship with related parties

Name of related party	Nature of relationship
Wang Qinsong and Lu Changmei 王勤松、路長梅夫婦	Controlling shareholders (the "Controlling Shareholders")
Hangzhou Greentea, Wuhan Greentea and Beijing Greentea *(note)*	Entities controlled by Wang Qinsong and Lu Changmei

Note: The Group acquired Hangzhou Greentea (including its non-wholly owned subsidiary Beijing Greentea) on 25 December 2024, as disclosed in Note 13(e). Since then Hangzhou Greentea and Beijing Greentea are not related parties of the Group.

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of highest paid employees as disclosed in Note 9, is as follows:

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Short-term employee benefits	3,687	5,836	7,190
Contributions to defined contribution scheme	48	60	134
Equity-settled share-based payment expenses	(192)	410	964
	3,543	6,306	8,288

(c) Related party transactions

During the Relevant Periods, the Group entered into the following material related party transactions:

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Acquisition in terms of Hangzhou Greentea and Beijing Greentea			
Wang Qinsong	–	–	21,278

(d) Balance with related parties

As at 31 December 2022, 2023 and 2024, the Group had the following balances with related parties in respect of entrusted management services as detailed in Note 13(e):

	At 31 December 2022	At 31 December 2023	At 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from/(to):			
Trade in nature			
Hangzhou Greentea	17,089	29,193	–
Beijing Greentea	2,802	(1,607)	–
Wuhan Greentea	4,407	1,357	–
	24,298	28,943	–

	At 31 December 2022	At 31 December 2023	At 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to:			
Trade in nature – long-term payables			
Hangzhou Greentea	76,399	77,036	–
Beijing Greentea	7,725	6,646	–
Wuhan Greentea	1,307	596	–
	85,431	84,278	–

Long-term payables to the above related parties arose from the acquisition of certain property, plant and equipment and right-of-use assets for the entrusted management operations.

31 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at the date of this report, the Directors consider the immediate parent of the Group to be Time Sonic Investments Limited and ultimate controlling party of the Group to be Wang Qinsong and Lu Changmei.

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE RELEVANT PERIODS

Up to the date of issue of Historical Financial Information, the IASB has issued a number of amendments, and new standard and interpretations, which are not yet effective for the Relevant Periods and which have not been adopted in the Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 21, *Lack of exchangeability*	1 January 2025
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19, *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	No mandatory effective date yet determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

33 SUBSEQUENT EVENTS

The Company intends to declare and distribute by December 2025 a special dividend (the "**Special Dividend**") in an amount of no less than RMB180 million to its shareholders (including its new shareholders after the listing of the Company's shares on the Stock Exchange) based on its distributable retained profits from the subsidiaries as of 31 December 2024 and share premium, upon the declaration of the Special Dividend. The Company will make announcements in due course after the listing of its shares on the Stock Exchange in respect of the declaration and payment of the Special Dividend. The Controlling Shareholders (including entities controlled by them) have undertaken to vote in favor of the shareholders' resolution for the declaration and payment of such Special Dividend.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 31 December 2024.

The following information does not form part of the Accountant's Report from KPMG, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I, and is included for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" and the Accountants' Report set out in Appendix I.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to equity shareholders of the Company as if the Global Offering had been completed on 31 December 2024. The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at 31 December 2024 or any future date.

	Consolidated net tangible assets of the Group attributable to equity shareholders of the Company as of 31 December 2024	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$7.19 per Share	767,678	737,036	1,504,714	2.23	2.40

Notes:

(1) The consolidated net tangible assets of the Group attributable to equity shareholders of the Company as at 31 December 2024 have been calculated based on the consolidated total equity of the Company as at 31 December 2024 of RMB770,733,000 less intangible assets of RMB3,055,000, extracted from the Accountants' Report set out in Appendix I to this Prospectus.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$7.19 per Share and the assumption that there are 117,854,800 newly issued Shares in the Global Offering, after deduction of the estimated underwriting commissions and other listing related expenses paid and payable by the Group (excluding the listing expenses charged to profit or loss up to 31 December 2024) and taking no account of any Shares which may fall to be issued upon the exercise of Over-allotment Option.

The estimated net proceeds of the Global Offering have been converted to Renminbi at the exchange rate of HK$1.0000 to RMB0.9295. No representation is made that the Hong Kong dollar amounts have been, could have been or could be converted into RMB, or vice versa, at that rate or at any other rates.

(3) The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company per Share is based on 673,454,800 Shares in issue immediately upon the completion of the Global Offerings, assuming that the Global Offering have been completed on 31 December 2024, and taking no account of any Shares which may fall to be issued upon the exercise of the Over-allotment Option.

(4) For illustrative purpose, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company per Share in RMB are converted to the Hong Kong dollar at the exchange rate of HK$1.00 to RMB0.9295. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at the rate or at any other rates or at all.

(5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2024. The Company intends to declare and distribute by December 2025 a special dividend (the "**Special Dividend**") in an amount of no less than RMB180 million to its shareholders (including its new shareholders after the listing of the Company's shares on the Stock Exchange) based on its distributable retained profits from the subsidiaries as of 31 December 2024 and share premium, upon the declaration of the Special Dividend. The Company will make announcements in due course after the listing of its shares on the Stock Exchange in respect of the declaration and payment of the Special Dividend. The Controlling Shareholders (including entities controlled by them) have undertaken to vote in favor of the shareholders' resolution for the declaration and payment of such Special Dividend. This effect has not been adjusted in the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company.

B. REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose of incorporation in this prospectus.

KPMG

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

To the Directors of Green Tea Group Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Green Tea Group Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 December 2024 and related notes as set out in Part A of Appendix II to the prospectus dated 8 May 2025 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Part A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Global Offering") on the Group's financial position as at 31 December 2024 as if the Global Offering had taken place at 31 December 2024. As part of this process, information about the Group's financial position as at 31 December 2024 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue. We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information. The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Opinion

In our opinion:

(a) the pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG
Certified Public Accountants
Hong Kong
8 May 2025

SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on June 4, 2015 under the Companies Act. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (the "**Memorandum**") and its Amended and Restated Articles of Association (the "**Articles**").

1. Memorandum of Association

(a) The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. Articles of Association

The Articles were adopted on April 30, 2025 with effect from the Listing Date. A summary of certain provisions of the Articles is set out below.

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Act, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall *mutatis mutandis* apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a member being a corporation, by its duly authorized representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the 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 cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; and (g) change the currency of denomination of its share capital.

(iv) Transfer of shares

Subject to the Companies Act and the requirements of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) Power of the Company to purchase its own shares

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, 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 (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

(b) Directors

(i) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the members before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by an ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

(aa) resigns;

(bb) dies;

(cc) is declared to be of unsound mind and the Board resolves that his office be vacated;

(dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(ee) is prohibited from being or ceases to be a director by operation of law;

(ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;

(gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Act, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by an ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Act, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Act to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board goes beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Financial assistance to purchase Shares

Subject to the Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to give, directly or indirectly, by means of a loan, a guarantee, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any Shares or warrants or other securities in the Company or any company which is a holding company of the Company.

(ix) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefit received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

(aa) the giving of any security or indemnity to the Director or his close associate(s) 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;

(bb) 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 his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any proposal concerning an offer of shares, 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 his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefit scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(ee) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(x) Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(c) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(d) Meetings of member

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised 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.

Under the Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution", by contrast, is 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 members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

(A) at least two members;

(B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote and the right to speak.

Where the Company has knowledge that 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.

(iii) Annual general meetings

The Company must hold an annual general meeting each financial year other than the financial year of the Company's adoption of the Articles. Such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the Listing Rules, if any) and shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint.

(iv) Requisition of general meetings

Extraordinary general meetings may be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

(v) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice 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, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or by advertisement in the newspapers or by electronic means or by publishing it on the Company's website and/or the website of the Stock Exchange. Any member whose registered address is outside Hong Kong may notify the Company in writing of (i) an address in Hong Kong which shall be deemed to be his registered address for this purpose or (ii) an electronic address for the purpose of service of notice. Subject to the Companies Act and the Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(vi) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vii) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(viii) Right to Speak

All members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

(e) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Companies Act (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to members who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those members that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The members may by an ordinary resolution appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the members in a general meeting by an ordinary resolution in such manner as the members may determine.

The members may, at a general meeting remove the auditor(s) by an ordinary resolution at any time before the expiration of the term of office of the auditor(s) and shall, by an ordinary resolution, at that meeting appoint new auditor(s) in place of the removed auditor(s) for the remainder of the term.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(f) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

(i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;

(ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and

(iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

(aa) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(bb) that the members 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 Board may think fit.

Upon the recommendation of the Board, the Company may by an ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(g) Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

(h) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(i) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if the Company is wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the surplus assets available for distribution among the members are insufficient to repay the whole of the paid-up capital, such assets shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(j) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. Cayman Islands Company Law

The Company was incorporated in the Cayman Islands as an exempted company on 4 June 2015 subject to the Companies Act. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Companies Act and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also 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 amount of its authorised share capital.

(b) Share capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the 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, the following:

(i) paying distributions or dividends to members;

(ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(iii) any manner provided in section 37 of the Companies Act;

(iv) writing-off the preliminary expenses of the company; and

(v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, 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.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised 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 member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, 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 issued shares of the company other than shares held as treasury shares. In addition, 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.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of Foss v. Harbottle and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court 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 the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, 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.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it and (iii) its assets and liabilities.

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.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Act (2018 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Financial Secretary that:

(i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Company or its operations; and

(ii) no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

(aa) on or in respect of the shares, debentures or other obligations of the Company; or

(bb) 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 (2018 Revision).

The undertaking for the Company is for a period of 30 years from November 1, 2021.

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 for certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right 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.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in 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. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

(q) Reconstructions

Reconstructions and amalgamations may be approved by a (i) 75% in value of the members or class of members or (ii) a majority in number representing 75% in value of the creditors or class of creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are 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 member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) 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 that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the 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 members.

(s) 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, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. General

Appleby, the Company's legal adviser on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Companies Act, is available on display as referred to in the paragraph headed "Documents 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 is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was incorporated in the Cayman Islands under Companies Act as an exempted company with limited liability on June 4, 2015. We have established a principal place of business in Hong Kong SAR at Room 1918, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong SAR and have been registered with the Registrar of Companies in Hong Kong SAR as a non-Hong Kong company under Part 16 of the Companies Ordinance. Ms. Lai Siu Kuen has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong SAR.

As our Company was incorporated in the Cayman Islands, our corporate structure and Memorandum and Articles of Association are subject to the relevant laws and regulations of the Cayman Islands. A summary of the relevant laws and regulations of the Cayman Islands and of the Memorandum and Articles of Association is set out in "Summary of the Constitution of Our Company and Cayman Islands Company Law" in Appendix III to this prospectus.

2. Changes in the Share Capital of Our Company

As of the date of incorporation of our Company, our Company had an authorized share capital of US$50,000, divided into 50,000 ordinary shares of US$1.00 each.

The following changes in the share capital of our Company have taken place within two years immediately preceding the date of this prospectus:

- Immediately after the Underwriting Agreements becoming unconditional and in any event before the Listing, as part of the Preferred Shares Conversion, the authorized share capital of our Company will be increased by creation of 156,650,000 ordinary Shares with a par value of US$0.00002 each, and the authorized share capital of the Company shall comprise 2,500,000,000 Shares with a par value of US$0.00002 each and 156,650,000 Series-A Preferred Shares with a par value of US$0.00002 each. On the same date, our Company shall repurchase 156,650,000 Series-A Preferred Shares (the "**Repurchased Shares**") of a nominal or par value of US$0.00002 each, and issue and allot 156,650,000 ordinary shares with a par value of US$0.00002 to Partners Gourmet, both repurchase and allotment were at par value. Accordingly, after the above allotment, the issued share capital of our Company shall comprise 555,600,000 ordinary shares of US$0.00002 each and the Repurchased Shares will be immediately cancelled. After the above steps are completed as part of Preferred Shares Conversion, the authorized but unissued Series-A Preferred Shares of our Company shall be cancelled, and the authorized share capital of our Company will comprise 2,500,000,000 ordinary shares of par value of US$0.00002 each.

Immediately following the completion of the Global Offering but without taking into account any Shares which may be issued upon the exercise of the Over-allotment Option, the issued share capital of our Company will be US$13,469, divided into 673,454,800 Shares of US$0.00002 each, all fully paid or credited as fully paid and 1,826,545,200 Shares of US$0.00002 each will remain unissued.

Save as disclosed above and in this prospectus, there has been no alteration in the share capital of our Company since within two years immediately preceding the date of this prospectus.

3. Resolutions in Writing of the Shareholders of Our Company Passed on April 30, 2025

Pursuant to the written resolutions passed by the Shareholders on April 30, 2025:

(a) immediately after the Underwriting Agreements becoming unconditional and in any event before the Listing: (i) the authorized share capital of our Company be increased by the creation of 156,650,000 ordinary shares with a par value of US$0.00002 which will, upon issue and being fully paid rank *pari passu* in all respects with the Shares of our Company in issue, so that the authorized share capital of our Company shall comprise 2,500,000,000 ordinary shares with a par value of US$0.00002 each and 156,650,000 Series-A Preferred Shares with a par value of US$0.00002 each; (ii) following the increase in authorized share capital, to repurchase 156,650,000 Series-A Preferred Shares of our Company of a nominal or par value of US$0.00002 each (the "**Repurchase**") in our Company at par value and the repurchase price shall be set-off against and funded out of the Subscription Price (as defined below) payable by Shareholders in connection to the Allotment of Relevant Shares (as defined below); (iii) upon completion of the Repurchase, to issue and allot 156,650,000 ordinary Shares (the "**Relevant Shares**") with a par value of US$0.00002 in the share capital of our Company on a one to one basis (the "**Allotment of Relevant Shares**") at par value of US$0.00002 per share (the "**Subscription Price**") to Partners Gourmet, such that after the Allotment of the Relevant Shares, the issued share capital of our Company comprises 555,600,000 ordinary shares of US$0.00002 each and the Repurchased Shares were immediately cancelled; (iv) subsequently, after the above steps were completed as part of Preferred Shares Conversion, the authorized but unissued Series-A Preferred Shares of our Company be cancelled so that the authorized share capital of our Company comprises 2,500,000,000 Shares of par value of US$0.00002 each (the "**Preferred Shares Conversion**");

(b) our Company adopted the Memorandum of Association and the Articles of Association with effect from the Listing Date; and

(c) conditional on (1) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, (2) the Offer Price being fixed on the Price Determination Date and (3) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:

(i) the Global Offering was approved and the Directors were authorized to allot and issue the new Shares pursuant to the Global Offering;

(ii) the granting of the Over-allotment Option was approved;

(iii) the proposed Listing was approved and the Directors were authorized to implement the Listing;

(iv) a general unconditional mandate was granted to the Directors to allot, issue and deal with Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that the aggregate nominal value of Shares allotted or agreed to be allotted by the Directors other than pursuant to (a) a rights issue, (b) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association, (c) the exercise of any subscription or conversion rights attaching to any warrants or securities which are convertible into Shares or in issue prior to the date of passing the relevant resolution or (d) a specific authority granted by the Shareholders in general meeting, shall not exceed the aggregate of (1) 20% of the total nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering (but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and (2) the total nominal value of the share capital of our Company repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in paragraph (v) below, such mandate to remain in effect during the period from the passing of the resolution until the earliest of the conclusion of our next annual general meeting, the end of the period within which we are required by any applicable law or the Articles of Association to hold our next annual general meeting and the date on which the resolution is varied or revoked by an ordinary resolution of the Shareholders in general meeting (the "**Applicable Period**");

(v) a general unconditional mandate was granted to the Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose Shares with a total nominal value of not more than 10% of the total nominal value of the share capital of our Company in issue immediately following completion of the Global Offering (but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option), such mandate to remain in effect during the Applicable Period; and

(vi) the general unconditional mandate mentioned in paragraph (iv) above be extended by the addition to the aggregate nominal amount of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (v) above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the Company's share capital in issue immediately following completion of the Global Offering.

4. Our Corporate Reorganization

The companies comprising the Group underwent the Reorganization in preparation for the Listing. Please see section headed "History, Reorganization and Corporate Structure" for further details.

5. Changes in the Share Capital of Our Subsidiaries

Our subsidiaries which principally affected the results, assets or liabilities of the Group are referred to in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

The following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this prospectus.

Zhangjiagang Anyou Food & Beverage Management Company Limited (張家港安優餐飲管理有限公司)

On January 6, 2023, the registered capital of Zhangjiagang Anyou Food & Beverage Management Company Limited was increased from RMB500,000 to RMB2,000,000.

Tibet Green Tea F&B

On February 27, 2023, the registered capital of Tibet Green Tea F&B was increased from RMB20,000,000 to RMB20,408,200.

Tibet Green Tea Enterprise

On January 24, 2024, the registered capital of Tibet Green Tea Enterprise was increased from RMB5,000,000 to RMB5,500,000.

Yangzhou Xinhuan Food & Beverage Management Company Limited (揚州新寰餐飲管理有限公司)

On October 18, 2024, the registered capital of Yangzhou Xinhuan Food & Beverage Management Company Limited was increased from RMB200,000 to RMB500,000.

Save as disclosed above, there has been no alterations in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

6. Repurchases of Our Own Securities

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders' Approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the 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 then Shareholders on April 30, 2025, a general unconditional mandate (the "**Repurchase Mandate**") was given to the Directors authorizing any repurchase by our Company of Shares on the Stock Exchange or on any other stock exchange on which the securities may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of not more than 10% of the aggregate nominal value of our Company's share capital in issue immediately following the completion of the Global Offering (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option), such mandate to expire at the conclusion of our next annual general meeting, the date by which our next annual general meeting is required by the Companies Act or by our Articles of Association or any other applicable laws of the Cayman Islands to be held or when revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever first occurs.

(ii) 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 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.

(iii) Status of Repurchased Shares

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

(iv) Suspension of Repurchase

A listed company may not make any repurchase of securities at any time after inside information has come to its knowledge until the 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.

(v) 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 business day. In addition, a listed company's 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.

(vi) Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their associates and a connected person is prohibited from knowingly selling his securities to the company.

(b) Reasons for Repurchases

The Directors believe that the ability to repurchase Shares is in the interests of our Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. The Directors sought the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

(c) Funding of Repurchases

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and the Articles of Association of our Company and the Listing Rules and the applicable laws of the Cayman Islands.

A listed company may not repurchase 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. Any repurchases of Shares by our Company must be made out of the profits of our Company, the credit standing to the share premium account of our Company or out of a fresh issue of Shares made for the purpose of the repurchase or, subject to the Companies Act, out of capital. Any premium payable on a repurchase must be provided for, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, subject to the Companies Act, out of capital.

There could be a material adverse impact on the working capital and/or gearing position of our Company (as compared with the position disclosed in this prospectus) in the event that the repurchase mandate were to be carried out in full at any time during the share repurchase period. However, the Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for our Company.

(d) General

The exercise in full of the repurchase mandate, on the basis of 673,454,800 Shares in issue immediately following the completion of the Global Offering and assuming the Over-allotment Option is not exercised, could accordingly result in up to approximately 67,345,480 Shares being repurchased by our Company during the period prior to:

(i) the conclusion of our next annual general meeting; or

(ii) the end of the period within which we are required by any applicable law or our Articles of Association to hold our next annual general meeting; or

(iii) the date when the repurchase mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting,

whichever is the earliest.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company.

The 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.

No connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the repurchase mandate is exercised.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a Shareholder or a group of Shareholders acting in concert 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, the 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 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or its subsidiaries within the two years preceding the date of this prospectus and are or may be material:

(a) the Hong Kong Underwriting Agreement;

(b) the Deed of Indemnity;

(c) the cornerstone investment agreement dated May 1, 2025 entered into between our Company, Wuxi Zixian Food Co., Ltd (無錫紫鮮食品有限公司) ("**Wuxi Zixian**"), Citigroup Global Markets Asia Limited, Citigroup Global Markets Limited and CMB International Capital Limited, pursuant to which, Wuxi Zixian has agreed to subscribe for the number of Offer Shares at the final Offer Price in the amount of HK dollars equivalent to US$35,000,000;

(d) the cornerstone investment agreement dated May 6, 2025 entered into between our Company, Anji Liangshan Rural Revitalization Equity Investment Partnership (Limited Partnership) (安吉兩山鄉村振興股權投資合夥企業(有限合夥)) ("**Anji Liangshan**"), Citigroup Global Markets Asia Limited, Citigroup Global Markets Limited and CMB International Capital Limited, pursuant to which, Anji Liangshan has agreed to subscribe for the number of Offer Shares at the final Offer Price in the amount of HK dollars equivalent to US$13,000,000;

(e) the cornerstone investment agreement dated May 3, 2025 entered into between our Company, Action Chain International Limited ("**Action Chain**"), Citigroup Global Markets Asia Limited, Citigroup Global Markets Limited and CMB International Capital Limited, pursuant to which Action Chain has agreed to subscribe for the number of Offer Shares at the final Offer Price in the amount of HK dollars equivalent to US$13,000,000;

(f) the cornerstone investment agreement dated May 1, 2025 entered into between our Company, Chia Tai Food Investment Company Limited (正大食品投資有限公司) ("**Chia Tai**"), Citigroup Global Markets Asia Limited, Citigroup Global Markets Limited and CMB International Capital Limited, pursuant to which Chia Tai has agreed to subscribe for the number of Offer Shares at the final Offer Price in the amount of HK$55,000,000;

(g) the cornerstone investment agreement dated May 2, 2025 entered into between our Company, Sino Top Trading Limited (華置貿易有限公司) ("**Sino Top**"), Citigroup Global Markets Asia Limited, Citigroup Global Markets Limited and CMB International Capital Limited, pursuant to which Sino Top has agreed to subscribe for the number of Offer Shares at the final Offer Price in the amount of HK dollars equivalent to RMB45,000,000;

(h) the cornerstone investment agreement dated May 1, 2025 entered into between our Company, Wuxi Hexiang Food Co., Ltd. (無錫合翔食品有限公司) ("**Wuxi Hexiang**"), Citigroup Global Markets Asia Limited, Citigroup Global Markets Limited and CMB International Capital Limited, pursuant to which Wuxi Hexiang has agreed to subscribe for the number of Offer Shares at the final Offer Price in the amount of HK dollars equivalent to US$5,000,000;

(i) the cornerstone investment agreement dated May 1, 2025 entered into between our Company, Wuxi Lvlian Food Co., Ltd. (無錫綠聯食品有限公司) ("**Wuxi Lvlian**"), Citigroup Global Markets Asia Limited, Citigroup Global Markets Limited and CMB International Capital Limited, pursuant to which Wuxi Lvlian has agreed to subscribe for the number of Offer Shares at the final Offer Price in the amount of HK dollars equivalent to US$5,000,000; and

(j) the cornerstone investment agreement dated May 1, 2025 entered into between our Company, Wuxi Qinyu Food Co., Ltd. (無錫琴雨食品有限公司) ("**Wuxi Qinyu**"), Citigroup Global Markets Asia Limited, Citigroup Global Markets Limited and CMB International Capital Limited, pursuant to which Wuxi Qinyu has agreed to subscribe for the number of Offer Shares at the final Offer Price in the amount of HK dollars equivalent to US$3,000,000.

2. Intellectual Property Rights of the Group

As of the Latest Practicable Date, we have registered or have applied for the registration of the following intellectual property rights which are material in relation to our business.

(a) Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which are material to our business:

No.	Trademark	Type and class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
1.	绿茶	43	Tibet Green Tea F&B	PRC	30679284	February 7, 2020	February 6, 2030
2.	绿茶·湖上船宴	43	Tibet Green Tea F&B	PRC	30988282	January 14, 2020	January 13, 2030
3.	绿茶船宴	43	Tibet Green Tea F&B	PRC	31116813	December 7, 2019	December 6, 2029
4.	绿茶·江上船宴	43	Tibet Green Tea F&B	PRC	30977050	November 28, 2019	November 27, 2029
5.	绿茶·溪上船宴	43	Tibet Green Tea F&B	PRC	30977063	November 28, 2019	November 27, 2029
6.	绿茶·西溪船宴	43	Tibet Green Tea F&B	PRC	30983003	November 28, 2019	November 27, 2029
7.	绿茶·富春江船宴	43	Tibet Green Tea F&B	PRC	30979271	October 7, 2019	October 6, 2029
8.	绿茶·运河船宴	43	Tibet Green Tea F&B	PRC	30982222	September 28, 2019	September 27, 2029
9.	龙井·船宴	43	Tibet Green Tea F&B	PRC	31551193	June 14, 2019	June 13, 2029
10.	绿茶江南船宴	43	Tibet Green Tea F&B	PRC	31121087	May 21, 2019	May 20, 2029
11.	绿茶·珑璟	43	Tibet Green Tea F&B	PRC	31563538	April 14, 2019	April 13, 2029
12.	绿茶 西湖船宴	43	Tibet Green Tea F&B	PRC	30765386	February 28, 2019	February 27, 2029
13.	綠茶	21	Tibet Green Tea F&B	PRC	21571199	February 7, 2018	February 6, 2028

No.	Trademark	Type and class	Registered owner	Place of registration	Registration number	Registration date	Expiry date
14.	綠茶	35	Tibet Green Tea F&B	PRC	17578433	October 7, 2017	October 6, 2027
15.	綠茶	35	Tibet Green Tea F&B	PRC	16650872	May 7, 2017	May 6, 2027
16.	绿茶妙会	43	Tibet Green Tea F&B	PRC	56773987	December 21, 2021	December 20, 2031
17.	绿茶妙会	35	Tibet Green Tea F&B	PRC	56773987	December 21, 2021	December 20, 2031
18.	妙会	35, 43	Tibet Green Tea F&B	PRC	62649282	October 7, 2022	October 6, 2032
19.	绿茶妙会	30	Tibet Green Tea F&B	PRC	62630536	June 7, 2023	June 6, 2033

(b) Domain Names

As of the Latest Practicable Date, we do not have any domain names which we consider to be material or may be material to our business.

(c) Patents

As of the Latest Practicable Date, we do not have any registered patents which we consider to be material or may be material to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests of the Directors and the chief executive officer of our Company

Immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the interests or short positions of the Directors and chief executive of our Company in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were 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 in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed, will be as follows:

(i) Interest in our Company

		Immediately following the completion of the Global Offering	
Name of Director	**Nature of interest**	**Number of Shares held**	**Approximate percentage of shareholding interest[1]**
Mr. Wang[2]	Founder of a discretionary trust	365,600,000	54.29%
Ms. Lu[2]	Founder of a discretionary trust	365,600,000	54.29%
Ms. Yu Liying[3]	Beneficial owner	2,083,500	0.31%
Mr. Wang Jiawei[4]	Beneficial owner	894,516	0.13%

Notes:

(1) The calculation is based on the total number of Shares in issue immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised).

(2) Time Sonic is owned as to (i) 99.9% by Absolute Smart Ventures, the holding vehicle used by Vistra Trust, the trustee of Green Tea Family Trust, which is a discretionary trust established by Mr. Wang and Ms. Lu as the settlors and protectors and Yielding Sky (wholly-owned by Mr. Wang) and Contemporary Global Investments (wholly-owned by Ms. Lu) as the beneficiaries; (ii) 0.049% by Yielding Sky, which is wholly owned by Mr. Wang; and (iii) 0.051% by Contemporary Global Investments, which is wholly owned by Ms. Lu. Accordingly, each of Yielding Sky, Contemporary Global Investments, Mr. Wang and Ms. Lu is deemed to be interested in all the Shares held by Time Sonic.

(3) Ms. Yu Liying is interested in 2,083,500 underlying Shares relating to the RSU granted to her pursuant to the RSU Scheme.

(4) Mr. Wang Jiawei is interested in 894,516 underlying Shares relating to the RSU granted to him pursuant to the RSU Scheme.

(b) Interests of the Substantial Shareholders

Save as disclosed in "Substantial Shareholders", immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, our Directors or chief executive are not aware of any other person (other than a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying

Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other Member of the Group:

(c) Interests in other members of the Group

So far as our Directors are aware, as at the Latest Practicable Date, no other persons (excluding us) are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other Member of the Group.

2. Directors' Service Contracts

Each of our executive Directors has entered into a service contract with our Company on April 30, 2025, and we have issued letters of appointment to each of our independent non-executive Directors. The service contracts with each of our executive Directors are for an initial fixed term of three years commencing from April 30, 2025. The letters of appointment with each of our independent non-executive Directors are for an initial fixed term of three years. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable Listing Rules.

Save as disclosed above, none of our Directors has entered, or has proposed to enter, a service contract with any Member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

3. Directors' Remuneration

The aggregate remuneration (including fees, salaries, allowances and other benefits, discretionary bonuses and retirement scheme contributions) paid to the Directors for the three years ended December 31, 2022, 2023 and 2024 were approximately RMB1.6 million, RMB3.2 million and RMB4.5 million, respectively.

Our independent non-executive Directors have been appointed for a term of three years. The Company intends to pay a director's fee of HK$300,000, per annum to each of the independent non-executive Directors, respectively. Save for the director's fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding his office as an independent non-executive Director.

Under the arrangements currently in force, the aggregate amount of remuneration, excluding discretionary bonuses, payable by our Group to our Directors for the year ending December 31, 2025 is estimated to be approximately RMB5.7 million.

There was no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three financial years immediately preceding the issue of this prospectus.

Further details of the terms of the above service contracts are set forth in the paragraph headed "– C. Further Information About Our Directors and Substantial Shareholders – 2. Director's Service Contracts".

4. Directors' Competing Interests

None of our Directors are interested in any business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the business of the Group.

5. Disclaimers

(a) Save as disclosed in the section headed "Substantial Shareholders" and in the paragraph headed "– 1. Disclosure of Interests – (a) Interests of the Directors and the Chief Executive of Our Company" above, none of the Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to our Company and the Stock Exchange, once the Shares are listed on the Stock Exchange;

(b) save as disclosed in the sections headed "History, Reorganization and Corporate Structure" and "Substantial Shareholders", as well as the paragraph headed "– 1. Disclosure of Interest – (b) Interests of the Substantial Shareholders" above, so far as is known to any Director or chief executive of our Company, no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other Member of the Group;

(c) save in connection with the Underwriting Agreements, none of the Directors nor any of the persons listed in "– E. Other Information – 5. Qualification of Experts" below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, 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;

(d) save in connection with the Underwriting Agreements, none of the Directors nor any of the persons listed in "– E. Other Information – 5. Qualification of Experts" below is materially interested in any contract or arrangement with the Group subsisting at the date of this prospectus which is unusual in its nature or conditions or which is significant in relation to the business of the Group as a whole;

(e) save in connection with the Underwriting Agreements, none of the persons listed in "– E. Other Information – 5. Qualification of Experts" below has any shareholding in any Member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any Member of the Group;

(f) none of the Directors has entered or has proposed to enter into any service agreements with our Company or any Member of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and

(g) save as contemplated under the Underwriting Agreements, none of our Directors, their respective associates (as defined under the Listing Rules), or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in our Company's five largest customers and five largest suppliers in each year during the Track Record Period.

D. SHARE INCENTIVE SCHEME

RSU Scheme

The following is a summary of the principal terms of the RSU Scheme approved and adopted by our Board on February 28, 2020, which was further amended and approved on May 20, 2022 and April 30, 2025, respectively. The terms of the RSU Scheme constitutes a share scheme funded by existing Shares under Chapter 17 of the Listing Rules (including the amendments thereto which has taken effect on January 1, 2023). Our Company will comply with Chapter 14A of the Listing Rules and other applicable rules under the Listing Rules.

(a) Purpose of the RSU Scheme

The purpose of the RSU Scheme is to incentivize our Directors, senior management and employees for their contribution to our Group and to attract and retain skilled and experienced personnel to enhance the development of our Group.

(b) RSUs

A RSU gives a participant in the RSU Scheme (the "**RSU Participant**") a conditional right when the RSU vests to obtain Shares, less any tax, stamp duty and other charges applicable, as determined by our Board in its absolute discretion. Each RSU represents one underlying Share.

(c) Participants in the RSU Scheme

Persons eligible to receive RSUs under the RSU Scheme are selected by our Board from existing employees, directors, or officers of the Company or any of its subsidiaries (collectively, the "**RSU Eligible Persons**"). The basis of eligibility of any selected person for the grant of RSUs shall be determined by the Board from time to time on the basis of their contribution to the development and growth of our Group or such other factors as our Board may deem appropriate.

(d) Terms of the RSU Scheme

The RSU Scheme shall be valid and effective for a period of ten (10) years, commencing on the date of the first grant of the RSUs (the "**RSU Scheme Period**").

(e) Making an offer

An offer to grant a RSU will be made to a RSU Eligible Person selected by our Board ("**RSU Selected Person**") by a letter, in such form as our Board may determine ("**RSU Grant Letter**").

The RSU Grant Letter shall specify (i) the RSU Selected Person's name, (ii) the type of RSUs granted, (iii) the number of underlying Shares represented by the RSUs or the percentage of the issued share capital of the Company prior to the completion of IPO represented by such RSUs, (iv) the vesting criteria, conditions and vesting schedule (if any), (v) the exercise price of the RSUs and the way to exercise RSUs (where applicable); (vi) the lapse of RSUs and (vii) such other terms and conditions as our Board shall determine and are not inconsistent with the RSU Scheme. The RSU Grant Letter shall serve as evidence of the grant of the RSUs and no further certificate shall be issued to the RSU Selected Person.

(f) Acceptance of an offer

A RSU Selected Person may accept an offer of the grant of RSUs in such manner as set out in the RSU Grant Letter. Once accepted, the RSUs are deemed granted from the date of the RSU Grant Letter ("**RSU Grant Date**"). Upon acceptance, the RSU Selected Person becomes a RSU Participant in the RSU Scheme.

(g) Restrictions on grants

Our Board may not grant any RSUs to any RSU Selected Persons in any of the following circumstances:

(i) the securities laws or regulations require that a prospectus or other offering document be issued in respect of the grant of the RSUs or in respect of the RSU Scheme, unless our Board determines otherwise;

(ii) where granting the RSUs would result in a breach by the Company, its subsidiaries or any of their directors of any applicable securities laws, rules or regulations; or

(iii) where such grant of RSUs would result in breach of the limits of the RSU Scheme (as set out in paragraph (h) below).

(h) Maximum number of RSUs

The maximum number of RSUs that may be granted under the RSU Scheme in aggregate (excluding RSUs that have lapsed or been canceled in accordance with the rules of the RSU Scheme) shall not be more than 10% of the Company's existing share capital as at the date of listing of the Company.

(i) Rights attached to RSUs and Shares

A RSU Participant may not exercise voting rights in respect of the Shares underlying the RSUs prior to their exercise. Any Shares transferred to a RSU Participant in respect of any RSUs will be subject to all the provisions of the Articles and will rank *pari passu* with the fully paid Shares in issue on the date of the transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of transfer or, if that date falls on a day when the register of members of the Company closed, the first day of the reopening of the register of members.

(j) Assignment of RSUs

Unless otherwise approved by our Board, the RSUs granted pursuant to the RSU Scheme are personal to each RSU Participant, and are not assignable. RSU Participants are prohibited from selling, transferring, assigning, charging, mortgaging, hedging or creating any interest in favor of any other person over or in relation to any property held by the Trustee on trust for the RSU Participants, the RSUs or any interest or benefits therein, unless otherwise approved by our Board.

(k) Vesting of RSUs

The vesting of the RSUs may be subject to criteria, conditions and the time schedule when the RSUs will vest and such criteria, conditions and time schedule shall be stated in the RSU Grant Letter.

Within a reasonable time after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, our Board shall send a vesting notice ("**Vesting Notice**") to each of the relevant RSU Participants. The Vesting Notice will confirm the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived. If the vesting conditions are not satisfied and no waiver of such condition is granted, the RSU shall be cancelled according to conditions as determined by the Board in its absolute discretion.

(l) Appointment of trustee

Our Company may appoint an independent professional trustee (the "**Trustee**") to assist with the administration and vesting of RSUs granted pursuant to the RSU Scheme and to hold Shares underlying the RSUs as applicable. Our Company may direct and procure the Trustee to receive existing Shares from any Shareholder of our Company or purchase existing Shares (either on-market or off-market) to satisfy the RSUs upon exercise. The Trustee holding unvested Shares of this Scheme, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. Our Company shall procure that sufficient funds are provided to the Trustee by whatever means as our Board may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration of the RSU Scheme.

(m) Exercise of RSUs

RSUs held by a RSU Participant that are vested as evidenced by the Vesting Notice may be exercised (in whole or in part) by the RSU Participant serving an exercise notice in writing to the Trustee and copied to our Company. Upon receipt of an exercise notice, our Board may decide at its absolute discretion to direct and procure the Trustee to, within a reasonable time, transfer the Shares underlying the RSUs exercised to the RSU Participant which our Company has allotted and issued to the Trustee as fully paid up Shares or which the Trustee has either acquired by purchasing existing Shares or by receiving existing Shares from any Shareholder of our Company, subject to the RSU Participant paying the exercise price (where applicable) and all tax, stamp duty, levies and charges applicable to such transfer to the Trustee or as the Trustee directs.

RSU Participants shall be responsible for conducting all necessary filings, registration or other administrative proceedings as required by applicable PRC laws, rules or regulations, including but not limited to foreign exchange registration, for their exercise of RSUs.

(n) Rights on a compromise or arrangement or winding-up

If a compromise or arrangement between our Company and our Shareholders or creditors is proposed in connection with a scheme for the reconstruction or winding-up of our Company or its amalgamation with any other company or companies and a notice is given by our Company to our Shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement and such Shareholders' approval is obtained, a RSU Participant's RSUs will vest immediately, even if the vesting period has not yet commenced, unless as otherwise determined by our Board.

(o) Lapse of RSUs

(i) Any unvested RSUs will automatically lapse immediately where:

a. the RSU Participant's employment or service terminates for any reason; or

b. the RSU Participant is involved in businesses that are competing with or similar to our Group during his or her employment period without prior approval from our Company; or

c. the company that the RSU Participant working for is no longer a subsidiary of our Group; or

d. the RSU Participant makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favor of any other person over or in relation to any unvested RSUs or any interests or benefits pursuant to the RSUs; or

e. the RSU Participant violates relevant rules under his/her respective local labor laws, or breaches the employment agreement or non-disclosure agreement with our Group.

(ii) If at any time, a RSU Participant:

a. ceases to be a RSU Eligible Person as a result of termination of his employment with our Group with Cause, including but not limited to conditions set forth in (o)(i); then all vested but not exercised RSUs and unvested RSUs shall automatically lapse and such RSU Participant shall have no claim whatsoever in respect of the RSUs or the underlying Shares, unless as otherwise determined by our Board.

b. ceases to be a RSU Eligible Person as a result of termination of his employment with our Group without Cause; then unvested RSUs shall automatically lapse and such RSU Participant shall have no claim whatsoever in respect of the RSUs or the underlying Shares, unless as otherwise determined by our Board. The RSU Participant shall have the right to retain the vested RSUs.

For the purpose of this paragraph (ii), "Cause" means the RSU Participant is in breach of his contract of employment.

(p) Cancelation of RSUs

Our Board may at its discretion cancel any RSUs that has not vested or lapsed, provided that:

(i) our Company or its Subsidiaries pay to the RSU Participant an amount equal to the fair value of the RSUs at the date of the cancelation as determined by our Board, after consultation with the auditors or an independent financial adviser appointed by our Board;

(ii) our Company or its relevant Subsidiary provides to the RSU Participant a replacement award of equivalent value to the RSUs to be cancelled; or

(iii) our Board makes any arrangement as the RSU Participant may agree in order to compensate him/her for the cancelation of the RSUs, or

(iv) the vesting conditions are not satisfied and no waiver of such condition is granted as prescribed in the paragraph (k).

(q) Reorganization of capital structure

In the event of any capitalization issue, rights issue, consolidation, sub-division or reduction of the share capital of our Company, our Board may, but is not obliged to, make such equitable adjustments, designed to protect the RSU Participants' interests, to the number of Shares underlying the outstanding RSUs or to the amount of the equivalent value, as it may deem appropriate at its absolute discretion.

(r) Amendment of the RSU Scheme

Save as provided in the RSU Scheme, our Board may alter any of the terms of the RSU Scheme at any time. Prior written notice of any amendment to the RSU Scheme shall be given to all RSU Participants before the amendment.

Any alterations to the terms and conditions of the RSU Scheme which are of a material nature or any changes to the terms of the RSUs granted which shall operate to affect materially adversely any subsisting rights of any RSU Participant shall be subject to the consent of the RSU Participants amounting to three-fourths in nominal value of all underlying RSUs or Shares so held by the RSU Participants on the date of the relevant resolution passed by our Board in approving the amendment of the RSU Scheme or the terms of the RSUs granted, when written consents by all RSU Participants to such alternations of the RSU Scheme shall also be procured. Our Board's determination as to whether any proposed alteration to the terms and conditions of the RSU Scheme or the terms of the RSUs granted (as the case may be) is material shall be conclusive.

(s) Termination of the RSU Scheme

Our board may terminate the RSU Scheme at any time before the expiry of the RSU Scheme Period. The provisions of the RSU Scheme shall remain in full force and effect in respect of RSUs which are granted (including those unvested and vested but not yet been exercised) pursuant to the rules of the RSU Scheme prior to the termination of the operation of the RSU Scheme. Our Company or our relevant subsidiary shall notify the Trustee and all RSU Participants of such termination and of how any property held by the Trustee on trust for the RSU Participants (including, but not limited to, any Shares held) and the outstanding RSUs shall be dealt with.

(t) Administration of the RSU Scheme

Subject to the Listing Rules, our Board has the power to administer the RSU Scheme, including the power to construe and interpret the rules of the RSU Scheme and the terms of the RSUs granted under it. Our Board may delegate the authority to administer the RSU Scheme to a director of our Board. Our Board may also appoint an independent third party contractors (including the Trustee) or designate any Director to assist in the administration of the RSU Scheme and delegate such powers and/or functions relating to the administration of the RSU Scheme as our Board thinks fit.

Our Board owns the final authority to all RSU Scheme related matters and the way to interpret relevant terms and conditions under the RSU Scheme.

(u) Outstanding RSUs granted

As of the Latest Practicable Date, RSUs in respect of an aggregate of 31,922,924 Shares, representing approximately 4.75% of the total issued share capital of the Company immediately following the completion of the Global Offering (without taking into account any Shares which may be issued upon the exercise of the Over-allotment Option) has been granted to 71 RSU Participants of which two of the RSU Participants are Directors and one RSU Participant is director of our subsidiaries. The grant and vesting of any RSUs which may be granted pursuant to the RSU Scheme will be in compliance with Rule 10.08 of the Listing Rules.

Details of the RSUs granted to the Directors and director of our subsidiaries are set out below:

Name	Position	Number of Shares underlying the RSUs	Approximately % of issued Shares immediately after completion of the Global Offering
Ms. Yu Liying	Director	2,083,500	0.31%
Mr. Wang Jiawei	Director	894,516	0.13%
Ms. Wang Dandan	director of subsidiaries	696,352	0.10%
Total		3,674,368	0.54%

Our Company will issue announcements according to applicable Listing Rules, disclosing particulars of any RSUs granted under the RSU Scheme, including the date of grant, number of Shares involved, the vesting period, the appointment and arrangement with the Trustee and comply with Chapter 14A and Chapter 17 of the Listing Rules. Details of the RSU Scheme, including particulars and movements of the RSUs granted during each fiscal year of our Company, and our employee costs arising from the grant of the RSUs will be disclosed in our annual report in accordance with the requirements under Chapter 17 of the Listing Rules as amended from time to time.

(v) Type of RSUs

There are three types of RSUs under the RSU Scheme:

	Consideration For Exercising RSUs *(RMB)*	**Vesting Period**
Type A	0.01	On the grant date
Type B and Type C (for the RSUs granted prior to December 31, 2020)	0.01	• First tranche (as to 25%) on February 28, 2021 • Second tranche (as to 25%) on February 28, 2022 or on the date starting from six months since the listing date, whichever is later (the "**Second Vesting Date**") • Third and fourth tranches (as to 25%) on each anniversary of the date starting from the Second Vesting Date
Type B and Type C (for the RSUs granted after December 31, 2020)	2.92	• First tranche (as to 25%) on February 28, 2021 or on the date starting from six months since the listing date, whichever is later (the "**First Vesting Date**") • Second, third and fourth tranches (as to 25%) on each anniversary of the date starting from the First Vesting Date

E. OTHER INFORMATION

1. Estate duty, tax and other indemnities

Mr. Wang and Ms. Lu have entered into a deed of indemnity in favor of the Company (for itself and as trustee for its subsidiaries) (being the contract referred to in the paragraph headed "– B. Further Information About our Business – 1. Summary of Material Contracts" in this Appendix) to provide indemnities on a joint and several basis in respect of, among other things,

(i) any tax liabilities (including estate duty under the Estate Duty Ordinance, Chapter 111 of the Laws of Hong Kong SAR) which might be payable by any of the Group's subsidiary or branch in respect of any income, profits or gains, transactions, events, acts, omissions, matters or things earned, accrued or received, entered into (or deemed to be so earned, accrued, received or entered into) or occurring on or before the Listing Date, save:

(a) to the extent that specific provision or reserve has been made for such taxation in the audited consolidated financial statements of the Group as set out in Appendix I to this prospectus (the "**Accounts**");

(b) to the extent that the liability for such taxation would not have arisen but for any act or omission of, or delay by, any Member of the Group after the Listing Date; and

(c) to the extent such loss arises or is incurred only as a result of a retrospective change in law or regulations or the interpretation or practice thereof by any relevant authority coming into force after the Listing Date.

(ii) any losses, liabilities or damages (to the extent that provisions, reserve or allowance has not been made for such fines, penalties, claims, costs, expenses or losses in the Accounts) suffered from any fines, penalties, claims, costs, expenses and losses (to the extent that provision, reserve or allowance has not been made for such fines, penalties, claims, costs, expenses or losses in the Accounts) incurred by any Member of the Group after the Listing Date resulting from any non-compliance incidents of any Member of the Group with applicable laws and regulations on or before the Listing Date.

The Deed of Indemnity shall become effective on the Listing Date and shall continue in full force and effect until it is terminated.

2. Litigation

As of the Latest Practicable Date, no Member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Group, that would have a material adverse effect on its business, financial condition or results of operations.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Global Offering (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option). All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Please refer to the section headed "Underwriting – Sponsors' Independence" for details regarding the independence of the Joint Sponsors.

The Joint Sponsors will receive a fee of US$1 million for acting as the sponsors for the Listing, which are still payable by the Company as of the Latest Practicable Date.

4. No Material Adverse Change

The Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since December 31, 2024 (being the date to which the latest audited consolidated financial statements of the Group were prepared).

5. Qualification of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in this prospectus:

Name	Qualification
Citigroup Global Markets Asia Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) of the regulated activities under the SFO
CMB International Capital Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO
KPMG	Certified Public Accountants and Public Interest Entity Auditor recognised in accordance with the Accounting and Financial Reporting Council Ordinance
Commerce & Finance Law Offices	Legal adviser to Company as to PRC law and PRC cybersecurity and data compliance matters
Appleby	Legal adviser to Company as to Cayman Islands law
China Insights Consultancy Limited	Industry Consultant

6. Consents of Experts

Each of the Joint Sponsors, KPMG, Commerce & Finance Law Offices, Appleby and China Insights Consultancy Limited has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests 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 our Company or any of our subsidiaries.

7. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

8. Preliminary Expenses

The preliminary expenses incurred by our Company were immaterial.

9. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, 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 insofar as applicable.

10. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong SAR).

11. Taxation of Holders of Shares

(a) Hong Kong SAR

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of members will be subject to stamp duty in Hong Kong SAR. The current rate charged on each of the purchaser and seller is 0.10% of the consideration of or, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong SAR. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for a grant of representation in respect of holders of Shares whose death occurs on or after February 11, 2006.

(b) Cayman Islands

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Potential investors in the Global Offering are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our Shares (or exercising rights attached to them). None of us, the Joint Sponsors, the Joint Global Coordinators or any other person or party involved in the Global Offering accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our Shares.

12. Miscellaneous

(a) Save as disclosed in the sections headed "History, Reorganization and Corporate Structure" and "Financial Information", as well as the section headed "Accountants' Report" in Appendix I to this prospectus, within the two years immediately preceding the date of this prospectus:

(i) neither we nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any Member of the Group;

(iv) no commission has been paid or payable (except commission to sub-underwriters) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of our Company or any of our subsidiaries;

(v) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued; and

(vi) there is no arrangement under which future dividends are waived or agreed to be waived.

(b) Save as disclosed in this Appendix, none of the persons named in the paragraph headed "– E. Other Information – 6. Consent of Experts" in this Appendix is interested beneficially or otherwise in any shares of any Member of the Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any Member of the Group;

(c) The register of members of the Company in Hong Kong SAR branch will be maintained in Hong Kong SAR by its Hong Kong Share Registrar, Tricor Investor Services Limited. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Company's share register in Hong Kong SAR and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS.

(d) Our Directors confirm that:

  (i) there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the 12 months immediately preceding the date of this prospectus; and

  (ii) our Company has no outstanding convertible debt securities or debentures.

(e) No company within our Group is presently listed on any stock exchange or traded on any trading system.

(f) The English version of this prospectus shall prevail over the Chinese version.

13. Particulars of the Selling Shareholder

The particulars of the Selling Shareholder are set out below:

Name:	Partners Group Gourmet House Limited
Description:	Investment Holding Company
Registered Office:	Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands
Number of Shares to be sold:	50,509,200 Sale Shares (together with, where relevant, up to an addition 15,152,400 Shares which may be sold pursuant to exercise of the Over-allotment Option)

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong SAR for registration were:

(a) a copy of each of the material contracts referred to in the section headed "Statutory and General Information – B. Further Information About Our Business – 1. Summary of Material Contracts" in Appendix IV to this prospectus;

(b) the written consents referred to in the section headed "Statutory and General Information – E. Other Information – 6. Consents of Experts" in Appendix IV to this prospectus; and

(c) a copy of the statement of particulars of the Selling Shareholder.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our Company at **www.china-greentea.com.cn** for 14 days from the date of this prospectus (both dates inclusive):

(a) the Memorandum and Articles of Association of our Company;

(b) the audited consolidated financial statements of the Group for the years ended December 31, 2022, 2023 and 2024;

(c) the Accountants' Report and the report on the unaudited pro forma financial information received from KPMG, the text of which are set out in Appendices I and II to this prospectus, respectively;

(d) the legal opinions issued by Commerce & Finance Law Offices, our PRC Legal Adviser, in respect of certain aspects of the Group and the property interests of the Group;

(e) the legal opinions issued by Commerce & Finance Law Offices, our PRC legal Adviser for PRC cybersecurity and data compliance matters, in respect of certain cybersecurity and data compliance matters in the PRC of our Group;

(f) the letter of advice prepared by Appleby, our legal adviser as to the Cayman Islands laws, summarizing certain aspects of the Cayman Islands company law referred to in Appendix III to this prospectus;

(g) the material contracts referred to in the section headed "Statutory and General Information – B. Further Information About Our Business – 1. Summary of Material Contracts" in Appendix IV to this prospectus;

(h) the written consents referred to in the section headed "Statutory and General Information – E. Other Information – 6. Consents of Experts" in Appendix IV to this prospectus;

(i) service contracts and letters of appointment referred to in the section headed "Statutory and General Information – C. Further Information about Our Directors and Substantial Shareholders – 2. Directors' Service Contracts" in Appendix IV to this prospectus;

(j) the rules of the RSU Scheme;

(k) the Companies Act;

(l) the Industry Report; and

(m) a copy of the statement of particulars (including name, registered address, and description) of the Selling Shareholder.

Green Tea Group Limited
綠茶集團有限公司