



溜溜梅股份有限公司

Liuliumei Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock code : 6658



GLOBAL OFFERING

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



IMPORTANT

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



Liuliumei Co., Ltd. 溜溜梅股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 11,464,100 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 1,146,500 H Shares (subject to reallocation)
Number of International Offer Shares	: 10,317,600 H Shares (subject to reallocation and the Over-allotment Option)
Offer Price	: HK\$43.58 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: RMB1.00 per H Share
Stock code	: 6658

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



CITIC SECURITIES



國元國際
GUOYUAN INTERNATIONAL

Joint Bookrunners and Joint Lead Managers



ZTSC 中泰國際



東吳證券(香港)
SOOCHOW SECURITIES (HONG KONG)



光銀國際
CEB INTERNATIONAL



華福國際
HUAFU INTERNATIONAL



東方證券 | 國際
—DFZQ—

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong 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 and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price per Offer Share will be HK\$43.58 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares may be required to pay (subject to application channels), on application, the Offer Price of HK\$43.58 for each Hong Kong Offer Share together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%.

The Overall Coordinators, on behalf of the Underwriters, and with our consent may, where considered appropriate, reduce the number of Hong Kong Offer Shares and/or the Offer Price below that is stated in this prospectus at any time 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 in the number of Hong Kong Offer Shares and/or the Offer Price will be published on the website of our Company at www.liuliumei.com and on the website of the 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 day which is the last day for lodging applications under the Hong Kong Public Offering. Such notices will also be available. Further details are set forth in "Structure 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 carefully consider all of the information set out in this prospectus, in particular, the risk factors set out in the section headed "Risk Factors." The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Grounds for Termination" of this prospectus.

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 be offered and sold only outside the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act.

ATTENTION

The Hong Kong Public Offering is being conducted in a fully electronic manner and no printed copies of this prospectus will be provided by the Company.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.liuliumei.com. If you require a printed copy of this prospectus, you may download and print from the website address above.

June 5, 2026

IMPORTANT

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. We will not provide printed copies of this prospectus in relation to the Hong Kong Public Offering.

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.liuliumei.com.

To apply for the Hong Kong Offer Shares, you may:

- (1) apply online via the **White Form eIPO** service at www.eipo.com.hk; or
- (2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary, broker or agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses stated above.

Please refer to the section headed “How to Apply for the Hong Kong Offer Shares” in this prospectus for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

IMPORTANT

Your application through the **White Form eIPO** service or the **HKSCC EIPO** service must be made for a minimum of 100 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below.

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

If you are applying through the White Form eIPO service, you may refer to the table below for the amount payable for the number of Hong Kong Offer 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, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application <i>HK\$</i>	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application <i>HK\$</i>
100	4,401.96	1,500	66,029.25	8,000	352,156.03	90,000	3,961,755.38
200	8,803.90	2,000	88,039.00	9,000	396,175.54	100,000	4,401,950.44
300	13,205.85	2,500	110,048.76	10,000	440,195.04	150,000	6,602,925.65
400	17,607.80	3,000	132,058.52	20,000	880,390.09	200,000	8,803,900.85
500	22,009.75	3,500	154,068.27	30,000	1,320,585.13	250,000	11,004,876.08
600	26,411.71	4,000	176,078.02	40,000	1,760,780.17	300,000	13,205,851.29
700	30,813.65	4,500	198,087.76	50,000	2,200,975.21	350,000	15,406,826.50
800	35,215.60	5,000	220,097.52	60,000	2,641,170.26	400,000	17,607,801.72
900	39,617.56	6,000	264,117.02	70,000	3,081,365.31	450,000	19,808,776.94
1,000	44,019.51	7,000	308,136.54	80,000	3,521,560.34	573,200 ⁽¹⁾	25,231,979.86

Notes:

- (1) Maximum number of Hong Kong Offer Share you may apply for.
- (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) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

EXPECTED TIMETABLE⁽¹⁾

If there is any change to the expected timetable of the Hong Kong Public Offering, we will issue an announcement to be published on the website of the Stock Exchange at www.hkexnews.hk and our website at www.liuliumei.com.

Hong Kong Public Offering commences 9:00 a.m. on
Friday, June 5, 2026

Latest time to complete applications under the
White Form eIPO service through the designated
website at www.eipo.com.hk ⁽²⁾ 11:30 a.m. on
Wednesday, June 10, 2026

Application lists open ⁽³⁾ 11:45 a.m. on
Wednesday, June 10, 2026

Latest time (a) to complete payment of **White Form eIPO**
applications by effecting internet banking transfer(s) or
PPS payment transfer(s) and (b) apply through the
HKSCC EIPO channel ⁽⁴⁾ 12:00 noon on
Wednesday, June 10, 2026

If you are instructing your broker or custodian who is a HKSCC Participant will submit electronic application instruction(s) on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

Application lists close ⁽³⁾ 12:00 noon on
Wednesday, June 10, 2026

Announcement of

- the level of indications of interest in the International Offering;
- the level of applications in the Hong Kong Public Offering; and
- the basis of allocation of the Hong Kong Offer Shares to be published on the website of the Stock Exchange at www.hkexnews.hk and our website at www.liuliumei.com ⁽⁵⁾ no later than 11:00 p.m. on
Friday, June 12, 2026

Results of allocations in the Hong Kong Public Offering
(with successful applicants' identification document numbers, where appropriate) to be made available through a variety of channels as described in the section headed "How to Apply for the Hong Kong Offer Shares — Publication of Results" including

- on the website of the Stock Exchange at www.hkexnews.hk and our website at www.liuliumei.com ⁽⁵⁾ respectively no later than 11:00 p.m. on
Friday, June 12, 2026

EXPECTED TIMETABLE⁽¹⁾

- on the designated results of allocation website at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment) with a “search by ID” function from 11:00 p.m. on Friday, June 12, 2026 to 12:00 midnight on Thursday, June 18, 2026
- from the allocation results telephone enquiry line by at +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Monday, June 15, 2026, Tuesday, June 16, 2026, Wednesday, June 17, 2026 and Thursday, June 18, 2026

Despatch of H Share certificates in respect of wholly or partially successful applications, or deposit of H Share certificate into CCASS, on or before⁽⁶⁾ Friday, June 12, 2026

Despatch of **White Form** e-Refund payment⁽⁷⁾ instructions and refund cheques on or before. Monday, June 15, 2026

Dealings in H Shares on the Stock Exchange expected to commence at 9:00 a.m. on Monday, June 15, 2026

Notes:

- (1) All dates and times refer to Hong Kong local time and dates unless otherwise stated.
- (2) You will not be permitted to submit your application through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for making applications. If you have already submitted your application and obtained an application reference number from the designated website 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 making applications, when the application lists close.
- (3) If there is/are Bad Weather Signal(s) (as defined in the section headed “How to Apply for the Hong Kong Offer Shares — Bad Weather Arrangements” in this prospectus) in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, June 10, 2026 the application lists will not open or close on that day. For further information, please refer to the section headed “How to Apply for the Hong Kong Offer Shares — Bad Weather Arrangements” in this prospectus.
- (4) If you apply for Hong Kong Offer Shares through **HKSCC EIPO** channel you should contact your broker or custodian for the latest time for giving such instructions which may be different from the latest time as stated above.
- (5) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (6) The H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be on or around Monday, June 15, 2026 provided that the Global Offering has become unconditional in all respects at or before that time. Investors who trade H Shares on the basis of publicly available allocation details before the receipt of H Share certificates or before the H Share certificates become valid evidence of title do so entirely at their own risk.
- (7) Applicants being individuals who are eligible for personal collection may not authorise any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation’s chop. Both individuals and authorised representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Any uncollected H Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants’ risk, to the addresses specified in the relevant applications.

EXPECTED TIMETABLE⁽¹⁾

White Form e-Refund payment instructions/refund cheques will be issued for the applicants who have applied through **White Form eIPO** service in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund cheques. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheques.

Applicants who have applied through **White Form eIPO** 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 **White Form e-Refund** payment instructions. Applicants who have applied through **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund cheque(s) 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 — Despatch/Collection of H Share Certificates and Refund of Application Monies".

The above expected timetable is a summary only. You should read carefully the sections headed "Underwriting", "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" for details relating to the structure of the Global Offering and the conditions and procedures for application for the Hong Kong Offer Shares.

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by our Company 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 subscribe for or buy any security other than the Hong Kong Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer to subscribe for or buy any security in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale 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 included in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors or advisors, or any other person or party involved in the Global Offering. Information contained on our website, located at www.liuliumei.com, does not form part of this prospectus.

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SUMMARY

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 in conjunction with, the full text of this prospectus. You should read the entire prospectus 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 out in “Risk Factors.” You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a fruit snack company focusing on the plum-based products. We also aspire to promote plum culture and to introduce snacking options with natural ingredients. Guided by our plum-centric product development strategy, we have built a diverse plum-based products portfolio ranging from classic products crafted with traditional techniques to products fused with complex flavors, catering to a wide range of taste profiles. Since the launch of our iconic brand Liuliumei (“溜溜梅”) in 2001, we have been dedicated to deepening our expertise in the plum-based products industry and unlocking the culinary potential of sour flavors within plums.

In 2024, we ranked first in China’s fruit snacks industry in terms of the retail sales value, with a market share of 4.9%, according to Frost & Sullivan. Since its launch in 2019, our plum jelly rapidly captured consumer bases, leveraging its natural and refreshing tastes. As a result, according to Frost & Sullivan, in 2024, we ranked sixth in China’s jelly industry in terms of retail sales value, representing a market share of 2.9%.

During the Track Record Period, we achieved strong growth. In 2023, 2024 and 2025, our total revenue amounted to RMB1,322.0 million, RMB1,616.0 million and RMB1,710.7 million, respectively. We also effectively managed our costs and enjoyed benefit from economies of scale, recording net profit of RMB99.2 million, RMB147.7 million and RMB182.1 million in 2023, 2024 and 2025, respectively.

OUR STRENGTHS

We believe the following competitive advantages have contributed to our success: (i) robust product development strategy and continuous R&D efforts; (ii) comprehensive sales network and diversified marketing campaigns; (iii) integrated supply chain; and (iv) experienced management team with entrepreneurship and market insights.

OUR GROWTH STRATEGIES

We will continue to pursue the following strategies: (i) Enrich our product offerings; (ii) Enhance our brand recognition; (iii) expanding our sales network, increasing consumer bases and exploring international markets; and (iv) optimizing our production capacity and supply chain.

OUR BRAND AND PRODUCTS

We offer three major product categories, namely, our dried plum snacks, prune-based products and plum jelly. For each category, we have launched different series encompassing both products crafted with traditional methods and products of complex flavors.

SUMMARY

The following table sets forth the breakdown of the sales volume and average selling price per kg of our major product categories for the years indicated:

		Year ended December 31,		
		2023	2024	2025
Dried plum snacks	kilotons	23.2	29.9	23.6
	RMB/kg	36.2	32.6	35.2
Prune-based products	kilotons	4.0	5.6	9.0
	RMB/kg	38.7	39.7	42.1
Plum jelly	kilotons	12.1	21.8	24.7
	RMB/kg	25.7	18.8	18.8

Note: the average selling price per kg is estimated through dividing the revenue of each product category by the sales volume.

OUR SALES CHANNELS

Our management and development of sales channels are vital to our business operation and future growth. The table below sets forth a breakdown of our revenue by sales channel for the years indicated:

		Year ended December 31,					
		2023		2024		2025	
		Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)							
Online self-operated stores		135,582	10.3	139,226	8.6	128,945	7.5
Supermarkets and membership stores ⁽¹⁾		170,919	12.9	266,914	16.5	402,554	23.5
Snack stores		133,827	10.1	550,813	34.1	648,451	38.0
Distributorship		881,714	66.7	659,065	40.8	530,781	31.0
Total		1,322,042	100.0	1,616,018	100.0	1,710,731	100.0

Note:

- (1) Supermarkets and membership stores primarily include national and regional supermarkets operating both online and offline, as well as membership stores with whom we began cooperation in late 2024. Our revenue attributable to membership stores accounted for 0.7% and 8.6% of our total revenue in 2024 and 2025, respectively.

During the Track Record Period, we strategically focus on developing membership stores and chain snack stores. Membership stores operate on a premium market positioning where customers pay a membership subscription fee for access. This model is characterized by value-per-unit pricing on larger packing sizes, which is underpinned by strict SKU management, private-label merchandise development, and robust supply-chain capabilities. In contrast, specialized snack stores focus on convenience and impromptu purchases. Their success relies on (i) a different operational strategy emphasizing wide choice of SKUs and diverse product specifications, competitive pricing, frequent product refreshes to capture evolving tastes and (ii) a network of compact, conveniently located stores that prioritize efficient merchandising and rapid replenishment. Revenue from supermarkets and membership stores increased by 56.2% from RMB170.9 million in 2023 to RMB266.9 million in 2024, and further increased by 50.8% to RMB402.6 million in 2025. This was primarily driven by (i) our introduction of premium products, such as Chilean pitted prunes, which were positioned to cater to mid-to-high-income customers; (ii) our rollout of differentiated packaging and tailored product offerings developed specifically for membership store consumers; and (iii) our commencement of business with certain prominent and fast-growing membership stores in late 2024.

SUMMARY

Revenue from snack stores increased by 311.7% from RMB133.8 million in 2023 to RMB550.8 million in 2024, and further increased by 17.7% to RMB648.5 million in 2025. This was primarily driven by (i) the continued expansion of large-scale snack store groups, which led to increased procurement volumes; (ii) our expanded presence and increased cooperation with leading nationwide snack store chains with leading nationwide snack store chains; (iii) our launch of customized product formats, such as family-sized packages and variety packs; and (iv) our implementation of co-branding initiatives and targeted marketing campaigns, as well as our enhanced use of digital marketing and live commerce platforms.

Revenue from distributorship decreased by 25.2% from RMB881.7 million in 2023 to RMB659.1 million in 2024, and further decreased by 19.5% to RMB530.8 million in 2025, primarily due to our strategic shift to focus on the sales to supermarkets, membership stores and snack stores.

The following table sets forth a breakdown of our gross profit and gross profit margin by sales channel for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	<i>(RMB in thousands, except percentages)</i>					
Online self-operated stores	68,050	50.2	65,420	47.0	53,545	41.5
Supermarkets and membership stores ⁽¹⁾	77,051	45.1	105,118	39.4	131,959	32.8
Snack stores	54,266	40.5	191,685	34.8	228,529	35.2
Distributorship	330,344	37.5	220,242	33.4	194,667	36.7
Total	529,711	40.1	582,465	36.0	608,700	35.6

Note:

- (1) Supermarkets and membership stores primarily include national and regional supermarkets operating both online and offline, as well as membership stores with whom we began cooperation in late 2024.

Our gross profit margin from supermarkets and membership stores declined from 45.1% in 2023 to 39.4% in 2024. Similarly, our gross profit margin from sales to snack stores decreased from 40.5% in 2023 to 34.8% in 2024, and our gross profit margins from sales to distributorship decreased from 37.5% to 33.4% during the same period. This decline is primarily due to our adoption of a pricing strategy that offers lower prices to these customers. Our gross profit margin from supermarkets and membership stores decreased from 39.4% in 2024 to 32.8% in 2025, mainly because we increased the sales of customized prune-based products for a membership store, which had lower profit margins. Our gross profit margin from sales to snack stores remained relatively stable at 34.8% in 2024 and 35.2% in 2025. Our gross profit margin from sales to online self-operated stores decreased from 47.0% in 2024 to 41.5% in 2025, primarily due to competitive pricing strategies to amplify our online platform presence and enhanced promotion for newly launched products, which lowered the prices of such products. Our gross profit margin from distributorship increased from 33.4% in 2024 to 36.7% in 2025, as we reduced the discounts for distributors when we enhanced collaborations with other channels.

OUR PRODUCTION

During the Track Record Period, our production plants mainly produced dried plum snacks, plum jelly and prune-based products. We also engage some third-party contractors, from time to time, to facilitate only certain preliminary processing phases of the production, such as the pickling phase for our dried plum snacks, thereby easing short-term pressure on production facilities during peak seasons.

SUMMARY

The following table sets forth the production capacity, production volume and utilization rate of our four production plants for finished products during the Track Record Period:

	Year ended December 31,								
	2023			2024			2025		
	Designed capacity	Actual production	Utilization rate (%)	Designed capacity	Actual production	Utilization rate (%)	Designed capacity	Actual production	Utilization rate (%)
	<i>(tons in thousands, except for percentages)</i>								
Anhui Plant	25.9	22.5	86.9	32.2	30.2	93.9	34.9	27.1	77.7
Plum Jelly Plant	10.3	7.3	70.8	23.6	18.8	79.8	26.6	21.3	80.0
Wuhu Plant	6.0	3.6	59.9	6.0	3.5	58.1	6.0	3.6	60.0
“Fiber Life” Natural Food Production Plant	—	—	—	3.5	1.8	51.8	8.0	4.7	58.8
Total	42.2	33.4	79.1	65.3	54.3	83.2	75.5	56.7	75.1

Notes:

- (1) The designed production capacity of the year is calculated based on the following assumptions: (i) All product lines are functioning in its full capacity; (ii) our production facilities operate 16 hours per day for most of our products; and (iii) we operate at every working day per year.
- (2) The utilization rate of our production plant during the year equals the actual production volume divided by the designed production capacity during the same year.
- (3) During the Track Record Period, Anhui Plant primarily produced dried plum products and prune-based products. The utilization rate of Anhui Plant decreased from 93.9% in 2024 to 77.7% in 2025, mainly because we increased our sales focus on plum jelly and prune-based products in response to market demand and consumer preferences, and adjusted our production schedule accordingly to prioritize these two product categories. As our Anhui Plant is principally configured for the production of dried plum snacks, this adjustment correspondingly resulted in a decrease in its production utilization rate.
- (4) During the Track Record Period, our Plum Jelly Plant mainly produced plum jelly products.
- (5) During the Track Record Period, our Wuhu Plant primarily produced dried plum products and other products.
- (6) During the Track Record Period, our “Fiber Life” Natural Food Production Plant primarily produced pitted prune-based products.

SUPPLY CHAIN MANAGEMENT

Our integrated supply chain spanning across raw material procurement, processing and production is key to our success. Our procurement team coordinates with our production team, preparing a procurement list based on the production team’s plans, annual budgets and market price for raw materials. Meanwhile, the procurement team is also responsible for purchasing bulk raw materials and strategic stockpile that are necessary to our production, planning and purchasing fundamental raw materials based on its analysis of the market.

OUR CUSTOMERS AND SUPPLIERS

Our major customers primarily comprise supermarkets, membership stores, snack stores and distributors. During the Track Record Period, revenue from our five largest customers in each year accounted for 14.2%, 33.1% and 45.8% of our total revenue for the respective year. The increase in revenue generated from our five largest customers in each year during the Track Record Period was primarily attributable to our strengthened cooperation with fast-expanding national snack stores. During the Track Record Period, revenue from our largest customer in each year accounted for 3.4%, 14.1% and 16.4% of our total revenue for the respective year. Our largest customer in 2023 is a leading nationwide chain supermarket, which offers comprehensive range of groceries, food and household items. Our largest customers in 2024 and 2025, Customer B and Customer C, were nationwide chain snack stores. Customer B operates over 14,000 snack stores covering 28 provinces and all city tiers in China, and Customer C operates about 18,300 snack stores in all major provinces and cities in China.

SUMMARY

Our major suppliers primarily comprise raw material suppliers, production equipment suppliers, and packaging material suppliers. During the Track Record Period, purchase amount from our five largest suppliers in each year accounted for 16.9%, 14.5% and 14.7% of our total purchase amount for the respective year. During the Track Record Period, purchase amount from our largest supplier in each year accounted for 5.0%, 5.1% and 3.9% of our total purchase amount for the respective year. Our largest supplier in 2023 and 2024 sold sugar to us.

FOOD SAFETY AND QUALITY CONTROL

Food safety and product quality is our top priority. We have implemented a comprehensive quality management system that encompasses our entire supply chain, from raw material sourcing to product sales. Building on the requirements of ISO 22000 and HACCP, we identify and evaluate food safety risks in each stage of production. We have achieved the globally recognized FSSC 22000 certification in October 2024 to standardize food safety management across our supply chain. We have established a dedicated quality assurance center for quality planning, quality engineering and supplier management. The testing center has received CMA and CNAS certifications and produces authoritative testing reports that facilitate continuous improvement in our quality management practices.

MARKETING AND PROMOTION

Our marketing strategy is key to our brand development, combining innovative marketing vehicles and advertising campaigns that capture consumer attention to establish brand identity. Central to our strategy is to cultivate consumer mindshare, advocating for various consumption scenarios of plum-based food and encouraging consumers to incorporate our products into their daily diets. We also offer customized products and co-branding products to enhance our brand awareness. Committed to promoting plum culture, we also adopt the culture-driven marketing strategy that educates consumers about the rich history of plum-based food. Our multi-faceted marketing style provides an immersive experience to consumers, creating emotional connections with them, while enriching the cultural narratives of our brand. To retain our energetic and youthful brand image, we also collaborate with celebrities and KOLs who are popular among younger generations.

COMPETITIVE LANDSCAPE

According to Frost & Sullivan, the snack food industry in China is highly competitive. According to Frost & Sullivan, China's market size of fruit snack in terms of retail sales value amounted to RMB52.0 billion in 2024, accounting for 5.6% of China's snack food industry. The market size of the fruit snack industry in China by retail sales value increased from RMB37.8 billion in 2020 to RMB52.0 billion in 2024 at a CAGR of 8.3%, and is expected to further reach RMB78.0 billion in 2029, with a CAGR of 8.6%. On the other hand, sour-flavored products, particularly plum-based products, have been growing rapidly, primarily due to the evolving market demand for products made with natural ingredients. We believe our brand recognition, product development ability, sales channel management ability and production and quality control ability enable us to compete effectively against our competitors. According to Frost & Sullivan, in 2024 we ranked first in China's fruit snacks industry, with a market share of 4.9%. See "Industry Overview."

RISK FACTORS

Some of the major risks we face include: (i) changes in consumer tastes, preferences and spending habits or any unforeseen circumstances with a negative impact on consumer demand; (ii) any negative publicity related to our brand, our products or our shareholders, directors, officers, employees and business partners; (iii) price volatility, seasonality and other risks in relation to our supply chain; (iv) our failure to upgrade existing products, develop new products and promote new brands; (v) our failure to compete; (vi) any negative publicity related to the snack food industry; and (vii) any failure to maintain food safety and quality.

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THE IMPACT OF COVID-19

In 2020, the COVID-19 outbreak affected the global economy and briefly disrupted our business operations. Approximately 30% of our production lines were suspended for approximately 30 days, while the remaining lines continued operating under closed-loop management within the industrial park. Logistics and transportation were not interrupted, as we complied with government disinfection requirements for food products. All of our offline marketing activities were affected due to the pandemic, resulting in the cancellation of approximately 600 planned marketing events. In addition, the installation of certain ancillary production facilities was delayed because the technicians responsible for installing the production line were subject to a 28-day quarantine before commencing work. However, these disruptions were temporary, and we soon resumed normal operations. During the pandemic, we worked closely with logistics suppliers to guarantee timely deliveries and carefully managed our production plan to fulfill customer orders. We also implemented control measures to safeguard employees' health while maintaining smooth production and logistics processes. These measures enabled us to effectively respond to the challenges posed by COVID-19 and maintain stable growth without any material adverse effects on our business operations or financial performance during the pandemic.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary historical financial information for the years or as of the dates indicated.

Principal Components of Our Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Revenue	1,322,042	1,616,018	1,710,731
Cost of sales	(792,331)	(1,033,553)	(1,102,031)
Gross profit	529,711	582,465	608,700
Other income and gains, net	27,962	39,572	34,966
Selling and distribution expenses	(309,395)	(310,170)	(271,720)
Administrative expenses	(88,691)	(100,180)	(112,085)
Research and development expenses	(33,612)	(18,948)	(27,885)
Finance costs	(7,966)	(7,773)	(13,221)
Fair value (loss)/gain on financial liabilities at fair value through profit or loss ("FVTPL")	(6,026)	(1,625)	5,300
Impairment losses on trade receivables and other receivables, net	(719)	(2,143)	(2,481)
Other expenses	(661)	(791)	(2,399)
Profit before tax	110,603	180,407	219,175
Income tax expense	(11,372)	(32,688)	(37,087)
Profit for the year	99,231	147,719	182,088
Attributable to:			
Owners of the Company	99,231	147,719	182,088

SUMMARY

Revenue

The following table sets forth a breakdown of our revenue by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands, except for percentages)</i>					
Dried plum snacks	838,110	63.4	973,531	60.3	829,895	48.5
Prune-based products	155,985	11.8	223,561	13.8	380,210	22.2
Plum jelly	311,069	23.5	410,358	25.4	465,879	27.3
Others ⁽¹⁾	16,878	1.3	8,568	0.5	34,747	2.0
Total	1,322,042	100.0	1,616,018	100.0	1,710,731	100.0

Note:

- (1) Others mainly represent plum gummy, plum-based seasoning products, plum tea concentrate and other fruit-based products.

Gross Profit and Gross Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	<i>(RMB in thousands, except percentages)</i>					
Dried plum snacks	316,378	37.7	312,639	32.1	277,007	33.4
Prune-based products	54,733	35.1	72,332	32.4	112,956	29.7
Plum jelly	153,030	49.2	196,107	47.8	211,450	45.4
Others ⁽¹⁾	5,570	33.0	1,387	16.2	7,287	21.0
Total	529,711	40.1	582,465	36.0	608,700	35.6

Note:

- (1) Others mainly represent plum gummy, plum-based seasoning products, plum tea and other dried-fruit products.

During the Track Record Period, changes in the gross profit margin of our products were primarily due to (i) the fluctuations in key raw material prices, and (ii) our strategic pricing decisions to enhance market penetration in the broader snack industry. We adjust product prices in response to the shifting competitive landscape, raw material cost fluctuations and ongoing promotional activities. For example, we may temporarily reduce prices for new products during launch promotions to attract consumers' attention, and further calibrate pricing amid intensified competition to reinforce our market presence. Our market-driven pricing strategies enable our products to effectively penetrate target markets while sustaining sufficient margins.

Profit for the Year

We recorded net losses in 2020 due to the implementation of a range of restructuring initiatives, including the adoption of our plum-centric strategy and the optimization of our distribution network, which adversely affected our net margins in the short term. Despite our previous exploration of businesses in non-core dried fruit products, we steered our product development initiatives to focus on plum-based products and other similar offerings, a strategic transformation that we effected through a series of deliberate measures commencing in 2019, including the engagement of a branding consultancy with experience advising leading domestic consumer product brands to support a comprehensive brand repositioning, the strengthening of messaging around the health value of green plums, the launch of extensive nationwide marketing campaigns across major

SUMMARY

cities including Hefei, Chengdu, Zhengzhou, Wuhan, Xi'an and Hangzhou, the discontinuation of non-core dried fruit products, the streamlining of our distributor network to focus on key distributors aligned with our new strategic direction, and the reallocation of significant marketing and promotional expenditures in support of the foregoing initiatives; while these measures collectively enhanced our brand focus and operational efficiency, they also resulted in a short-term decline in revenue during the transition period. See “History, Development and Corporate Structure — Previous Application for Listing on the Shenzhen Stock Exchange.”. However, such initiatives helped us to establish a more focused product mix and distribution model. As a result, in 2021, we had an increase in the revenue primarily driven by an increase in the sales volume of plum-based products. Such increase in revenue and our efforts in tightening cost controls in selling expenses, resulted in a net profit position since 2021. Our profit for the year further increased by 48.9% from RMB99.2 million in 2023 to RMB147.7 million in 2024, primarily driven by the continuously increasing demand of our products. Our profit for the year also increased by 23.3% from RMB147.7 million in 2024 to RMB182.1 million in 2025.

Principal Components of Our Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-current assets	715,636	734,862	857,242
Current assets	679,026	936,105	1,132,831
Total assets	1,394,662	1,670,967	1,990,073
Non-current liabilities	211,144	3,731	4,748
Current liabilities	918,053	1,049,288	1,103,698
Total liabilities	1,129,197	1,053,019	1,108,446
Net current (liabilities)/assets	(239,027)	(113,183)	29,133
Net assets	265,465	617,948	881,627

Our net current liabilities of RMB113.2 million as of December 31, 2024 subsequently turned to net current assets of RMB29.1 million as of December 31, 2025, primarily due to (i) an increase in inventories, (ii) an increase in pledged bank deposits, and (iii) a decrease in financial liabilities at FVTPL due to our settlement of certain financial liabilities, partially offset by (i) a decrease in cash and cash equivalents, (ii) an increase in trade and bills payables, and (iii) an increase in interest-bearing bank borrowings, which were mainly attributable to the purchase of raw materials and production equipment.

Our net current liabilities decreased from RMB239.0 million as of December 31, 2023 to RMB113.2 million as of December 31, 2024, primarily due to (i) an increase in inventories, (ii) a decrease in financial liabilities at FVTPL and (iii) an increase in trade and bills receivables, partially offset by (i) an increase in trade and bills payables and (ii) an increase in interest-bearing bank borrowings. The financial liabilities at FVTPL, primarily arising from our repurchase rights and other embedded derivatives associated with special rights granted to shareholders, has been converted to equity before our first submission of the application for Listing.

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Our net assets increased from RMB265.5 million as of December 31, 2023 to RMB617.9 million as of December 31, 2024, primarily due to (i) the derecognition of redemption liabilities due to cancellation of redemption rights of RMB204.2 million, and (ii) the profit and total comprehensive income for the year of RMB147.7 million. Our net assets increased from RMB617.9 million as of December 31, 2024 to RMB881.6 million as of December 31, 2025, primarily due to the profit and total comprehensive income for the year of RMB182.1 million.

Summary of Our Consolidated Statements of Cash Flows

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net cash flows from operating activities	126,903	84,374	74,474
Net cash flows used in investing activities	(80,634)	(110,117)	(165,952)
Net cash flows (used in)/from financing activities	(53,328)	36,398	47,335
Net (decrease)/increase in cash and cash equivalents	(7,059)	10,655	(44,143)
Cash and cash equivalents at beginning of the year	74,451	67,392	78,047
Cash and cash equivalents at end of the year	67,392	78,047	33,904

Our cash and cash equivalents decreased significantly from RMB78.0 million in 2024 to RMB33.9 million in 2025, primarily due to an increase in inventories of RMB151.0 million in relation to our substantial procurement of raw materials and ancillary materials ahead of peak sales season during the Chinese New Year, and an increase in trade and bills receivables of RMB60.0 million due to the increased sales to retail customers, such as supermarkets, membership stores and snack stores, partially offset by an increase in trade and bills payables of RMB53.7 million.

Our net cash flows used in investing activities expanded from RMB110.1 million in 2024 to RMB166.0 million in 2025, primarily due to our purchase of items of property, plant and equipment of RMB125.3 million and prepayment of leasehold land of RMB43.2 million. During the same period, our net cash flows from financing activities increased from RMB36.4 million to RMB47.3 million, primarily due to an increase in new bank loans of RMB570.8 million, partially offset by repayment of bank loans of RMB416.8 million.

OFFERING STATISTICS

All statistics in this table are based on the assumption that the Over-allotment Option is not exercised.

	Based on an Offer Price of HK\$43.58 per H Share
Market capitalization of the H Shares ⁽¹⁾	HK\$3,434.59 million
Market capitalization of the Shares ⁽²⁾	HK\$3,434.59 million
Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of December 31, 2025 per Share ⁽³⁾	HK\$18.66

SUMMARY

Notes:

- (1) The calculation of market capitalization is based on the assumption that 78,811,208 H Shares will be in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and including 67,347,108 Unlisted Shares that will be converted into H Shares upon the completion of the Global Offering).
- (2) The calculation of market capitalization is based on 78,811,208 Shares expected to be in issue immediately after completion of the Global Offering.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share in the above table is calculated after the adjustments referred to in the section headed “Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group Attributable to Owners of the Company” set out in “Appendix II — Unaudited Pro Forma Financial Information” to this prospectus and on the basis of 78,811,208 Shares in issue immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

FUTURE PLANS AND USE OF PROCEEDS

Assuming an Offer Price of HK\$43.58 per Offer Share, we estimate that we will receive net proceeds of approximately HK\$440.1 million from the Global Offering after deducting the underwriting commissions and other estimated expenses paid and payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below: (i) approximately 61.0% of the net proceeds, or approximately HK\$268.5 million, will be used to expand our production capacity over the next three years; (ii) approximately 21.0% of the net proceeds, or approximately HK\$92.4 million, will be used to enhance our brand recognition, expand our sales network and explore international markets over the next year; (iii) approximately 8.0% of the net proceeds, or approximately HK\$35.2 million, will be used to recruit R&D personnel and advance our R&D initiatives; and (iv) approximately 10.0% of the net proceeds, or approximately HK\$44.0 million, will be used for working capital and general corporate purposes.

PRE-IPO INVESTMENTS

Our Company engaged in four rounds of Pre-IPO Investments from 2015 to 2025. For further details of the identities and background of the Pre-IPO Investors and the principal terms of the Pre-IPO Investment, see “History, Development and Corporate Structure — Pre-IPO Investments.”

PREVIOUS APPLICATION FOR LISTING ON THE SHENZHEN STOCK EXCHANGE

Our Company submitted an application for listing of our Shares on the ChiNext Board of the Shenzhen Stock Exchange on June 17, 2019 (the “**A-Share Listing Application**”). At that time, in response to the slowing pace of sales growth, we launched a strategic brand upgrade to differentiate green plum products from general snacks by positioning them as a mainstream food category with natural health benefits, aiming to open up broader market opportunities by appealing to everyday consumption scenarios, thereby strengthening consumer purchase motivation. We engaged a branding consultancy to support a comprehensive repositioning, conducted market research, and rolled out nationwide marketing campaigns in key cities. The strategic upgrade led to a temporary decline in revenue and a significant increase in marketing and promotional expenditure, therefore our net profit was expected to decrease substantially and fail to meet the substantive financial requirements for an A-share listing application. Accordingly, following discussions with the then sponsor, we withdrew the A-Share Listing Application on December 8, 2019. The A-Share Listing Application had not been returned or rejected by the CSRC and remained valid prior to our withdrawal. During the process of the A-Share Listing Application, save for the reason as disclosed above, we did not encounter any material difficulties or legal impediments which led us to withdraw the A-Share Listing Application. For further details, see “History, Development and Corporate Structure — Previous application for listing on the Shenzhen Stock Exchange.”

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OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Yang, Ms. Li (who is Mr. Yang's spouse), Jurun Investment, Kaixuan Star and Kailai Star will directly own approximately 32.44%, 3.73%, 31.21%, 4.57% and 3.05% of the total issued share capital of our Company. Mr. Yang, Ms. Li, Jurun Investment, Kaixuan Star, Kailai Star and Liuliu Star are a group of Controlling Shareholders upon the Listing. See "Relationship with our Controlling Shareholders" for details.

DIVIDEND POLICY

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. On May 10, 2026, we declared dividends of RMB67.3 million to our shareholders based on their equity interests in our Company as of March 31, 2026, which was fully paid on May 12, 2026. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. We may distribute dividends by way of cash or by other means that our Shareholders consider appropriate. Distribution of dividends is subject to the discretion of our Shareholders and our Shareholders may authorize our Board to make distribution plan. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, Shareholders' interests and any other conditions that our Board may deem relevant. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into in the future.

LISTING EXPENSES

Listing expenses consist of professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We expect to incur listing expenses of approximately HK\$59.5 million (based on the Offer Price of HK\$43.58 per Offer Share and assuming the Over-allotment Option is not exercised), which accounts for approximately 11.9% of the gross proceeds from the Global Offering. We estimate the listing expenses to consist of approximately HK\$20.0 million in underwriting fees and HK\$39.5 million in non-underwriting fees. Among of the total listing expenses, approximately HK\$26.3 million will be directly attributable to the issue of our Shares, which will be deducted from equity upon the completion of the Global Offering, and the remaining HK\$33.2 million will be expensed in our consolidated statements of profit or loss and other comprehensive income. Our Directors do not expect such expenses to materially impact our results of operations in 2025. We did not recognize any listing expenses in 2023. We recognized listing expenses of RMB5.8 million and RMB18.5 million in 2024 and 2025, respectively, in our consolidated statements of profit or loss and other comprehensive income.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

After the Track Record Period, we have experienced a steady business growth. The growth was primarily driven by our continuous product development efforts and multi-channel sales network. We launched new dried plum products and products in packages for Chinese New Year. In addition, the sales volume continued increasing in the first quarter of 2026, compared to the same period in 2025.

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During the course of February and April 2025, U.S. President Trump implemented tariffs on several major trading partners, including China, with a baseline of 10% tariffs (“**U.S. Reciprocal Tariffs**”). In response to the U.S. Reciprocal Tariffs, China adopted a series of trade measures including raising its tariffs on certain U.S. goods. As of May 12, 2025, the United States and the PRC entered into a bilateral tariff reduction arrangement under which the PRC reduced tariffs on certain U.S. goods from 125% to 10%, while the United States lowered tariffs on Chinese goods from 145% to 30%. This temporary reduction was subsequently extended, and as of February 23, 2026, the 10% tariff rate imposed by the PRC on goods imported from the United States remains in effect. On February 20, 2026, the U.S. Supreme Court struck down tariffs imposed by President Trump pursuant to executive orders issued under a national emergency statute. On the same day, President Trump announced a 10% across-the-board tariff, which he increased to 15% the following day. During the Track Record Period, our procurement from U.S. suppliers mainly comprised prunes, which amounted to nil, RMB3.3 million and RMB16.2 million in 2023, 2024 and 2025, respectively, representing nil, 0.3% and 1.1% of our total purchase amount during the same years. Our procurement from U.S. suppliers increased in 2025, mainly because we procured a large amount of prunes from the U.S. in early 2025, prior to China’s implementation of additional tariffs on U.S. goods or after China lowered its tariffs on U.S. goods, mainly due to customer demand for our prune-based products. We have found alternative suppliers for comparable prunes at competitive price. In particular, we procured prunes from Chile at comparable cost and quality subsequent to China’s implementation of additional tariffs.

Chile is one of the world’s largest prune exporters and is renowned for producing high-quality prunes that meet international standards in terms of size and taste. Chile’s favorable agricultural conditions and efficient production processes allow it to produce prunes at a competitive cost. In addition, the China-Chile Free Trade Agreement, originally signed in 2005 and expanded in 2019, significantly reduces tariffs on imports from Chile, ensuring that the procurement cost of Chilean prunes remains highly competitive. As such, we do not expect that the tariff policy changes may directly have material adverse effects on our business, financial condition and results of operations.

Dividends Post-Track Record Period

On May 10, 2026, we declared dividends of RMB67.3 million to our shareholders based on their equity interests in our Company as of March 31, 2026, which was fully paid on May 12, 2026.

No Material Adverse Change

Our Directors have confirmed that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this prospectus.

DEFINITIONS

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

“Accountants’ Report”	the accountants’ report of our Company for the Track Record Period, as included in Appendix I to this prospectus
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Anhui Green Plum”	Qingmei Town Development Co., Ltd.* (青梅小鎮發展有限公司), a company established in the PRC with limited liability on December 29, 2016 and one of our direct wholly-owned subsidiaries
“Anhui Liuliu”	Anhui Liuliumei Food Co., Ltd.* (安徽溜溜梅食品有限公司), (formerly known as Anhui Liuliu Orchard Ecommerce Co., Ltd.* (安徽溜溜果園電子商務有限公司)), a company established in the PRC with limited liability on April 18, 1999 and one of our direct wholly-owned subsidiaries
“Anhui LIUM”	Anhui Liuliumei Agriculture Co., Ltd.* (安徽溜溜梅農業有限公司), (formerly known as Anhui Liuliumei Agricultural Technology Co., Ltd.* (安徽溜溜梅農業科技有限公司)), a company established in the PRC with limited liability on March 11, 2015 and one of our direct wholly-owned subsidiaries
“Anhui Plum”	Anhui Plum Natural Food Co., Ltd.* (安徽西梅纖生天然食品有限公司) (formerly known as Anhui Liuliumei Biotechnology Co., Ltd.* (安徽溜溜梅生物科技有限公司)), a company established in the PRC with limited liability on May 16, 2024 and one of our direct wholly-owned subsidiaries
“Articles of Association” or “Articles”	the articles of associations of our Company, as amended from time to time, which shall become effective on the Listing Date, a summary of which is set out in Appendix V to this prospectus
“Audit Committee”	the audit committee of the Board
“Beijing Sequoia”	Beijing Sequoia Xinyuan Equity Investment Centre (Limited Partnership)* (北京紅杉信遠股權投資中心(有限合夥)), a limited partnership established in the PRC on June 14, 2012
“Board” or “Board of Directors”	the board of directors of our Company
“business day(s)”	any day(s) (other than Saturday(s), Sunday(s) or public holiday(s) in Hong Kong) on which licensed banks in Hong Kong are generally open for general banking business throughout their normal business hours
“Capital Market Intermediaries”	the capital market intermediaries as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering”
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

DEFINITIONS

“China” or “PRC”	the People’s Republic of China and, except where the context otherwise requires and only for the purpose of this prospectus, references in this prospectus to China or the PRC exclude Hong Kong, the Macao Special Administrative Region and Taiwan Region
“Chinese government” or “PRC government”	the central people’s government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented and otherwise modified from time to time
“Company” or “our Company”	Liuliumei Co., Ltd. (溜溜梅股份有限公司) (formerly known as Liuliu Orchard Group Co., Ltd. (溜溜果園集團股份有限公司, 溜溜果園集團有限公司, 安徽溜溜果園集團有限公司, 安徽溜溜果園科技有限公司, 安徽凱旋農業科技有限公司)), a company established in the PRC with limited liability on September 4, 2009 and subsequently converted into a joint stock company with limited liability on April 21, 2016
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to Mr. Yang, Ms. Li, Jurun Investment, Kaixuan Star, Kailai Star and Liuliu Star
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Designated Bank”	HKSCC Participant’s EIPO Designated Bank
“Director(s)”	the director(s) of our Company
“Domestic Share(s)” or “Domestic Unlisted Share(s)”	ordinary share in our capital, with a nominal value of RMB1.0 each, which are subscribed for and paid up in Renminbi, which are not listed on any stock exchange
“EIT”	the PRC enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong 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

DEFINITIONS

“FINI” or “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 issues
“Fujian Green Plum”	Fujian Qingmei Town Co., Ltd.* (福建青梅小鎮有限公司), a company established in the PRC with limited liability on September 26, 2016 and one of our direct wholly-owned subsidiaries
“Fujian Liuliu”	Fujian Liuliu Orchard Food Co., Ltd.* (福建溜溜果園食品有限公司), a company established in the PRC with limited liability on May 25, 2009 and one of our direct wholly-owned subsidiaries
“Fujian LIUM”	Fujian Liuliumei Agricultural Technology Co., Ltd.* (福建溜溜梅農業科技有限公司), a company established in the PRC with limited liability on December 17, 2014 and one of our direct wholly-owned subsidiaries
“General Rules of HKSCC”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”, “our Group”, “we”, “us”, or “our”	our Company and our subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“Guangxi Liuliu”	Guangxi Liuliu Orchard Industrial Park Co., Ltd.* (廣西溜溜果園產業園有限公司), a company established in the PRC with limited liability on April 22, 2019 and one of our direct wholly-owned subsidiaries
“Guangxi LIUM”	Guangxi Liuliumei Agricultural Technology Co., Ltd.* (廣西溜溜梅農業科技有限公司), a company established in the PRC with limited liability on June 5, 2020 and one of our direct wholly-owned subsidiaries
“Guide”	the Guide for New Listing Applicants published by the Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Share(s)”	ordinary share(s) in the share capital of our Company with nominal value of RMB1.0 each, which are to be subscribed for and traded in Hong Kong dollars and are to be listed on the Stock Exchange
“HK\$” or “Hong Kong dollars” or “HK dollars”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“HKSCC EIPO”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf
“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
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Offer Shares”	the 1,146,500 H Shares initially offered for subscription pursuant to the Hong Kong Public Offering, subject to reallocation as described in the section headed “Structure of the Global Offering”
“Hong Kong Public Offering”	the offering by our Company of the Hong Kong Offer Shares for subscription by the public in Hong Kong, as further described in the section headed “Structure of the Global Offering”
“Huaan Fund”	Wuhu Huaan Zhanxin Equity Investment Fund Partnership (Limited Partnership)* (蕪湖華安戰新股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on July 29, 2023
“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 June 4, 2026 relating to the Hong Kong Public Offering entered into by, among other parties, our Company and the Controlling Shareholders, the Joint Sponsors, the Overall Coordinators, and the Hong Kong Underwriters, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering” in this prospectus
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as our Directors are aware after having made all reasonable enquiries, is/are not a connected person of our Company

DEFINITIONS

“International Offer Shares”	the H Shares initially offered by our Company for subscription at the Offer Price pursuant to the International Offering together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option (subject to reallocation as described in the section headed “Structure 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 or any other available exemption from registration under the U.S. Securities Act, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the group of international underwriters, led by the Overall Coordinators that is expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement expected to be entered into on or around June 11, 2026 by, among other parties, our Company and the Controlling Shareholders, the Joint Sponsors, the Overall Coordinators and the International Underwriters in respect of the International Offering, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — International Offering” in this prospectus
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering”
“Joint Global Coordinators”	the joint global coordinators as named in “Directors, Supervisors and Parties Involved in the Global Offering”
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors, Supervisors and Parties Involved in the Global Offering”
“Joint Sponsors”	CITIC Securities (Hong Kong) Limited and Guoyuan Capital (Hong Kong) Limited
“Jurun Investment”	Anhui Jurun Investment Company Limited* (安徽聚潤投資有限公司), a company established in the PRC with limited liability on January 6, 2015 and one of our Controlling Shareholders
“Kailai Star”	Wuhu Kailai Star Investment Partnership Enterprise (Limited Partnership)* (蕪湖凱萊之星投資合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability on June 18, 2015 and one of our Controlling Shareholders
“Kaixuan Star”	Wuhu Kaixuan Star Investment Partnership Enterprise (Limited Partnership)* (蕪湖凱旋之星投資合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability on June 18, 2015 and one of our Controlling Shareholders

DEFINITIONS

“Latest Practicable Date”	May 26, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of the H Shares on the Main Board
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date on which dealings in our H Shares first commence on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Liuliu LIUM”	Wuhu Liuliu LIUM Enterprise Management Partnership (Limited Partnership)* (蕪湖溜溜梅企業管理合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability on November 25, 2025
“Liuliu New Retail”	Anhui Liuliumei New Retail Co., Ltd.* (安徽溜溜梅新零售有限公司) (formerly known as Anhui Liuliu Orchard New Retail Marketing Co., Ltd.* (安徽溜溜果園新零售營銷有限公司)), a company established in the PRC with limited liability on August 23, 2018 and one of our direct wholly-owned subsidiaries
“Liuliu Orchard”	Wuhu Liuliu Orchard Enterprise Management Partnership (Limited Partnership)* (蕪湖溜溜果園企業管理合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability on November 25, 2025
“Liuliu Ren”	Wuhu Liuliu Ren Enterprise Management Partnership (Limited Partnership)* (蕪湖溜溜人企業管理合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability on November 24, 2025
“Liuliu Research Institute”	Anhui Liuliu Plum Research Institute Co., Ltd.* (安徽溜溜梅研究院有限公司), a company established in the PRC with limited liability on November 28, 2016 and one of our direct wholly-owned subsidiaries
“Liuliu Sales”	Anhui Liuliumei Sales Co., Ltd.* (安徽溜溜梅銷售有限公司) (formerly known as Anhui Liuliu Orchard Sales Co., Ltd.* (安徽溜溜果園銷售有限公司)), a company established in the PRC with limited liability on July 2, 2018 and one of our direct wholly-owned subsidiaries
“Liuliu Star”	Wuhu Liuliu Star Enterprise Management Partnership (Limited Partnership)* (蕪湖溜溜之星企業管理合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability on January 20, 2025 and one of our Controlling Shareholders
“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

DEFINITIONS

“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Yang”	Mr. Yang Fan (楊帆), spouse of Ms. Li, one of our Controlling Shareholders, our executive Director, chairman of the Board and chief executive officer
“Ms. Li”	Ms. Li Huimin (李慧敏), spouse of Mr. Yang, one of our Controlling Shareholders
“Nomination Committee”	the nomination committee of our Board
“NPC” or “National People’s Congress”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“NPC Standing Committee”	the Standing Committee of National People’s Congress (全國人民代表大會常務委員會)
“Nuoxiang Dongchen”	Changsha Nuoxiang Dongchen Equity Investment Partnership Enterprise (Limited Partnership)* (長沙諾享東辰股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 13, 2020
“Nuoxiang Jinhong”	Changsha Nuoxiang Jinhong Equity Investment Partnership Enterprise (Limited Partnership)* (長沙諾享瑾鴻股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 25, 2020
“Offer Price”	HK\$43.58, the price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1%, 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 for, to be determined in the manner further described in the section headed “Structure of the Global Offering — Pricing” in this prospectus
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H 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, Supervisors and Parties Involved in the Global Offering”
“Over-allotment Option”	the option expected to be granted by our Company to the International Underwriters pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 1,719,600 additional H Shares, representing approximately 15% of the Offer Shares initially being offered under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any, further details of which are described in the section headed “Structure of the Global Offering — Stabilization” in this prospectus

DEFINITIONS

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“Plum Jelly Tech”	Wuhu Plum Jelly Natural Food Technology Co., Ltd.* (蕪湖梅凍天然食品科技有限公司), a company established in the PRC with limited liability on February 24, 2022 and one of our direct wholly-owned subsidiaries
“PRC Company Law” or “Company Law”	the Company Law of the PRC 《中華人民共和國公司法》, as enacted by the Standing Committee of the Eighth National People’s Congress on December 29, 1993 and effective on July 1, 1994, as amended, supplemented or otherwise modified from time to time
“PRC Legal Advisors”	AllBright Law Offices, legal Advisors to our Company as to PRC Law
“Pre-IPO Investment(s)”	the investment(s) in our Company undertaken by the Pre-IPO Investors, as set out in “History, Development and Corporate Structure — Pre-IPO Investments”
“Pre-IPO Investors”	our pre-IPO investors in relation to Pre-IPO Investments received by our Group. For details, see “History, Development and Corporate Structure — Pre-IPO Investments”
“Pre-IPO Share Incentive Plan”	the share incentive plan adopted by our Company on December 17, 2025, the principal terms of which are summarized in “Appendix VI — Statutory and General Information — D. Pre-IPO Share Incentive Plan”
“Pre-IPO Share Incentive Platform(s)”	our employee share incentive platform(s) including Kailai Star, Liuliu Star, Liuliu LIUM, Liuliu Orchard and Liuliu Ren
“prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of our Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) with nominal value RMB1.0 each in the share capital of our Company, comprising Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Junrong”	Shenzhen Junrong Partnership (Limited Partnership)* (深圳君榮實業合夥企業(有限合夥)), a limited partnership established in the PRC on September 8, 2015
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the Supervisory Committee of our Company
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the periods comprising the three years ended December 31, 2023, 2024 and 2025
“United States” or “U.S.”	the United States of America
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“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
“White Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name, submitted online through the designated website of the White Form eIPO Service Provider at www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Xingnong Fund”	Wuhu Fanchang District Xingnong Industrial Investment Fund Co., Ltd.* (蕪湖市繁昌區興農產業投資基金有限公司), a company established in the PRC with limited liability on December 21, 2021
“Zhangzhou Nida”	Zhangzhou Nida Agricultural Technology Co., Ltd.* (漳州市尼塔農業科技有限公司), a company established in the PRC with limited liability on April 1, 2026 and one of our direct wholly-owned subsidiaries

DEFINITIONS

“Zhaoan Liuliu”	Zhaoan Liuliu Orchard Food Co., Ltd.* (詔安溜溜果園食品有限公司), a company established in the PRC with limited liability on September 27, 2010 and one of our direct wholly-owned subsidiaries
“Zhongnongan Testing”	Anhui Zhongnongan Inspection and Testing Center Co., Ltd.* (安徽中農安檢驗檢測中心有限公司), a company established in the PRC with limited liability on December 26, 2016 and one of our indirect wholly-owned subsidiaries

Unless otherwise expressly stated or the content otherwise requires, in this prospectus:

- *all times refer to Hong Kong time and references to years in this prospectus are to calendar years;*
- *the terms “associate(s)”, “close associate(s)”, “connected person(s)”, “core connected person(s)”, “connected transaction(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings ascribed to such terms in the Listing Rules; and*
- *certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of figures preceding them.*

GLOSSARY OF TECHNICAL TERMS

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

“Aseptic filling technology”	a manufacturing process where a sterile product is transferred into pre-sterilized containers within a sterile environment to prevent contamination
“CAGR”	compound annual growth rate
“China-Chile Free Trade Agreement”	a bilateral trade pact aimed at eliminating tariffs and fostering economic cooperation between China and Chile
“CO ₂ e”	carbon dioxide equivalent
“CRM”	customer relationship management system
“Double Eleven”	an annual online sales event in China on November 11
“ERP system”	enterprise resource planning system
“GHG”	greenhouse gas, a gas that absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect
“HACCP”	Hazard Analysis Critical Control Points, a food safety risk management system which focuses on identifying and controlling food safety hazards
“ISO 22000”	food safety management system requirements published by ISO
“ISO/TS19657:2017”	definitions and technical criteria, such as acceptable sources, materials and processes, to be fulfilled for food ingredients to be considered as natural
“KA customers”	key accounts customer groups of the Company, primarily consisting of chain snack stores, national and regional supermarkets, well-known online retailers and chain convenience stores
“KOL(s)”	key opinion leader(s)
“OA system”	office automation system
“OEM”	original equipment manufacturing, where a manufacturer manufactures a product in accordance with the customer’s design and specifications and is marketed and sold under the customer’s brand name or under no specific brand
“PE”	polyethylene
“SKU”	acronym for minimum stock keeping unit, a unique identifier for each distinct product and service that can be purchased
“618 Shopping Festival”	an annual online sales event in China on June 18

FORWARD-LOOKING STATEMENTS

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”, “can”, “continue”, “could”, “forecast”, “expect”, “going forward”, “intend”, “ought to”, “may”, “might”, “plan”, “potential”, “predict”, “project”, “seek”, “should”, “will”, “would” and the negative of these words and other similar expressions, as they relate to our 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, financial performance, 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 operations and 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;
- changes to the regulatory environment and general outlook in the industry and markets in which we operate;
- our ability to reduce costs; and
- our dividend policy.

We do not guarantee that the transactions and events described in the forward-looking statements in this prospectus will happen as described, or at all. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risks and uncertainties set forth in “Risk Factors” in this prospectus. You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation, beyond what is required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even when our situation may have changed.

RISK FACTORS

In addition to other information in this prospectus, you should carefully consider the following risk factors before making any investment decision in relation to our H Shares. Any of the following risks may materially and adversely affect our business, financial condition or results of operations, or otherwise cause a decrease in the trading price of our H Shares and cause you to lose part or all of the value of your investment in our H Shares. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this prospectus.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Any changes in consumer tastes or any unforeseen circumstances with a negative impact on consumer demand may materially and adversely affect our business and financial performance.

Consumer demand for fruit snacks and plum-based products is unpredictable and evolves constantly. Demand is influenced by various factors such as spending power, consumption patterns, social media trends, as well as public perception of plum-based products or the snack food in general. Our business development depends partially on our ability to proactively anticipate and identify market trends, continuously upgrade our existing products and launch new offerings in a timely and cost-effective manner to meet evolving consumer preferences. Our products may fail to capture shifting market trends. Any changes in consumer preferences and tastes, or our failure to anticipate, identify or adapt to market trends, may impose pressure on our sales and the pricing of our product, and may lead to increases in selling and distribution expenses. Moreover, the rapid changes in consumer preferences require us to invest resources in product development and market research. Notwithstanding our investment, we cannot assure you that our upgraded products or newly launched offerings will align with market trends or meet consumer expectations. Any failure to do so may materially and adversely affect our business, financial condition and results of operations.

Any negative publicity related to our brand, our products or our shareholders, directors, officers, employees and business partners will materially and adversely affect our reputation and results of operations.

Any complaints, claims or negative media coverage relating to our brand, our products or our shareholders, directors, officers, employees and business partners may impair the goodwill of our brand, even if such claims are meritless. Moreover, any negative publicity relating to our brand may not only affect the market acceptance of our existing products but could also disrupt our product development plans, causing material and adverse effects to our reputation and results of operations. In addition, our marketing campaigns featuring celebrities and KOLs are inherently risky and may fail to deliver satisfactory outcomes. We may not always select a spokesperson who suits our brand values or effectively appeals to our target consumers, which could limit the impact of our campaigns. Any negative publicity involving our selected celebrities and KOLs, such as scandals or inappropriate behavior, could tarnish our brand image due to our brand’s associations with them. There is no assurance that they will generate the expected market responses or lead to satisfactory sales performance. If these campaigns fail to resonate with our target audience, we may incur substantial financial losses. We are also susceptible to the risk of industry-wide restrictions on the use of celebrities and KOLs in marketing campaigns. Such regulations could limit our ability to effectively leverage endorsements, further impacting our marketing efforts and sales outcomes. If any of these situations occur, our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

We face various supply chain risks.

Our raw materials primarily include plums, prunes, fresh fruits and konjac, among others. Seasoning and other auxiliary materials such as salt and sugar are also used in our production. In 2023, 2024 and 2025, our raw material costs amounted to RMB575.5 million, RMB771.4 million and RMB807.4 million, respectively, accounting for 43.5%, 47.7% and 47.2% of total revenue for the same years. As a result, if we are unable to procure the necessary raw materials in sufficient quantities at competitive prices, our production efficiency and profit margins may be materially and adversely affected. The costs of the raw materials are subject to price volatility caused by a variety of factors, including shifts in supply and demand, fluctuations in commodity prices, rising logistics and warehousing costs, our bargaining position with suppliers, as well as macroeconomic condition and catastrophic events. There is no assurance that our raw material costs will not increase significantly in the future, and we cannot assure you that all or part of any such increased costs can be passed to our customers in a timely manner or at all.

Our efforts to upgrade existing products, develop new products and promote new brands may not generate the results we expect to achieve.

In 2023, 2024 and 2025, we incurred research and development expenses of RMB33.6 million, RMB18.9 million and RMB27.9 million, respectively. However, the process of upgrading existing products or innovating new ones is inherently risky, and there is no guarantee that our R&D efforts will always deliver satisfactory outcomes. Furthermore, the commercialization of new products depends on multiple factors which may be beyond our control, including industry trends, market demand, production efficiency, competition and consumer acceptance. Additionally, we may attempt to launch new sub-brands under “Liuliumei”, and such attempt is subject to risks relating to incorrect judgments regarding consumer preferences, market demand and brand image and pricing. Any delays in launching new products or sub-brands can lead to missed market opportunities or diminish the appeal of our innovations, which, in turn, could adversely affect our brand reputation and results of operations.

Failure to stay competitive may materially and adversely affect our results of operations and business growth.

The snack food industry is highly competitive. We face competition from national and local snack food companies that are seeking to expand into this market. Many of these competitors, particularly those established snack food manufacturers, have already built strong brand recognition and a robust consumer base across other snack categories. With their R&D capabilities and financial resources, they are able to capture market trends and develop comparable or even superior products. If they successfully enter the segments in which we operate with products that meet consumers' preferences, they may divert a significant portion of our existing consumers, which could negatively affect our market shares and sales. In addition, our competitors may be able to source high-quality plums and other raw materials at competitive prices. Specifically, they could establish strong connections with local suppliers or leverage their economies of scale to negotiate more favorable terms, thereby intensifying price competition within the industry. This heightened price competition may pressure us to lower our retail prices to retain our consumers and attract new ones, which could affect our profit margins and financial performance. These competitors with localized supply chains may also minimize logistics costs, enabling them to further lower the prices. Moreover, our competitors may heavily invest in advertising and promotional activities to enhance their brand visibility. This aggressive marketing approach could challenge our brand recognition and force us to increase our own advertising spending to defend our market position. As a result, we may need to devote significant resources to sales and marketing efforts, which may increase our operational costs and place additional strain on our business growth.

RISK FACTORS

Any negative publicity related to the snack food industry, including the use of food additives, preservatives, flavor enhancers and food colorant in production, may materially and adversely affect our reputation and results of operations.

Any negative publicity surrounding the entire snack food industry, even if it is not directly related to our brand or products, may adversely affect the market acceptance of our products and business operation. Media coverage or the public perception regarding the use of additives, preservatives flavor enhancers and food colorant in snack foods may reinforce the stereotype that snack foods are unhealthy, diverting consumers who are pivoting to healthier lifestyles. Additionally, social media and e-commerce platforms play a pivotal role in shaping consumer perceptions, which may result in the stereotypical views that portray any snacks, including the ones that we produce, as unhealthy. Such negative perceptions could further divert potential buyers and restrict our market reach. There is no guarantee that our efforts will succeed in reshaping consumers' perception. If we are unable to effectively differentiate our products from other snack foods and align with changing consumer trends, we may experience a decline in sales volume and a loss in business opportunities.

Any failure to maintain food safety and quality could materially and adversely affect our reputation and subject us to regulatory scrutiny.

Maintaining consistent product quality and food safety relies on the effectiveness of our quality control systems, which may be influenced by a number of factors, such as the design of our quality control systems and our ability to ensure that our employees and third parties comply with those quality control policies and guidelines. We cannot assure you that our quality control systems would be effective at all times, or that we can identify any defects in our systems in a timely manner. Issues such as improper production, processing, delivery and warehousing, neglect in implementing proper product validation, substandard raw materials, or other unforeseen events can compromise product quality and raise food safety concerns. These issues can lead to legal proceedings and regulatory scrutiny, which are often costly and time-consuming. Other than these immediate effects, such incidents can cause long-lasting damage to our brand reputation, eroding consumer trust and affecting our business, financial condition and results of operations in the long term. In cases where quality issues arise from suppliers, we may need to negotiate or initiate litigation against them to recover losses from substandard raw materials. These disputes can be expensive and divert resources from our core operations, negatively affecting our profitability. Moreover, compensation clauses in supplier contracts may not fully cover our financial losses, and even if litigation is resolved in our favor, enforcing judgments may not adequately compensate us for the damages incurred.

Any failure to maintain our relationships with food processing equipment suppliers may materially and adversely affect our business operations.

We cannot assure you that our investments and upgrades in production equipment and facilities can be carried out successfully, or generate positive cash flows or profitable returns within a short period of time, or at all. For example, our plum jelly factory collaborates strategically with our Japanese equipment supplier, Orihiro, whose proprietary aseptic filling technology significantly extends the shelf life of plum jelly. However, we may not be able to maintain our relationship with Orihiro or other overseas food processing equipment suppliers due to various reasons, such as disputes over contractual terms, our failure to maintain the purchase volumes stipulated in the agreements, or general geopolitical and economic circumstances. If these partnerships were to terminate, our production capabilities could be negatively impacted, as our R&D efforts may not be able to fully replicate or replace the advanced technologies provided by these partners. On the other hand, our competitors may establish similar collaborations or develop comparable production techniques, further eroding our competitive advantage in production. As a result, any failure to maintain these key partnerships or find alternative solutions could cause material and adverse impact on our production efficiency, product development and market position, which may in turn adversely affect our business, financial condition and results of operations.

RISK FACTORS

Any inability to maintain, expand or optimize our sales network may cause material and adverse effects to our business operation.

Our multi-faceted sales network integrates online self-operated stores, supermarkets, membership stores, snack stores and a distributorship network, encompassing both online and offline scenarios. Revenue from our online self-operated stores, supermarkets and membership stores, snack stores accounted for 33.3%, 59.2% and 69.0% of our total revenue in 2023, 2024 and 2025, respectively. However, if we are unable to consistently maintain our relationships with these customers or fail to attract their consumer bases, or if there are changes in the industries where our customers, particularly snack stores, operate, or if the operational conditions of our major customers deteriorate, we may incur significant costs while failing to enhance our sales performance. Moreover, as part of our omni-channel sales strategy, we have integrated e-commerce and live commerce platforms to expand our sales, launching self-operated channels and flagship stores. However, we have limited control over the operations of these platforms, which could be vulnerable to various risks, including outages, data breaches, power failures, computer viruses, cyberattacks, vandalism and other disruptive events, which could also disrupt our operations and negatively impact our business, financial condition and results of operations. Additionally, there is no guarantee that our online sales strategy will be implemented as planned, or at all.

Failure to manage and develop our distribution network may cause material and adverse impact on our business operations.

Our comprehensive distribution network is key to our sales strategy in penetrating local markets. In 2023, 2024 and 2025, our sales to distributors accounted for 66.7%, 40.8% and 31.0% of our revenue, respectively. As of December 31, 2023, 2024 and 2025, we had 1,398, 1,396 and 1,439 distributors, respectively. Any disruptions or inefficiencies in developing and managing our distribution network may result in high operational costs, reduced sales and a weakened market presence. However, we may not be able to maintain our relationships with existing distributors or engage new ones in a timely manner and at acceptable cost. In addition, some of our distributors may promote competitors' products, which can divert their efforts in selling our offerings. They may also encounter challenges in effectively penetrating new markets, disrupting our market expansion and limiting our growth potential. Managing an extensive distribution network also incurs significant costs, including expenses related to monitoring distributor performance, providing training and support and maintaining incentives to ensure alignment with our sales goals. However, there is no guarantee that we will always be successful in detecting noncompliance by our distributors with their contractual obligations, which may harm our brand reputation and strain our relationships with other distributors. Furthermore, if consumer demand for our products declines or if distributor orders fail to align with actual market demand, our distributors may reduce their usual orders or refrain from ordering new products, leading to a significant decline in sales volume. In addition, we cannot assure you that our measures to mitigate cannibalization risks among the distributors and other sales channels would be effective at all times. See "Business — Our Sales Channels — Coordination between Sales Channels." Any disruption or failure in our ability to optimize these channels may lead to a material and adverse impact on our business, financial condition and results of operations.

We consider the formulas and production methods of our products as critical trade secrets, and our failure to safeguard such secrets will harm our business operation.

Our success and continued growth greatly depend on a range of proprietary knowledge and trade secrets, including the formulas for our products and food processing equipment and technologies used in production. Our employees, OEM manufacturers or other business partners may inadvertently or intentionally disclose our trade secrets to others, including our competitors. Any leakage of our trade secrets may cause a loss of our competitive advantage, further affecting our business, financial condition and results of operations.

RISK FACTORS

If we fail to maintain or upgrade our production equipment and facilities, or if we fail to successfully implement production expansion plans, our production efficiency and business growth may be negatively impacted.

We may encounter capacity shortages if consumer demand for our products surges. Our production expansion plan may not be successful due to various reasons, including (i) the availability of suitable locations for new production premises, (ii) proximity to logistics infrastructure, (iii) the sufficiency of management and financial resources, and (iv) our ability to hire, train and retain skilled personnel. Any failure to execute the plan may lead to production capacity shortage and incur substantial investment losses, causing material and adverse effects to our business, financial condition and results of operations. We cannot assure you that investments in expanding or upgrading our production facilities will succeed or generate profits in the short term. These investments may rather become wasteful or obsolete due to the rapid technological advancements or shifts in industry standards. Failure to effectively expand our production capacity or adapt to technological changes could hinder our future growth.

Any disruption to our production process or incidents related to our production may materially and adversely affect our business operations.

Our production process is subject to potential disruptions arise from a variety of causes, including equipment malfunctions or personnel misconduct, which may be beyond our control. We may also face the risk that repairs may be delayed. Any such delay in repairing critical production equipment could result in extended periods of downtime, leading to significant interruptions in our production processes, which would undermine our ability to meet market demand and impact our inventory levels. In addition to disruption risks caused by human error or equipment malfunctions, our production may be severely disrupted by natural disasters and other force majeure events, including fires, earthquakes, pandemics, or extreme weather conditions such as droughts, floods, severe heat or cold, typhoons or storms. Such events may cause extensive damage to our production facilities, rendering our machinery and infrastructure inoperable for extended periods of time. Furthermore, these events may also disrupt essential services such as power, water or gas supplies, which are critical to our production processes. In addition, transportation channels could be affected, limiting our ability to source raw materials or distribute finished goods to customers, further compounding adverse effects to our business, financial condition and results of operations. If we are unable to resume production in a timely manner following production disruption, or if we cannot find alternative production facilities to continue operations, we may face significant challenges in meeting consumer demand, resulting in delays in product delivery, inventory shortages and loss of customer trust. Additionally, prolonged or repeated production disruptions would result in increased operational costs, reduced sales and diminished profitability.

Our engagement with third-party contractors and OEM suppliers may reduce our control over food safety, product quality, manufacturing yields, development and product delivery schedules.

We typically engage contractors to facilitate only certain phases of the production, such as the pickling for our dried plum snacks. We also engage OEM suppliers for the production of plum jelly and other plum-based products, due to the ever-increasing demand for our products. In these collaborations, we provide raw materials directly to the third-party contractors and OEM suppliers and require them to adhere to our strict quality standards and operational guidelines. However, we may lack sufficient control over the preliminary processing and production of our contractors and OEM suppliers, facing the risk that they may not fully comply with our production guidelines or fail to meet our quality requirements. In particular, they may experience operational issues that result in delays or inadequate production volumes, which could leave us unable to meet consumer demand. Additionally, these contractors' and OEM suppliers' failure to comply with our quality control standards may cause food safety concerns and quality issues. If the products do not meet the required quality standards, we may face product recalls, customer complaints, legal claims, or regulatory penalties, all of which could lead to significant financial liabilities and harm our brand image.

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We face the risk of inventory obsolescence.

As of December 31, 2023, 2024 and 2025, we had inventories of RMB425.9 million, RMB523.7 million and RMB673.4 million, respectively. Our inventory turnover days in 2023, 2024 and 2025 were 181.7 days, 167.7 days and 198.2 days, respectively. Our ability to accurately forecast consumer demand is essential for maintaining an optimal inventory level, given the short shelf life of both our raw materials and finished products. However, unanticipated events may significantly affect consumer demand, leading to excess inventory, which could further result in inventory obsolescence, a decline in inventory value, or the need for inventory write-downs. We cannot assure that our inventory management system will always function effectively. Any inefficiencies or failures in the system may further exacerbate inventory-related issues and adversely affect our business, financial condition and results of operations.

Disruptions in our own or third-party warehouses could damage raw materials, work-in-progress and finished products, while delays or mishandling by third-party logistics providers may affect timely product delivery.

During the Track Record Period and up to the Latest Practicable Date, we primarily operated our own warehouses. During peak sales seasons or raw material procurement periods, we rent third-party warehouses on a small scale to store raw materials, work-in-progress and finished goods. Some unforeseeable events that are beyond our control, such as climate disasters, may lead to inventory loss, delays in delivery and disruptions in our supply chain which could disrupt our operations, strain customer relationships and cause financial losses. During the Track Record Period and as of the Latest Practicable Date, the majority of our product transportation was provided by independent third-party logistics service providers. Our logistics providers may delay their delivery due to unforeseeable events beyond our control, such as natural disasters, traffic accidents or labor strikes, disrupting our business operations. Furthermore, if any of our logistics providers were to suspend their services, we may not be able to promptly secure a suitable alternative provider, which could lead to delivery delays, hindering our ability to timely meet customer demand. We also face the risk that our logistics providers may mishandle our products during delivery, resulting in damaged goods. Such incidents can lead to customer dissatisfaction and harm our brand reputation. If customers consistently receive products in poor condition, we may suffer from loss of customers, an increase in product returns or complaints, further exacerbating the adverse effects on our competitiveness and market position. Moreover, we may encounter increases in the cost of logistics services, which could place additional financial pressure on our operational expenses. If we are unable to either absorb these increased costs or pass them on to our customers through price adjustments, our profit margins will be reduced, which may adversely affect our business, financial condition and results of operations.

Our measures may not completely avoid the occurrence of channel stuffing among different distribution channels.

We operate a comprehensive and diversified sales network that includes self-operated online stores, supermarkets, membership stores, snack shops and an extensive network of distributors and sub-distributors. We depend on distributors to provide self-reported inventory data and primarily conduct sample-based inventory reviews rather than comprehensive evaluations. Since we do not have direct contractual relationships with sub-distributors, our visibility and control over their inventory and sales practices remain limited. The relatively short shelf life of our products increases the risk of overstocking and potential product wastage if demand is overestimated. If distributors or sub-distributors purchase more products than they can sell to end customers — whether to meet minimum purchase requirements, take advantage of sales incentives, or for other reasons — it may result in channel stuffing. Channel stuffing can lead to excessive inventory build-up at the distributor or sub-distributor level, heighten risks of product expiry or write-offs, and distort our sales figures for the relevant year. If significant channel stuffing occurs, it could negatively impact our business, financial condition, operational results, and brand reputation.

RISK FACTORS

Changes in international trade policies, geopolitics and trade tariffs, export controls, economic or trade sanctions and foreign currency movements may materially and adversely affect our business, financial condition and results of operations.

Our overseas business expansion is exposed to international trade policies, geopolitical tensions and the imposition of tariffs, export controls or economic sanctions, which are inherently unpredictable and beyond our control. In particular, geopolitical tensions and economic sanctions may lead to restrictions on our product sales and raw material procurement in certain countries, limiting our access to key markets. Changes in trade or investment agreements could result in bans or limitations on our goods, thereby curbing our expansion efforts. In addition, sanctions could strain our relationships with foreign partners and suppliers, adversely affecting our international business.

Additionally, heightened tensions may shift consumer preferences in overseas markets toward domestically produced products, reducing demand for imported goods, including ours. In some regions, we may face increased tariffs on our products, driving up our products' prices, undermining our competitiveness and impacting our profit margins.

During the course of February and April 2025, U.S. President Trump implemented tariffs on several major trading partners, including Canada, China, the European Union and Mexico, with a baseline of 10% tariffs on all countries and an additional individualized reciprocal higher tariff on the countries with which the U.S. has the largest trade deficits (“**U.S. Reciprocal Tariffs**”). In response to the U.S. Reciprocal Tariffs, China adopted a series of trade measures including raising its tariffs on U.S. goods to 125%, which was subsequently suspended on May 12, 2025 for 90 days, but will retain a 10% tariff during the period of the pause. This temporary reduction was subsequently extended, and as of February 23, 2026, the 10% tariff rate imposed by the PRC on goods imported from the United States remains in effect. On February 20, 2026, the U.S. Supreme Court struck down tariffs imposed by President Trump pursuant to executive orders issued under a national emergency statute. On the same day, President Trump announced a 10% across-the-board tariff, which he increased to 15% the following day. During the Track Record Period, we sourced certain prunes from the U.S. Our procurement from U.S. suppliers mainly comprised prunes, representing nil, 0.3% and 1.1% of the total purchase amount in 2023, 2024 and 2025, respectively. We continued to procure prunes from the U.S., prior to China's implementation of additional tariffs on U.S. goods or after China's lower tariffs on U.S. goods, mainly due to customer demand for our prune-based products. Under the new tariff regime, we may incur additional costs in these purchases going forward. We may not be able to absorb the increased procurement costs or pass the costs to consumers, thereby facing the decline in profitability of our prune-based products.

Moreover, these tariffs as well as their scope of application remain subject to further negotiations and adjustments. There is also substantial uncertainty in relation to the interpretation, implementation and administration of the tariffs. Existing bilateral or multilateral trade agreements between the U.S. and other countries may also affect the scope of application of the U.S. Reciprocal tariffs. It is therefore uncertain how China may adjust its trade measures on U.S. goods. If China's tariffs on the U.S. goods continue to rise, and we are unable to find the alternative prune suppliers in a timely and cost-effective manner, we may bear substantial cost surges that may adversely affect our business, financial condition and results of operations.

Further, we are exposed to foreign currency risk, as exchange rates fluctuate, related to our procurement of raw materials and equipment, as well as our product exports. During the Track Record Period, our procurement settled in foreign currency accounted for 15.3%, 13.3% and 22.6% of the cost of sales in 2023, 2024 and 2025, respectively. The translational and transactional impacts caused by fluctuation in exchange rates vary over time and may be more material in the future. There can be no assurance that we can implement effective measures to reduce or eliminate our exposure to fluctuations in foreign exchange rates.

RISK FACTORS

Counterfeit products that misappropriate our brand may significantly harm our reputation and brand image, and divert potential customers.

Our well-established brand has drawn the attention of imitators who produce and sell unauthorized replicas of our products, misappropriating our brand without permission. These counterfeit goods can potentially mislead our current and prospective customers, resulting in the loss of sales. In addition, low-quality counterfeit products could tarnish our brand reputation, leading to a decline in financial performance, a reduction in market share and the need to allocate additional resources towards identifying and pursuing legal action against these infringements. We cannot assure you that our measures to curb the production and distribution of counterfeit products will fully prevent unauthorized use of our trademarks or the imitation of our products. Ongoing challenges with counterfeit goods could erode consumer trust and undermine our brand recognition, ultimately affecting our business, financial condition and results of operations.

If we fail to maintain our relationships with our customers or meet their changing preferences, our results of operations may be materially and adversely affected.

Our major customers primarily comprise major retailers and distributors. During the Track Record Period, revenue from our five largest customers in each year accounted for 14.2%, 33.1% and 45.8% of our total revenue for the respective year. During the Track Record Period, revenue from our largest customer in each year accounted for 3.4%, 14.1% and 16.4% of our total revenue for the respective year. Any factors that cause these major customers to reduce their purchases, including economic downturns, shifts in industry trends, or changes in their preferences, could significantly affect the results of our operations. If some of our major customers encounter operational issues, or if we fail to maintain or grow our revenue from existing customers or to establish relationships with new customers, our business, financial condition and results of operations could be materially and adversely affected.

Our business is subject to seasonality, which may cause fluctuations in consumer demand for our products.

Consumer demand for our products is subject to seasonality. We experience pronounced sales peaks during major holiday seasons and shopping events, such as Chinese New Year, the 618 Shopping Festival and Double Eleven. Meanwhile, we also have low seasons where we experience lower profitability and reduced utilization of our production facilities. Our sales fluctuate due to various factors, including, among others, the timing of new product launches and the scheduling of marketing and promotional activities. As a result, comparing sales and operating results across different periods may not provide an accurate representation of our overall performance. Our results in any given quarter or half-year period may not necessarily reflect the outcomes we may achieve for the entire fiscal year. Therefore, you should be cautious when interpreting interim financial results, as they may not be an accurate predictor of our full-year performance.

We may not be able to sustain our historical growth rate, and our historical results of operations and financial performance may not be indicative of our future growth or future performance.

Our revenue growth during the Track Record Period was primarily driven by the success of our newly launched products, such as plum jelly and Chilean pitted prunes. However, we cannot guarantee that future product launches will achieve similar outcomes, as consumer preferences are inherently unpredictable, and our innovations may not always resonate with customers to the same extent as past offerings. Similarly, while our marketing and promotional campaigns have been effective during the Track Record Period, we cannot assure you that these strategies can be replicated with the same level of success in the future. Additionally, consumer demand can shift quickly due to changing market trends and tastes, or external factors. We may not always be able to anticipate or capture these changes in a timely manner, which could affect our ability to sustain business growth.

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We may not be able to obtain, maintain and protect our intellectual property or may be involved in legal disputes of infringement of third parties' intellectual property, which may harm our reputation and brand value, and adversely affect our business operations.

As of the Latest Practicable Date, we registered 42 invention and utility model patents, 40 trademarks and 77 copyrights that are material to our business operations in China. However, we face the risk of unauthorized use or infringement by third parties, particularly in cases where counterfeit products misappropriate our intellectual property. Such infringement can be difficult to detect and may harm our brand reputation and divert our market share. We cannot assure you that our measures to protect our intellectual property may always be effective. We may need to engage in costly and time-consuming litigation to enforce our rights, with no guarantee of success. Failure to protect our intellectual property could have a material adverse impact on our business operations and product development. Monitoring and enforcing our rights can be challenging and resource-intensive, and any failure to safeguard our intellectual property could negatively affect our business and market position. We also face the risk of being accused of infringing third parties' intellectual property. Defending against these claims can be expensive and could damage our reputation, thereby adversely affecting our business, financial condition and results of operations.

We may not be able to retain, attract, recruit and train management and other key personnel.

The composition and ongoing commitment of our management team have been critical to our success and operational efficiency. If there are significant changes in the composition of our management team or if key employees depart, we may not be able to find suitable replacements with comparable industry expertise. Additionally, new recruits might not seamlessly adapt to our business operation, leading to potential disruptions. Recruiting and training new personnel may also incur additional costs and delay our growth, weakening our competitiveness and disrupting our operations. The loss of such experienced leadership could also affect our brand reputation and our ability to maintain customer relationships.

Any failure to offer high-quality after-sales services or promptly address consumer complaints may harm our relationships with them and, consequently, our business.

To maintain and enhance customer relationships, providing high-quality after-sales services and addressing consumers' complaints are essential. We cannot assure you that we can always provide satisfactory services to every customer. There is a possibility that our after-sales team may, at times, unintentionally overlook certain complaints, leading to customer dissatisfaction and straining our relationships with customers. In the long term, such issues may harm our business reputation and weaken customer trust, which would adversely affect our business, financial condition and results of operations.

Our failure to timely collect our trade and bills receivables, other receivables and prepayments may adversely affect our financial performance.

We generally grant a credit period of one month to our retailer customers, and may extend up to 30 to 60 days for major retailer customers. As of December 31, 2023, 2024 and 2025, our trade and bills receivables were RMB80.5 million, RMB162.9 million and RMB221.0 million, respectively. We cannot guarantee that our customers or other parties could make payments to us in a timely manner, and delays in their payments may cause an adverse effect on our liquidity position and working capital efficiency, which may in turn increase our finance costs and adversely affect our financial performance. Our trade and bills receivables turnover days were 23.4 days, 28.9 days and 42.7 days in 2023, 2024 and 2025, respectively. With the expansion of our business, there is a possibility that these turnover days will increase in the future, which will make it more challenging for us to manage our working capital effectively, and our results of operations, financial condition and liquidity may be materially and adversely affected. In addition, our prepayments may involve significant uncertainties. As of December 31, 2023, 2024 and 2025, the balance of our prepayments, other receivables and other assets was RMB81.6 million, RMB147.4 million and RMB182.5 million, respectively. However, we cannot assure you that suppliers and third-party service providers will

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perform their obligations in a timely manner, which may cause prepayment default and impairment loss risk in relation to the prepayments, causing material and adverse effect to our business and financial position. We cannot assure you that we will not incur material impairment losses in the future.

We are subject to the risk of exposure to fair value change for our financial assets at fair value through profit or loss (“FVTPL”) and valuation uncertainty due to the use of unobservable inputs.

Our financial assets at FVTPL primarily arose from our repurchase rights and other embedded derivatives associated with special rights granted to shareholders, which are measured at fair value with fair value, determined using significant unobservable inputs and valuation techniques. As of December 31, 2023, 2024 and 2025, our financial assets at FVTPL amounted to RMB262.5 million, RMB171.1 million and nil, respectively. The value of these equity instrument can fluctuate due to various factors, such as market volatility, changes in interest rates, shifts in our creditworthiness, and other market-driven variables. The valuation of these financial assets and equity instrument can be highly uncertain, especially when unobservable inputs are used in valuation models. These inputs might not accurately reflect actual market conditions or could be based on assumptions that may not materialize, leading to potential discrepancies between the recorded fair value and the price we might obtain in an actual transaction. Any changes in the fair value change of financial assets at FVTPL may adversely affect our profit and loss statements, potentially impacting our overall financial condition and results of operations. There can be no assurance that we will recognize fair value gains from financial assets in the future.

If we are unable to perform our contracts, our results of operations and financial condition may be adversely affected.

Contract liabilities mainly arise from the advance payments received from distributors while the underlying goods are yet to be provided. As of December 31, 2023, 2024 and 2025, we had contract liabilities of RMB122.3 million, RMB73.2 million and RMB83.8 million, respectively. If we fail to honor our obligations under our contracts with customers, we may not be able to convert such contract liabilities into revenue, and our customers may also require us to refund the prepayments they have made, which may in turn adversely affect our financial performance. In addition, any failure to honor our contractual obligations to customers may result in our relationship with such customers to deteriorate, which may further affect our business, financial condition and results of operations in the future.

We had net current liabilities during the Track Record Period. We cannot assure you that we will not experience net current liabilities or net liabilities in the future, which could expose us to liquidity risks.

We had net current liabilities and assets during the Track Record Period. As of December 31, 2023, 2024 and 2025, we recorded net current liabilities of RMB239.0 million, RMB113.2 million and net current assets of RMB29.1 million, respectively, mainly arising from our inventories, financial liabilities at FVTPL, trade and bills receivables and interest-bearing bank borrowings. We cannot assure you that we will not experience liquidity problems in the future. If we fail to maintain sufficient cash and financing, we may not have sufficient cash flows to fund our business operations and capital expenditure and our business and financial position will be adversely affected.

We may experience discontinuation, reduction or delay of any preferential tax treatments or government grants.

During the Track Record Period, we benefited from preferential tax treatment under relevant tax policies. For example, certain of our subsidiaries were qualified as small and micro enterprises and were entitled to preferential corporate income tax rates of 5% in 2023, 2024 and 2025, respectively. One of our subsidiaries in China was approved as High and New Technology Enterprise in 2022 and was entitled to a preferential corporate income tax rate of 15% in 2023, 2024 and 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years. If we lose eligibility for these tax incentives, our income tax expenses may increase, potentially

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affecting our financial results and profitability. We also receive government grants and subsidies, primarily in the form of non-recurring financial assistance from local governments. These grants amounted to RMB19.5 million, RMB33.8 million and RMB23.7 million in 2023, 2024 and 2025, respectively. See Note 6 to the Accountants' Report in Appendix I to this prospectus. However, we cannot assure you that we will continue to receive or benefit from such government support in the future, and any reduction or cessation of these grants could adversely impact our financial performance.

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

Pursuant to relevant PRC laws and regulations, employers are obligated to directly and duly contribute to social insurance and housing provident funds for their employees. During the Track Record Period, we failed to make and had not made social insurance and housing provident funds for some of our employees in full in accordance with the relevant PRC laws and regulations. According to the applicable laws and regulations, the relevant competent authorities may demand that we take rectification measures. If we fail to take the measures as demanded, we may be subject to fines. In addition, we engaged a third-party human resource agency to pay social insurance and housing provident funds for a small number of our employees during the Track Record Period.

During the Track Record Period, the shortfall of our social insurance and housing provident fund contributions amounted to approximately RMB5.0 million, RMB5.2 million and RMB4.9 million in 2023, 2024 and 2025, respectively. According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), for the shortfall of social insurance, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period and to pay a daily overdue charge of 0.05% of the delayed payment amount, and (ii) to pay a fine of one to three times the overdue amount if such payment is not made within the stipulated period. Under the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), for the shortfall of housing provident funds, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period, and (ii) an application may be made to the courts for compulsory enforcement if the payment is not made within such time limit. In light of Article 19(1) of the Supreme People's Court's Interpretation II on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**New Judicial Interpretation**”), any agreement or undertaking that exempts an employer from paying social insurance contributions shall be deemed invalid. See “Regulatory Overview — Regulations Relating to Labor and Social Security.” As a result, we may be required by competent authorities to pay the outstanding amount, and could be subject to late payment penalties or enforcement application made to the court.

The social insurance and housing provident contributions made by the third-party human resource agency amounted to RMB1.4 million, RMB1.5 million and RMB1.2 million, respectively, with the shortfall of such contributions amounting to RMB83.6 thousand, RMB81.8 thousand and RMB127 thousand in 2023, 2024 and 2025, respectively. We might be subject to additional contribution, late payment fee and/or penalties imposed by the relevant authorities if the third-party human resource agency failed to pay the social insurance or housing provident funds for the relevant employees in full and/or in a timely manner, or if the validity of such arrangements are challenged by relevant authorities. We might also be subject to potential labor disputes arising from such arrangements with the relevant employees.

We cannot assure you that the relevant governmental authorities will not require us to pay the outstanding amount and impose late fees or fines, pecuniary penalties or other administrative actions on us. If we are otherwise subject to investigations of such incidents related to labor laws and are imposed severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our results of operations, financial performance and business prospects may be materially and adversely affected.

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We are subject to various risks relating to third-party payments.

During the Track Record Period, certain of our customers (individually or collectively, the “**Relevant Customer(s)**”) settled payments with us through accounts that do not belong to the contractual parties, except for those settled through the accounts of the operators in the case of sole proprietorships, under the corresponding sales and purchase agreements (the “**Third Party Payment Arrangements**”). In 2023, 2024 and 2025, the aggregate amount settled with the Relevant Customers under the Third-Party Payment Arrangements was RMB299.8 million, RMB193.7 million and RMB73.1 million, respectively, representing 22.7%, 12.0% and 4.3% of the total revenue for the same years. See “Business — Our Customers — Third-Party Payment Arrangements.” We are subject to various risks relating to such Third-party Payment Arrangements, including possible claims from third-party payers for the return of funds, and possible claims from liquidators of third-party payers. In the event of any claims from third-party payers or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of third-party payments, we may have to expend financial and managerial resources to defend against such claims and legal proceedings, and our business, financial condition and results of operations may as a result be adversely affected.

Any defect of our IT systems can subject us to regulatory scrutiny and legal proceedings, damaging our reputation and negatively affecting our operation.

Our IT systems are susceptible to interruptions and data breaches due to a variety of factors beyond our control. These could include natural disasters, telecommunications failures, system flaws, cyberattacks, computer viruses, hacking attempts and other security vulnerabilities. Any significant disruption to our IT systems could lead to operational delays, potentially interrupting our production or delivery processes, which in turn may result in lost sales and damage to our reputation. To support our growth and adapt to the evolving digital landscape, we periodically implement, modify and upgrade our IT systems, particularly as we expand our online presence and digitalize our production process. These upgrades often require significant investment, but there is no guarantee that these modifications or upgrades will deliver the expected benefits or lead to increased profitability. In fact, such changes could introduce new technical issues, disrupt ongoing operations or fail to generate returns that justify the incurred costs, potentially impacting our business, financial condition and results of operations.

We face ESG-related risks.

We are subject to an increasingly complex framework of ESG-related laws and regulations. We are committed to improve our ESG performance across our business operations. However, we may fail to uphold ourselves to the ESG standards. As consumers, investors and other stakeholders increasingly prioritize ESG-related issues, any perceived lapse in our commitment to these principles could damage our brand and public image, making it harder to maintain customer loyalty and attract investment. In turn, this noncompliance could cause a material adverse effect on our business, financial condition and results of operations.

We may be involved in legal proceedings and disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.

We are subject to the risks of litigation or legal proceedings in the ordinary course of business, including matters related to product liability, labor disputes or contractual disagreements. Whether or not we can successfully defend against such claims, they could generate negative publicity, damage our brand reputation and reduce consumer demand for our products. Becoming involved in litigation could cause significant legal expenses, with uncertain outcomes that could lead to unfavorable settlements or rulings adversely affecting our financial condition. In addition, managing these legal matters would require substantial time and resources from our management, diverting their attention from core business operations and potentially impacting our overall performance.

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We may encounter challenges in expanding our business overseas.

We have expanded our presence beyond China and are committed to continuing our global expansion efforts, but our efforts may fail due to our limited overseas operating experience. In particular, our overseas operations are subject to complex and diverse regulatory environments. The costs associated with complying with local laws and regulations may be substantial and could impose significant operational burdens. We also face challenges in anticipating foreign consumers' preferences due to different cultural contexts, taste profiles and consumption patterns. Our inability to adapt our products to suit local tastes could limit demand and slow the growth of our overseas business. Likewise, our branding and marketing strategies developed for the Chinese market may not resonate with consumers in other countries, making it difficult to establish our brand recognition. Moreover, we may fail to establish strong, cost-effective relationships with local suppliers in overseas markets, which could drive up our procurement costs and further reduce our profit margins. Without the ability to secure reliable and efficient suppliers, our ability to operate sustainably and profitably in these new markets may be compromised. Altogether, these challenges could hinder our ability to successfully expand overseas, leading to increased costs, delayed growth and negative impact on our overall profitability.

We may not have sufficient insurance coverage to cover our business risks, including all losses or potential claims by our customers, which would affect our business, results of operations and financial condition.

We carry limited statutory insurance, which we believe aligns with industry standards for businesses of our size and type. See “Business — Insurance.” However, if we incur substantial uninsured losses, our financial results and operational performance could be significantly impacted. Additionally, we do not have insurance coverage for product liability or business interruptions caused by natural disasters such as droughts, floods, earthquakes or severe weather, nor for disruptions in utility supply or other unforeseen events. Any claims related to product liability, operational interruptions or the resulting losses could materially and adversely affect our business, financial condition and results of operations.

We may face risks relating to labor relations, labor disputes, labor shortages and increases in labor costs.

The production and sale of our products are labor-intensive processes, and our success relies on our ability to hire, train, retain and motivate a skilled workforce. Any deterioration in our relationships with employees may lead to labor disputes, potentially resulting in disruption to our production and operations, which would adversely affect our business operations. As China's economy continues to grow, labor costs are expected to continue to increase. Additionally, labor shortages and an aging population may exacerbate the labor cost issue. To remain competitive, we may need to offer higher compensation packages, which could materially increase our labor costs and negatively impact our profitability, financial condition and results of operations. Prolonged labor shortages or further inflation in labor costs could intensify these challenges and restrict our ability to expand or maintain operations efficiently.

Our employees are subject to risks of injury caused by the use of production equipment and machinery.

Our production involves the use of production machinery and equipment, all of which carry inherent safety risks. The use of such production machinery and equipment may cause industrial accidents and personal injury to our employees, exposing us to legal liabilities and regulatory penalties. Our insurance coverage may be insufficient to completely offset the losses or claims that arise from such incidents. We cannot guarantee that accidents will not occur in the future and, in the event of a major accident, we may face substantial claims for property damage and personal injury. These incidents could result in costly medical expenses, compensation payments to employees and their families and potential fines or penalties imposed by regulatory authorities. In addition to the financial costs, such accidents could significantly damage our reputation and brand image, affecting

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trust in our ability to maintain safe operations. Furthermore, ongoing challenges related to workplace safety may also affect our ability to attract and retain talent, further compounding the negative effects on our business, financial condition and results of operations.

We are subject to risks in relation to our owned and leased properties.

As of the Latest Practicable Date, we were not able to obtain the relevant title certificates for certain owned properties situated on two parcels of land for which we had land use right. Among these properties, no. 17 plant building at the Guangxi facility was primarily used for pickling and drying, with a gross floor area accounting for approximately 4% of the total gross floor area of our self-owned properties. The property without title certificate at Fujian Liuliu was mainly used as sun-drying facilities for the drying process of our raw materials, with a gross floor area of these properties accounting for approximately 3% of our total owned properties as of the Latest Practicable Date. We acquired the land with such buildings that lacked the title certificates at the time, due to incomplete regulatory procedures, as a result of which these properties do not have the necessary construction approval procedures to obtain title certificates. As advised by the PRC Legal Advisor, the relevant competent authorities may order the construction entity to demolish the buildings or structures, and confiscate the buildings or structures or any income illegally earned from such buildings or structures; and/or impose a fine of not more than 10% of the construction cost. See “Business — Properties — Owned Properties.” In addition, we commenced the production at our plum processing facilities for sun-drying and pickling in Guangxi without completing the filing of the inspection and acceptance check (竣工驗收備案) with relevant authorities. In Fujian, we began utilizing a building for employee dormitory and cafeteria purposes prior to completing the filing of final inspection and acceptance check with relevant authorities. As of the Latest Practicable Date, we had obtained the ownership certificate for employee dormitory A of Fujian Green Plum. See “— Licenses, Approvals and Permits — Non-compliance — Incomplete Acceptance Check for the Plum Processing Facility in Daxin, Guangxi” and “— Licenses, Approvals and Permits — Non-compliance — Incomplete Acceptance Check for Employee Dormitory in Fujian,” respectively. Pursuant to the applicable laws and regulations in China, property lease agreements for leased buildings must be registered with the relevant real estate administration bureaus in China. As of the Latest Practicable Date, we had not registered the lease agreements for nine of our leased properties with the relevant competent authorities in accordance with applicable laws and regulations in China. Our PRC Legal Advisor advised us that the lack of registration does not affect the validity and enforceability of the lease agreements, but we may be subject to fines from RMB1,000 to RMB10,000 for each such lease agreement for failure to register. As of the Latest Practicable Date, lessors of five out of our 20 leased properties with an aggregate gross floor area of 1,296.45 sq.m. failed to provide us their property ownership certificates or proof of authorizations from the property owners. Additionally, as of the same date, the actual use of two out of our 20 leased properties with an aggregate gross floor area of 140.76 sq.m. did not fit into the prescribed scope of usage shown on the relevant certificates. As advised by our PRC Legal Advisor, for the leased properties that were subject to title defects or with inconsistent usage, the property owners and the relevant lessors shall take the responsibility to obtain valid title certificates and ensure the actual usage complies with the prescribed usage of the properties. As the tenants, we would not be subject to any administrative penalties pursuant to the relevant laws and regulations. However, if any of these leases is terminated as a result of challenges by third parties, we may not be able to continue to use the properties. See “Business — Properties — Leased Properties.” Furthermore, we may be exposed to risks of unexpected early lease termination at the request of the lessors or other reasons beyond our control, and the relevant facilities need to be temporarily closed if we are unable to identify suitable premises on acceptable terms to relocate in a timely manner. There is no assurance that we will not be subject to any administrative penalties for these defective titles in the future, and if this were to happen, our business, results of operation and financial position may be adversely affected.

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Our business growth, financial condition and prospects may be affected by any future occurrence of force majeure events, changes in global and regional macroeconomic conditions, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Uncertainties about global economic conditions and regulatory changes and other factors including fluctuation of interest rates, inflation level, unemployment, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors may pose risks and materially and adversely affect demand for our solutions. In addition, force majeure events or natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or the COVID-19, acts of war, terrorism or other force majeure events beyond our control may disrupt our R&D, commercialization activities and business operations, all of which could adversely affect our business, financial condition and prospects.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTION WHERE WE OPERATE

Changes in the economic policies of the geographic markets in which we operate may pose challenges to our ability to maintain our current expansion plans and overall business performance and affect our business, financial condition and results of operations.

A significant portion of our business assets are conducted in China, and nearly all of our sales are currently derived from the Chinese market. As a result, our financial performance, growth prospects and overall business operations are heavily influenced by economic and legal developments in China. In recent years, the Chinese government has introduced a series of laws, regulations and policies that impose stricter standards on the snack food industry in which we operate our business, particularly regarding food safety and the production process. If the government continues to implement stricter regulations, we may face rising compliance costs, which could adversely affect our profitability. Additionally, our business is subject to the broader macroeconomic conditions in China, which affect consumer behavior, spending power and consumption patterns. Any downturn in the Chinese economy, shifts in disposable income, or changes in consumer preferences could negatively impact demand for our products, further affecting our financial results.

We may be subject to the approval or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

On February 17, 2023, the China Securities Regulatory Commission (CSRC) issued the Trial Administrative Measures for 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 related guidelines, which became effective on March 31, 2023. These measures require PRC domestic companies conducting overseas offerings or listings to complete filing procedures and report relevant information to the CSRC for any future securities offerings in the same or other overseas markets (the “**Future Offerings**”). As a result, we will be required to comply with the CSRC’s filing requirements for any Future Offerings. However, we cannot assure you that we will be able to complete these filing procedures in a timely manner, or at all, which could adversely affect our ability to carry out Future Offerings. Moreover, we cannot guarantee that future laws or regulations will not impose additional requirements or restrictions on our financing activities. If it is determined in the future that approval from, or filing with, the CSRC or other regulatory authorities is required for this Global Offering or our future financing activities, we may fail to obtain such approval, perform the necessary filing procedures, or meet other regulatory requirements, either in a timely manner or at all. In such a case, we could face potential sanctions from the CSRC or other PRC regulatory authorities, which could include fines, penalties, restrictions on our operating activities within China, or limitations on our ability to pay dividends outside of China. Any of these outcomes could have a material adverse effect on our business, financial condition and results of operations.

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It may be difficult to effect service of process upon us or our management that reside in China or to enforce against them or us in China any judgments obtained from foreign courts.

We are a company incorporated under the laws of the PRC, with all of our business operations and assets located in China. Additionally, the majority of our Directors, Supervisors and executive officers reside in China, and their assets are largely based in China as well. Consequently, it may be difficult for investors to initiate legal proceedings or serve process on us or our key personnel outside of China, including in the United States or other jurisdictions, particularly for matters related to U.S. federal or state securities laws. China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned which came into effect on August 1, 2008. This was abolished on January 29, 2024, pursuant to which a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court. China and Hong Kong have concluded the Arrangement on Mutual Recognition and Enforcement of Civil and Commercial Judgments between the Mainland and the Hong Kong Special Administrative Region, which took effect on January 29, 2024. Accordingly, the scope of applicable cases for judicial assistance can be expanded. In principle, judgments made after January 29, 2024 are subject to the provisions of the new "Arrangement". However, for cases where the "written jurisdiction agreement" referred to in the old "Arrangement" was signed before January 29, 2024, the old "Arrangement" still applies regardless of when the judgment is made. Moreover, China has not entered into similar reciprocal treaties for the enforcement of court judgments with countries such as the United States, the United Kingdom, Japan and many other nations. Furthermore, Hong Kong lacks an arrangement with the United States for the reciprocal enforcement of court judgments. According to PRC Civil Procedure Law and other relevant regulations, a court judgment from the United States or other jurisdictions may only be recognized and enforced in China or Hong Kong if there is a relevant treaty or agreement between China and the country where the judgment was issued, which is currently not the case with many major jurisdictions.

Fluctuations in foreign currency exchange rates may adversely affect our operational and financial results.

The exchange rate of the Renminbi against the U.S. dollar and other foreign currencies is subject to fluctuations, which are influenced by various factors including Chinese government policies, political and economic conditions in both China and globally, as well as supply and demand in the local currency market. We cannot assure you that we will have sufficient foreign exchange to meet our needs at a given exchange rate. In addition, we are unable to predict how market forces or government interventions might impact the exchange rate between the Renminbi and other currencies, such as the Hong Kong dollar or U.S. dollar, in the future. The proceeds from the Global Offering will be received in Hong Kong dollars, and any appreciation of the Renminbi against the U.S. dollar, Hong Kong dollar or other currencies could reduce the value of these proceeds. Conversely, any depreciation of the Renminbi could negatively affect the value of our Shares and the dividends payable in foreign currencies. Furthermore, there are only limited hedging instruments available to us at reasonable costs to mitigate our exposure to foreign currency risks. These factors could have a material adverse effect on our business, financial condition and results of operations. Investors may also experience difficulties in serving legal process, enforcing foreign judgments or initiating legal actions based on foreign laws against us, our Directors or senior management in China or Hong Kong.

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Changes in currency conversion policies may adversely affect the value of your investment.

We may need to convert a portion of our revenue into foreign currencies to meet obligations such as operating costs, expenses and any dividends declared on our H Shares. However, if there are shortages in the availability of foreign currency, our ability to remit sufficient funds to cover these obligations could be restricted, including our ability to pay dividends or meet other foreign currency-denominated commitments. Under current PRC foreign exchange regulations, payments for current account items like profit distributions, interest payments and trade-related transactions can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange (SAFE), provided that certain procedural requirements are met. However, when converting Renminbi into foreign currency to pay for capital expenses, such as the repayment of foreign currency-denominated loans, the approval of or registration with relevant government authorities is required. Additionally, if a significant imbalance in international payments arises, the PRC government may impose safeguards or other control measures. There is no guarantee that the regulations governing the remittance of Renminbi in and out of China will remain unchanged in the future, and any modifications could impact our ability to meet foreign currency obligations.

Holders of our H Shares may be subject to PRC income tax obligations.

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares. Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) with respect to PRC source income or gains at a rate of 20%. We are required to withhold related tax from dividend payments paid to non-PRC resident individuals, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides, as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) (財稅[2009]167號) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70) (財稅[2010]70號). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of listed shares of PRC resident

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enterprises on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

Pursuant to the EIT Law and its implementing rules and Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) (國稅函[2008]897號), dated June 28, 2011, issued by the SAT, non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises, are subject to PRC EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in such PRC companies, which may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides. Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees and payments through CCASS). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of any such refund will be subject to the PRC tax authorities' verification. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H Shares through the sale or transfer by other means of H Shares. If any PRC income tax is collected from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your investment in our H Shares may be affected.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares and the price and trading volume of our H Shares may be volatile, which could cause substantial losses to investors in the Global Offering.

The Offer Price of our H Shares was determined through negotiations between us and the Overall Coordinator and Global Coordinator. As a result, the Offer Price may differ substantially from the market price of the H Shares once trading begins following the Global Offering. While we have applied to list our H Shares on the Stock Exchange, we cannot guarantee that the Global Offering will lead to the development of an active or liquid trading market for the H Shares. Furthermore, the price and trading volumes of the H Shares may be volatile. Several factors could influence the market price and trading volume of our H Shares, including: (i) actual or anticipated fluctuations in our financial performance, such as revenue, earnings and cash flow; (ii) changes in analyst recommendations or earnings estimates, as well as general market conditions or developments affecting us or our industry; (iii) potential litigation or regulatory investigations; (iv) the performance of other companies in our sector or other industries, as well as events beyond our control; and (v) the release of lock-up restrictions or sales (or perceived sales) of additional H Shares by us or other shareholders. Moreover, the securities market has historically experienced periods of significant price and volume fluctuations that are not necessarily tied to the operational performance of specific companies. Such fluctuations — whether driven by market conditions, industry trends or political factors — could adversely impact the market price and trading volume of our H Shares. In particular, the market price and trading volume of our H Shares could experience substantial volatility due to factors beyond our control, such as: (i) variations in our revenue, earnings and cash flow; (ii) announcements of new investments, strategic partnerships, or acquisitions; (iii) unexpected business interruptions due to natural disasters or power outages; (iv) significant changes in our key personnel or senior management; (v) difficulties in obtaining or maintaining necessary regulatory approvals; (vi) challenges in competing effectively with our competitors; (vii) broader political, economic, financial or social developments; (viii) fluctuations in market prices for our products or raw materials; or (ix) the lifting of restrictions on H share transactions. Additionally, the Stock Exchange and other securities markets have, at times,

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experienced significant volatility in both price and trading volume that may not be linked to the performance of any particular company. This broader market volatility could also have a material adverse effect on the market price of our H Shares.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material and adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

The future sale of a significant number of our H Shares in the public market after the Global Offering, or the possibility of such sales, by our Controlling Shareholders or Investors could materially and adversely affect the market price of our H Shares and could materially impair our future ability to raise capital through offerings of our H Shares. Although such Controlling Shareholders and investors have agreed to a lock-up on their H Shares, any major disposal of our H Shares by any of such Controlling Shareholders and Investors upon expiry of the relevant lock-up periods (or the perception that these disposals may occur) may cause the prevailing market price of our H Shares to fall which could negatively impact our ability to raise equity capital in the future.

You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future.

The initial Offer Price of our H Shares is higher than the net tangible asset value per Share of the outstanding H Shares issued to our existing Shareholders immediately prior to the Global Offering. Therefore, purchasers of our H Shares in the Global Offering will experience an immediate dilution in terms of the pro forma net tangible asset value. In addition, we may consider offering and issuing additional H Shares or equity-related securities in the future to raise additional funds, finance acquisitions or for other purposes. Purchasers of our H Shares may experience further dilution in terms of the net tangible asset value per Share if we issue additional H Shares in the future at a price that is lower than the net tangible asset value per Share.

There can be no assurance whether and when we will pay dividends in the future.

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. On May 10, 2026, we declared dividends of RMB67.3 million to our shareholders based on their equity interests in our Company as of March 31, 2026, which was fully paid on May 12, 2026. There is no guarantee as to whether we will pay dividends in the future. The declaration and distribution of dividends shall be proposed and formulated by our Board of Directors at their discretion and will be subject to shareholder approval. A decision to declare or to pay any dividends and the amount of any dividends will depend on various factors including, without limitation, our results of operations, financial condition, operating and capital expenditure requirements, distributable profits, future prospects and other factors that our Board of Directors may determine are important. Accordingly, our historical dividend distributions are not indicative of our future dividend distribution policy and potential investors should be aware that the amount of dividends paid previously should not be used as a reference or basis upon which future dividends are determined. See “Financial Information — Dividends and Dividend Policy.”

If securities or industry analysts do not publish research on, or publish inaccurate or unfavorable research about our business, the market price for our H Shares and trading volume could decline.

The market price and trading volume of our H Shares are likely to be influenced by the opinions and research published by securities or industry analysts. If these analysts fail to regularly cover our business, or if they issue inaccurate, misleading or unfavorable reports, it could significantly reduce investor interest in our H Shares. A lack of consistent analyst coverage may lead to decreased visibility within the financial markets, making it more difficult for potential investors to obtain independent evaluations of our business and growth prospects which could, in turn, lower the demand for our H Shares. Additionally, if one or more analysts downgrade their recommendations, lower their price targets, or publish negative assessments of our business, it could result in a sharp decline in the market price of our H Shares. Even if our operating results and financial performance

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meet or exceed expectations, negative media or analyst reports could still damage the market perception of our company. Moreover, unfavorable comparisons with our competitors or pessimistic forecasts about our industry as a whole could also drive down the value of our H Shares. The impact of such reports could be amplified by high trading volumes, resulting in more pronounced price movements. In some cases, inaccurate or overly critical reports may arise from misinterpretations of our business model or financials, which could cause unnecessary volatility in the market. In the absence of adequate or favorable coverage, investors may be less inclined to purchase or hold our H Shares, leading to reduced liquidity, increased price volatility and, ultimately, a potential decline in the value of your investment. This could also affect our ability to raise capital or pursue strategic opportunities in the future, as a lower market valuation may limit our access to financing and other growth-related initiatives.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications, market data providers and other independent third-party sources, including the industry expert reports, contained in this prospectus.

This prospectus, particularly the sections headed “Industry Overview” and “Business,” contains information and statistics relating to the industries in which we operate. Such information and statistics were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various publicly available publications. We believe that the sources of this information are appropriate source for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this prospectus, there has been press and media coverage regarding us and the Global Offering. Such press and media coverage may include references to certain information that does not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it, and you should not rely on such information.

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

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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.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong, which normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Since our principal business and operations are in the PRC, all of our executive Directors are based in China as the Board believes it would be more effective and efficient for its executive Directors to be based in a location where our operations are conducted. It would be practically difficult and commercially unnecessary for us to relocate two of our executive Directors to Hong Kong. Therefore, we do not and, for the foreseeable future, will not have executive Directors who are ordinarily resident in Hong Kong for the purposes of satisfying the requirements of Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, subject to the following conditions:

- (i) we have appointed Mr. Ning Pengfei (寧鵬飛), being the executive Director and the joint company secretary, and Ms. Au Wai Ching (區慧晶) (“**Ms. Au**”), being the joint company secretary, as the authorized representatives (the “**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. Our Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Accordingly, our Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time;
- (ii) our Authorized Representatives have means contacting all Directors promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;
- (iii) each Director has provided our Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone number, office phone number and e-mail addresses, if any). In the event that any Director expects to travel or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation to our Authorized Representatives;
- (iv) each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period; and
- (v) we have appointed Guoyuan Capital (Hong Kong) Limited as our compliance advisor (the “**Compliance Advisor**”) upon Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. The Compliance Advisor will have access at all times to our Authorized Representatives, our Directors, our Supervisors and the other senior management and act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary 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.

Note 1 to Rule 3.28 of the Listing Rules provides that, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a member of The Hong Kong Chartered Governance Institute;
- (ii) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (iii) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

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

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

We have appointed Mr. Ning Pengfei (寧鵬飛) (“**Mr. Ning**”) as one of our joint company secretaries. He has a thorough understanding of the operations of the Board and our Company and has gained experience in handling corporate governance and general administrative matters relating to our Company. Although he presently does not possess the qualifications required under Rules 3.28 and 8.17 of the Listing Rules, we would like to appoint him as our joint company secretary due to his past experience within our Group and his thorough understanding of the internal administration and business operations of our Group. In addition, we have appointed Ms. Au as the other joint company secretary to assist Mr. Ning in discharging the duties of a company secretary. Ms. Au is a Chartered Secretary, a Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Au therefore meets the qualification requirements under Rules 3.28 and 8.17 of the Listing Rules. See “Directors, Supervisors and Senior Management” for further information regarding the biographies of Mr. Ning and Ms. Au.

We have applied to the Stock Exchange for, and the Stock Exchange has granted to our Company, 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 basis of the following proposed arrangements:

- (i) Mr. Ning will endeavour to attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules, and seminars organized by the Stock Exchange for listed issuers from time to time;
- (ii) both Mr. Ning and Ms. Au have confirmed that each of them will be attending a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investor relations, as well as the functions and duties of the company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (iii) Ms. Au will assist Mr. Ning to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as our company secretary;
- (iv) Ms. Au will communicate regularly with Mr. Ning on matters relating to corporate governance, the Listing Rules, and any other laws and regulations which are relevant to us and our affairs. Ms. Au will work closely with, and provide assistance to, Mr. Ning in the discharge of his duties as a company secretary, including organizing our Board meetings and Shareholders' general meetings;
- (v) prior to the expiry of Mr. Ning's initial term of appointment as the company secretary of our Company, our Company will evaluate his experience in order to determine if he has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether ongoing assistance should be arranged so that Mr. Ning's appointment as the company secretary of the Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules;
- (vi) our Company has appointed Guoyuan Capital (Hong Kong) Limited as its Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules, which will act as the additional communication channel with the Stock Exchange and provide professional guidance and advice to our Company and Mr. Ning as to compliance with the Listing Rules and all other applicable laws and regulations; and
- (vii) the waiver may be revoked with immediate effect if our Company commits material breaches of Rules 3.28 and 8.17 of the Listing Rules.

Before the end of the three-year period, we shall liaise with the Stock Exchange to revisit the situation in the expectation that we should then be able to demonstrate to the Stock Exchange's satisfaction that Mr. Ning, having had the benefit of Ms. Au's assistance for three years, would then have acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

CONSENT UNDER PARAGRAPH 1C(2) OF APPENDIX F1 TO THE LISTING RULES IN RESPECT OF SUBSCRIPTION OF OFFER SHARES BY A CLOSE ASSOCIATE OF AN EXISTING SHAREHOLDER AS A CORNERSTONE INVESTOR

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the conditions set out in Rules 10.03(1) and (2) of the Listing Rules are fulfilled. Paragraph 1C(2) of Appendix F1 to the Listing Rules provides, *inter alia*, that no allocations will be permitted to applicant's existing shareholders or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 are fulfilled, without the prior written consent of the Hong Kong Stock Exchange. Chapter 4.15 of the Guide provides that the Stock Exchange will consider giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant's existing shareholders or their close associates to participate in an initial public offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

As further described in the section headed "Cornerstone Investors", Wuhu Fanchang District Rural Revitalization Development Group (Hong Kong) Limited ("**Fanchang Revitalization**") is a close associate of Huaan Fund and Xingnong Fund (collectively, the "**Existing Shareholders**") which are our existing Shareholders holding approximately 1.80% and 1.57%, respectively, in the total issued share capital of our Company as of the Latest Practicable Date and has entered into a cornerstone investment agreement with our Company, the Joint Sponsors and Overall Coordinators,

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

pursuant to which Fanchang Revitalization has agreed to participate as cornerstone investor in the Global Offering to subscribe for the Offer Shares to be issued by our Company under the International Offering.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules to allow the Relevant Cornerstone Investor to participate in the Global Offering as a cornerstone investor, subject to the following conditions:

- (i) the Existing Shareholders are interested in aggregate less than 5% of our Company's voting rights prior to the completion of the Global Offering;
- (ii) each of Fanchang Revitalization and the Existing Shareholders is not, and will not be, core connected persons of our Company or any close associate of any such core connected person immediately prior to or following the completion of Global Offering;
- (iii) neither Fanchang Revitalization nor any of the Existing Shareholders has right to appoint Directors or other special rights upon Listing;
- (iv) the allocation to Fanchang Revitalization will not affect our Company's ability to satisfy the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules;
- (v) the details of the cornerstone investment and allocation to Fanchang Revitalization will be disclosed in this prospectus and/or the allotment results announcement, as the case may be; and
- (vi) written confirmations pursuant to paragraph 14 of Chapter 4.15 of the Guide being provided to the Stock Exchange, which includes confirmation set out in conditions (i) to (iv) above and the following:
 - a. the Joint Sponsors having confirmed that, based on (i) their discussions with our Company and the Overall Coordinators; and the confirmations provided to the Stock Exchange by our Company and the Overall Coordinators (confirmations (b) and (c) mentioned below), no preferential treatment has been, nor will be, given to Fanchang Revitalization in the allocation as a cornerstone investor by virtue of its relationship with our Company other than the preferential treatment of assured entitlement under the cornerstone investment following the principles set out in Chapter 4.15 of the Guide;
 - b. our Company having confirmed that no preferential treatment has been, nor will be, given to Fanchang Revitalization in the allocation as a cornerstone investor by virtue of its relationship with our Company other than the preferential treatment of assured entitlement under the cornerstone investment agreement following the principles set out in Chapter 4.15 of the Guide, that the cornerstone investment agreement does not contain any material terms which are more favourable to Fanchang Revitalization and the Existing Shareholders or their close associates than those in other cornerstone investment agreements; and
 - c. the Overall Coordinators having confirmed that no preferential treatment has been, nor will be, given to Fanchang Revitalization in the allocation as a cornerstone investor by virtue of its relationship with our Company other than the preferential treatment of assured entitlement under the cornerstone investment agreement following the principles set out in Chapter 4.15 of the Guide.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which our Directors 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 to the public with regard to our Group. Our 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.

CSRC FILING

We have submitted a filing to the CSRC to apply for the Global Offering and the conversion of Domestic Unlisted Shares into H Shares and listing of our H Shares on the Stock Exchange. The CSRC published the notification on completion of filing procedures on December 15, 2025. No other approvals from the CSRC are required to be obtained for the listing of the H shares on the Stock Exchange.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering. For applications under the Hong Kong Public Offering, this prospectus contains the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of initially 1,146,500 H Shares and the International Offering of initially 10,317,600 H Shares (subject to reallocation on the basis as set out in “Structure of the Global Offering”).

The 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. 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 Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Underwriters, the Capital Market Intermediaries, any of our or their affiliates or any of their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering. Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any subsequent time.

UNDERWRITING

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 subject to the terms and conditions of the Hong Kong Underwriting Agreement. The International Underwriting Agreement relating to the International Offering is expected to be entered into on or about Thursday, June 11, 2026. See “Underwriting” for further details on the Underwriters and the underwriting arrangements.

INFORMATION ON THE CONVERSION OF CERTAIN UNLISTED SHARES INTO H SHARES

We have applied for conversion of 67,347,108 Domestic Unlisted Shares into H Shares. See “History, Development and Corporate Structure” and “Share Capital” for details of our existing Shareholders and their respective interests in our Company and relevant procedures for the conversion of Domestic Unlisted Shares into H Shares. Such H Shares to be converted from Domestic Unlisted Shares are restricted from trading for a period of one year after the Listing.

RESTRICTIONS ON OFFER AND SALE OF H 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 Hong Kong Offer Shares to, confirm that he is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the H Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following, this prospectus may not be used for the purpose 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 for subscription. The distribution of this prospectus and the offering and sale 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. In particular, the Offer Shares have not been publicly offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the U.S.

Potential investors for Offer Shares should consult their financial advisors and take legal advice, as appropriate, to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Potential investors for the Offer Shares should inform themselves as to the relevant legal requirements of applying for the Offer Shares and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option). Dealings in the H Shares on the Stock Exchange are expected to commence on Monday, June 15, 2026. No part of our share or debt securities is listed on or dealt in on the Stock Exchange or 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 H 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 our Company by or on behalf of the Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the H Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, the H 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 H Shares on the Stock Exchange 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 HKSCC and the HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made for the H Shares to be admitted into CCASS at this stage. Investors should seek the advice of their stockbroker or other professional advisors for the details of the settlement arrangements as such arrangements may affect their rights and interests.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

REGISTER OF MEMBERS AND STAMP DUTY

All of the H Shares issued pursuant to applications made in the Global Offering will be registered on our H Share register to be maintained in Hong Kong by our H Share Registrar, Computershare Hong Kong Investor Services Limited. Our principal register of members will be maintained by us at our headquarters in Chinese Mainland.

Dealings in the H Shares registered in our H Share register will be subject to Hong Kong stamp duty. Hong Kong stamp duty is charged to both the seller and purchaser at an ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares transferred, resulting in a total of 0.2% payable on a typical sale and purchase transaction of the H Shares.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of our H Shares will be paid to the shareholders as recorded on the H Share register of our Company in Hong Kong.

According to the Guide to the Program for “Full Circulation” of H shares promulgated by CSDC on February 7, 2020, cash dividends to domestic investors of H-share “full circulation” shall be distributed through CSDC. An H-share listed company shall transfer RMB cash dividends to the designated bank account of the Shenzhen subsidiary of CSDC, who shall complete the clearing of cash dividends by distributing the cash dividends to investors through domestic securities companies.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposal of, dealing in or the exercise of any rights in relation to our H Shares. None of our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Lead Managers, the Joint Bookrunners, the Underwriters, the Capital Market Intermediaries, any of our or their affiliates or any of their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding, disposal of, dealing in, or the exercise of any rights in relation to, our H Shares.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for the Hong Kong Offer Shares are set out in “How to Apply for Hong Kong Offer Shares”.

OVER-ALLOTMENT AND STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions and the arrangements relating to the Over-allotment Option and stabilization, are set out in “Structure of the Global Offering”.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB6.8288 to US\$1.00, (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.87155 to HK\$1.00, and (iii) the translations between Hong Kong dollars and U.S. dollars were made at the rate of HK\$7.8352 to US\$1.00.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail. For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages. In the event of any inconsistency, the Chinese version shall prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed in any table, chart or elsewhere in this prospectus are due to rounding.

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Residential address	Nationality
DIRECTORS		
Executive Directors		
Mr. Yang Fan (楊帆)	Room 202, Unit 1, Block 21 Runan Estate, Yinhu Road Jingshu District, Wuhu City Anhui Province, PRC	Chinese
Mr. Ning Pengfei (寧鵬飛)	Room 802, Block B 259 Renmin Road Jinghu District, Wuhu City Anhui Province, PRC	Chinese
Ms. Hu Yan (胡燕)	2 Wuning Road Jinghu District, Wuhu City Anhui Province, PRC	Chinese
Mr. Gou Bin (苟斌)	5-3,12 Weifeng Nanqiao Estate Jiangbei District Chongqing, PRC	Chinese
Mr. Mei Huixiang (梅惠祥)	17, Lane 232 Jiashan Road Xuhui District Shanghai, PRC	Chinese
Non-executive Director		
Mr. Xu Lianzheng (徐連政)	Room 1501, No.8 Lane 99, Dongxiu Road Pudong New Area Shanghai, PRC	Chinese
Independent non-executive Directors		
Mr. Liu Feng (劉峰)	422 Siming South Road Siming District, Xiamen City Fujian Province, PRC	Chinese
Mr. Xiong Hui (熊輝)	1/F, No. 12 Kak Tin Village 5th Street, Shatin New Territories, Hong Kong	Chinese
Mr. Lu Jian (陸健)	Room 602, No. 13 Laoqingyuan Beitang District, Wuxi City Jiangsu Province, PRC	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Residential address	Nationality
SUPERVISORS		
Mr. Hu Xiang (胡翔)	14 Qingnian Road Yueyanglou District, Yueyang City Hunan Province, PRC	Chinese
Mr. Li Bing (李兵)	501, Building 1 City West Public Housing Fanchang District, Wuhu City Anhui Province, PRC	Chinese
Ms. Zhang Wenxia (張文霞)	Room 201, Unit 3 Building 2 City of Light Jiujiang District, Wuhu City Anhui Province, PRC	Chinese

Please see “Directors, Supervisors and Senior Management” of this prospectus for further information of our Directors and Supervisors.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	CITIC Securities (Hong Kong) Limited 18/F, One Pacific Place 88 Queensway, Hong Kong Guoyuan Capital (Hong Kong) Limited 17th Floor, Three Exchange Square 8 Connaught Place Central, Hong Kong
Sponsor-Overall Coordinators and Overall Coordinators	CLSA Limited 18/F, One Pacific Place 88 Queensway, Hong Kong Guoyuan Securities Brokerage (Hong Kong) Limited 17th Floor, Three Exchange Square 8 Connaught Place Central, Hong Kong
Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	CLSA Limited 18/F, One Pacific Place 88 Queensway, Hong Kong Guoyuan Securities Brokerage (Hong Kong) Limited 17th Floor, Three Exchange Square 8 Connaught Place Central, Hong Kong

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

**Joint Bookrunners, Joint Lead
Managers and Capital Market
Intermediaries**

CLSA Limited

18/F, One Pacific Place
88 Queensway, Hong Kong

Guoyuan Securities Brokerage (Hong Kong) Limited

17th Floor, Three Exchange Square
8 Connaught Place
Central, Hong Kong

Zhongtai International Securities Limited

19 Floor, Li Po Chun Chambers
189 Des Voeux Road
Central, Hong Kong

Soochow Securities International Brokerage Limited

Level 17, Three Pacific Place
1 Queen's Road East
Hong Kong

CEB International Capital Corporation Limited

34/F–35/F, Everbright Centre
108 Gloucester Road
Wan Chai, Hong Kong

Huafu International Securities Limited

Units 2603–2606, 26/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan, Hong Kong

Orient Securities (Hong Kong) Limited

28–29/F, 100 Queen's Road Central
Hong Kong

Legal advisors to our Company

As to Hong Kong law

King & Wood

13/F, Gloucester Tower, The Landmark
15 Queen's Road Central
Central, Hong Kong

As to PRC law

AllBright Law Offices

9, 11, 12/F, Shanghai Tower
No. 501 Yincheng Middle Road
Pudong New Area
Shanghai, PRC

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal advisors to the Joint Sponsors and the Underwriters

As to Hong Kong law

Clifford Chance

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

As to PRC law

Jingtian & Gongcheng

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

Auditor and Reporting Accountant

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance

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

Industry Consultant

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

2504 Wheelock Square
1717 Nanjing West Road
Shanghai, PRC

Receiving Banks

Bank of China (Hong Kong) Limited

1 Garden Road
Hong Kong

CMB Wing Lung Bank Limited

45 Des Voeux Road Central
Hong Kong

CORPORATE INFORMATION

Registered Office	3 Zhongjiang Road Economic Development Zone Fanchang District, Wuhu City Anhui Province, PRC
Headquarters and Principal Place of Business in the PRC	3 Zhongjiang Road Economic Development Zone Fanchang District, Wuhu City Anhui Province, PRC
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai, Hong Kong
Company's Website	<u>www.liuliumei.com</u> <i>(The information contained in this website does not form part of this prospectus)</i>
Joint Company Secretaries	<p>Mr. Ning Pengfei (寧鵬飛) Room 802, Block B 259 Renmin Road Jinghu District, Wuhu City Anhui Province, PRC</p> <p>Ms. Au Wai Ching (區慧晶) (a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom) 40th Floor, Dah Sing Financial Centre 248 Queen's Road East Wanchai, Hong Kong</p>
Authorized Representatives	<p>Mr. Ning Pengfei (寧鵬飛) Room 802, Block B 259 Renmin Road Jinghu District, Wuhu City Anhui Province, PRC</p> <p>Ms. Au Wai Ching (區慧晶) (a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom) 40th Floor, Dah Sing Financial Centre 248 Queen's Road East Wanchai, Hong Kong</p>
Audit Committee	Mr. Liu Feng (劉峰) (<i>Chairperson</i>) Mr. Xu Lianzheng (徐連政) Mr. Lu Jian (陸健)

CORPORATE INFORMATION

Remuneration and Appraisal Committee	Mr. Liu Feng (劉峰) (<i>Chairperson</i>) Mr. Xiong Hui (熊輝) Mr. Yang Fan (楊帆)
Nomination Committee	Mr. Lu Jian (陸健) (<i>Chairperson</i>) Mr. Xiong Hui (熊輝) Ms. Hu Yan (胡燕)
Compliance Advisor	Guoyuan Capital (Hong Kong) Limited 17th Floor, Three Exchange Square 8 Connaught Place Central, Hong Kong
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Principal Banks	Bank of China Fanchang County Branch Wei Er Road Fanchang Economic Development Zone, Wuhu City Anhui Province, PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this prospectus were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering.

We believe that the sources of this information are appropriate source for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has 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, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

OVERVIEW OF CHINA'S SNACK FOOD INDUSTRY

Overview of Snack Food Industry

Snack food refers to snacks and desserts typically enjoyed during leisure time or between meals as a quick, convenient option. To accommodate various consumption scenarios, snack foods are generally packaged in small, portable portion. Based on the ingredients used, snack food can be categorized into fruit snacks, jelly, confectionery, chocolate, roasted seeds and nuts, crispy snack foods, bread, cakes and pastries, biscuits, meat and aquatic animal snacks, seasoned flour products, vegetable snacks and dried tofu snacks.

The market size of China's snack food industry increased from RMB774.9 billion in 2020 to RMB933.0 billion in 2024, at a CAGR of 4.8%. Driven by the rising consumer health awareness and ongoing product innovation toward health-conscious snack foods, the snack food industry is expected to reach RMB1,141.0 billion in 2029, at a CAGR of 4.1%.

In 2024, the annual global per capita consumption on snack food amounted to RMB1,188.9, significantly higher than China's annual per capita consumption on snack food of RMB662.5, and the gap is particularly notable when compared with developed countries. For instance, the annual per capita consumption on snack food in the U.S., the U.K., Japan and South Korea reached RMB7,578.7, RMB6,543.9, RMB3,524.6 and RMB1,809.6, respectively. This disparity reveals the substantial growth potential for snack food industry and extensive future demand for snack food in China, illustrating ample opportunities for snack food providers to expand and meet growing demands of Chinese consumers.

Market Size of China's Snack Food Industry by Retail Sales Value by Product Types, 2020–2029E

Item	Retail Sales Value (RMB Billion)				CAGR (%)	
	2020	2024	2025E	2029E	2020–2024	2025E–2029E
Fruit snacks	37.8	52.0	56.0	78.0	8.3%	8.6%
Jelly	17.8	31.0	35.0	57.0	14.9%	13.0%
Confectionery	85.3	93.0	96.0	104.0	2.2%	2.0%
Chocolate	64.1	68.0	70.0	75.0	1.5%	1.7%
Roasted seeds and nuts	141.4	161.0	165.0	184.0	3.3%	2.8%
Crispy snack foods	87.6	102.0	104.0	112.0	3.9%	1.9%
Bread, cakes and pastries	82.9	102.0	107.0	127.0	5.3%	4.4%
Biscuits	77.8	88.0	90.0	98.0	3.1%	2.2%
Meat and aquatic animal snacks	78.7	98.0	102.0	118.0	5.6%	3.7%
Seasoned flour products	41.2	56.0	60.0	80.0	8.0%	7.5%
Vegetable snacks	24.2	39.0	42.0	54.0	12.7%	6.5%
Dried tofu snacks	16.8	21.0	22.0	27.0	5.7%	5.3%
Others	19.3	22.0	23.0	27.0	3.3%	4.1%
China's Snack Food Industry	774.9	933.0	972.0	1,141.0	4.8%	4.1%

Source: National Bureau of Statistics, Interviews with Industry Experts, Frost & Sullivan Report

INDUSTRY OVERVIEW

Market Drivers and Trends Analysis of China's Snack Food Industry

Emergence of Fruit-based Snack Food

With rising per capita spending on snack foods and evolving dietary habits, Chinese consumers are increasingly seeking variety and novelty in fruit-based snack products. Manufacturers have responded by developing a wide range of fruit ingredients and formats, including dried fruits, freeze-dried fruits, and fruit jellies. Innovations in sourcing, processing, and natural flavor combinations allow these products to stand out in terms of taste, texture and convenience, appealing to consumers looking for portable, easy-to-consume options.

Diversification of Consumption Scenarios

The ever-faster pace of life has led to a sharp increase in the demand for convenient, ready-to-eat snacks suitable for various consumption scenarios. As consumption scenarios diversify, such as in between meals, in offices, during travel and at family gatherings, the frequency and variety of snack consumption are gradually expanding. In offices, busy professionals often need reinvigorating snacks that can quickly replenish energy, alleviating hunger and enhancing work efficiency during hectic intervals. During travel, people are in different environments and states, leading to more diverse snack needs. These snacks are required to be convenient to carry and able to satisfy the spontaneous needs that may arise throughout the journey.

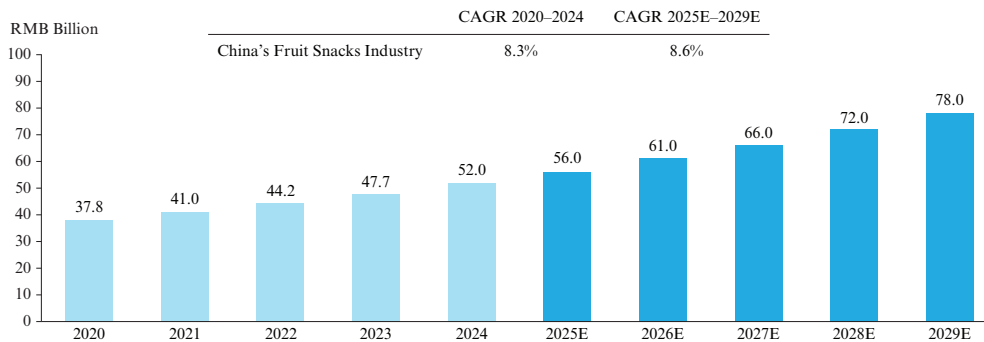
Expansion of Sales Channels

The recent rise of e-commerce, live commerce and new retail models has opened up new growth opportunities for the sales of snack food. Major online platforms enable convenient shopping methods, extensive user reach and efficient logistics and delivery systems to enable snack foods to overcome geographical barriers and quickly reach consumers nationwide and even globally. In addition, snack specialty stores have become increasingly popular as they cater to snack food consumers' demand for health-consciousness, sustainability and cultural exploration while offering personalized shopping experiences and innovative flavors. Thus, the market size of China's snack food industry by sales through snack specialty stores reached 7.8% in 2024, and is expected to grow to 10.3% in 2029, maintaining the highest growth rate among offline sales channels.

Overview of Fruit Snacks Industry

Fruit snacks, which include dried fruits, freeze-dried fruits, processed fruit snacks, and fruit-based bars or bites, have become increasingly popular in recent years. They are often positioned as convenient, portable snack options that fit into busy, on-the-go lifestyles. Compared to traditional snacks, fruit snacks are generally made from natural fruit ingredients and are available in a variety of formats, catering to a wide range of consumer preferences. The market size of China's fruit snacks industry by retail sales value increased from RMB37.8 billion in 2020 to RMB52.0 billion in 2024, at a CAGR of 8.3%, and the market size is expected to reach RMB78.0 billion in 2029, growing at a CAGR of 8.6% from 2025 to 2029.

Market Size of China's Fruit Snacks Industry by Retail Sales Value, 2020–2029E



Source: Interviews with Industry Experts, Frost & Sullivan Report

Value Chain Analysis of Fruit Snacks Industry

The upstream of the China's fruit snacks industry mainly includes raw material suppliers who are responsible for fruit breeding and cultivation and raw material supply. To ensure the quality of raw material, leading manufacturers often build production bases near major raw material sourcing regions and establish long-term relationships with local farmers. Modern farming techniques, such as precision agriculture and pest management, not only improve the production efficiency of raw materials but also enhance their nutritional content and taste, thereby meeting the growing market demand.

The midstream of the industry primarily includes snack food manufacturers who are responsible for snack food processing and production. Technological advancements in food processing, such as automation and aseptic fresh-lock technology, have optimized the processing of fruit snacks by preventing microbial contamination and extending shelf life without preservatives. Leading manufacturers are also developing innovative packaging technologies to enhance convenience, preserve freshness and cater to the fast-paced lifestyles of modern consumers.

The downstream of the industry includes both end consumers and various sales channels, such as traditional retail, supermarkets, snack specialty stores, convenience stores and e-commerce platforms. With the rapid development of e-commerce, sales channels have become more diversified, offering consumers easy access to various fruit snacks. Companies enhance market visibility and share through brand building and marketing activities, collaborating with well-known brands for cross-promotions or providing customized products for key downstream retailers.

Among the fruit ingredients, green plum is recognized for its efficacy in treating cholera, vomiting, diarrhea, dysentery, thirst and typhoid fever, according to the "Compendium of Materia Medica" (《本草綱目》). A processed form of green plum, smoked plum, has further been included in the National Health Commission's "food and medicine homologous" (《藥食同源》) directory. Accordingly, green-plum-based fruit snacks offer various function benefits, including (i) promoting digestive health by stimulating gastric juice secretion and balancing intestinal pH through various kinds of naturally occurring organic acids, (ii) delivering antioxidant support via vitamins C, polyphenols and organic acids, (iii) contributing to blood sugar regulation, and (iv) aiding weight control due to their low calorie and high fiber content.

The globalization of green-plum-based fruit snacks underscores the international appeal of traditional Chinese cuisine. Cherished for their medicinal properties, flavor and nutritional value, green plums have also gained widespread acceptance as an oriental fruit in Japan, South Korea and other East Asian countries. In Japan, where their cuisine culture emphasizes low-fat and low-calorie diets, green plums are highly valued and often processed into dried plums. Enhanced through Japanese craftsmanship and technology, especially in preservative-free applications, green-plum-based snacks enjoy widespread popularity in Japan. As a result, Japan's per capita annual consumption of green-plum-based snacks exceeds China's by more than 70 times. The disparity demonstrates the substantial, unfilled market potential for green-plum-based fruit snacks in China. Driven by the increasing consumer spending and market promotion, Chinese consumers' awareness and acceptance of green-plum-based fruit snacks continue to rise, leading to the market growth.

Entry Barrier for Fruit Snacks Industry

Raw Material Barrier

New entrants face difficulties in securing stable, high-quality fruit supply at competitive prices. Due to seasonal fluctuations, perishability, and competition from established players, small or new firms often struggle with cost control and consistent sourcing, which directly impacts production reliability and product quality.

INDUSTRY OVERVIEW

Brand Recognition Barrier

The fruit snacks market is dominated by well-established brands with strong retail presence and loyal customer bases. Securing shelf space in supermarkets or e-commerce platforms requires significant investment in marketing, trade promotions, and retailer relationships, posing a steep hurdle for newcomers without brand equity.

Product Innovation Barrier

Consumer preferences in this area are rapidly evolving toward functional and low-calorie snacks. New entrants often lack the research and development infrastructure to formulate competitive products with appealing taste, texture, and health benefits, especially when using natural or clean-label ingredients, which limits differentiation and slows scaling efforts.

Market Challenges and Threats for Fruit Snacks Industry

Raw Material Supply Volatility

Fruit snacks rely on stable fruit supply which weather changes and climate events may disrupt harvests, driving up prices and limiting availability. This affects production consistency and may lead to increased costs or quality compromise.

Health Expectations from Consumers

Consumers are demanding lower sugar and cleaner labels, reformulating products to meet these expectations raises research and development costs and technical challenges.

Competition and Differentiation Pressure

The market faces rising competition from both major brands and niche players. With limited product differentiation, companies must invest in innovation and marketing enough to stay competitive, which may strain margins.

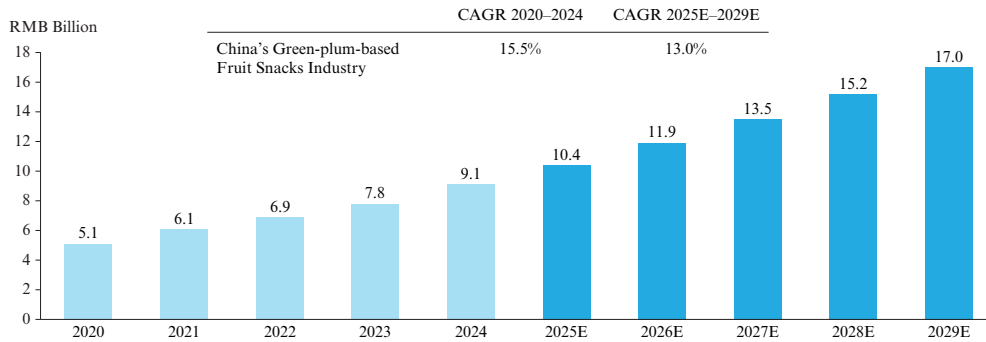
Overview of Green-plum-based Fruit Snacks Industry

Green-plum-based fruit snacks are valued for their distinctive natural acidity, fruit-derived organic acids, and bioactive compounds, which are commonly associated with digestive support and appetite stimulation. Benefiting from strong flavor recognition, natural preservative characteristics, and adaptability across multiple snack formats, green-plum-based fruit snacks continue to appeal to consumers seeking fruit-based, minimally processed snack alternatives.

The market size of China's green-plum-based fruit snacks industry by retail sales value increased from RMB5.1 billion in 2020 to RMB9.1 billion in 2024, representing a CAGR of 15.5%. Growth has been driven by rising consumer awareness of digestive health, continuous product innovation, and a shift in consumer preferences toward natural and functional snack foods. Looking ahead, the market is expected to expand from RMB10.4 billion in 2025 to RMB17.0 billion in 2029, at a CAGR of 13.0%, supported by sustained demand for fruit-based, and health-oriented snack products.

INDUSTRY OVERVIEW

Market Size of China's Green-plum-based Fruit Snacks Industry, 2020–2029E



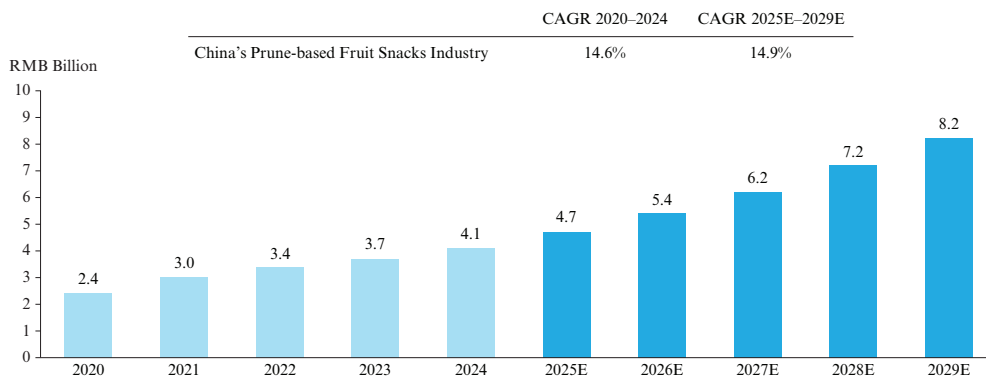
Source: Interviews with Industry Experts, Frost & Sullivan Report

Overview of Prune-based Fruit Snacks Industry

Prune-based fruit snacks, recognized for their high dietary fiber, antioxidants and essential vitamins and minerals, promote digestive health and overall well-being. Their worldwide popularity, particularly in countries such as France, the U.S. and other Western and Eastern markets, stems from their health benefits. With a long shelf life and natural flavor, prune-based fruit snacks continue to appeal to health-conscious consumers and those seeking natural alternatives to processed snack foods.

The China's prune-based fruit snacks industry has significant growth potential. The market size of China's prune-based fruit snacks industry by retail sales value increased from RMB2.4 billion in 2020 to RMB4.1 billion in 2024, at a CAGR of 14.6%. Driven by Chinese consumers' rising health awareness, continuous product innovation and shifting consumers' preference toward natural and functional snack food, the prune-based fruit snacks industry is expected to increase from RMB4.7 billion in 2025 to RMB8.2 billion in 2029, at a CAGR of 14.9%.

Market Size of China's Prune-based Fruit Snacks Industry, 2020–2029E



Source: Interviews with Industry Experts, Frost & Sullivan Report

INDUSTRY OVERVIEW

Competitive Landscape of China's Fruit Snacks Industry

The market size of China's fruit snacks industry by retail sales value reached RMB52.0 billion in 2024, with the top five market players accounting for 14.5% of the market share. In 2024, the Company ranked first in terms of retail sales value in China's fruit snacks industry, representing a market share of 4.9%.

Top Five Companies in China's Fruit Snacks Industry by Retail Sales Value, 2024

Ranking	Company Name	Retail Sales Value of Fruit Snacks in China in 2024 (RMB Billion)		Market Share
1	the Company	<div></div>	2.6	4.9%
2	Company A	<div></div>	2.1	4.1%
3	Company B	<div></div>	1.0	2.0%
4	Company C	<div></div>	1.0	2.0%
5	Company D	<div></div>	0.8	1.5%

Top Five: 14.5%

Source: Annual Reports of Listed Companies, Interviews with Industry Experts, Frost & Sullivan Report

Competitive Landscape of China's Green-plum-based Fruit Snacks Industry

The market size of China's green-plum-based fruit snacks industry by retail sales value reached RMB9.1 billion in 2024, with the top five market players accounting for 44.1% of the market share, indicating a relatively fragmented competitive landscape. In 2024, the Company ranked first in terms of retail sales value in China's green-plum-based fruit snacks industry, representing a market share of 24.2%.

Top Five Companies in China's Green-plum-based Fruit Snack Industry by Retail Sales Value, 2024

Ranking	Company Name	Retail Sales Value of China Green-plum-based Fruit Snacks in 2024 (RMB Billion)		Market Share
1	the Company	<div></div>	2.2	24.2%
2	Company E	<div></div>	0.5	5.7%
3	Company F	<div></div>	0.5	5.3%
4	Company G	<div></div>	0.5	5.1%
5	Company B	<div></div>	0.4	3.8%

Top Five: 44.1%

Source: Annual Reports of Listed Companies, Interviews with Industry Experts, Frost & Sullivan Report

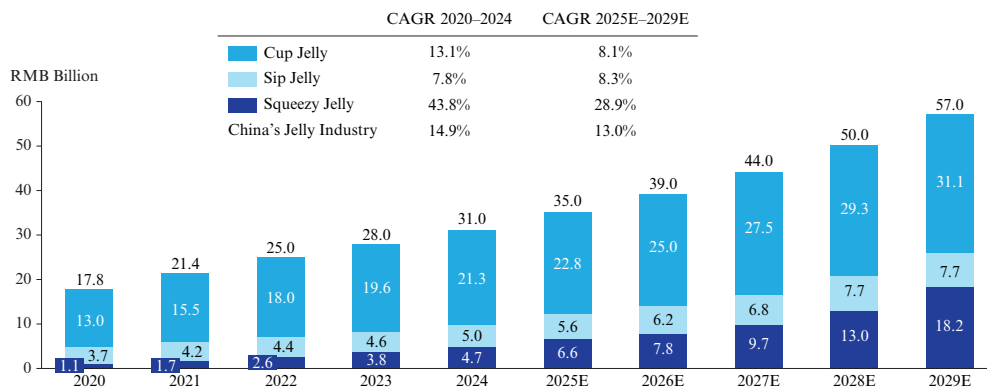
Overview of Jelly Industry

Jelly is a gelatinous, sweet food typically made from fruit nectar, sugar, thickening agents such as gelatin, carrageenan or agar. These key ingredients are combined and processed to produce a smooth, transparent texture with a firm yet pliable consistency. Commonly enjoyed as a convenient dessert or snack option, jelly exists in various flavors, which often reflect natural fruity flavors. Jelly's versatile flavors and pliable texture make it a popular treat across diverse markets.

INDUSTRY OVERVIEW

The China's jelly market is expanding steadily, driven by the ever-evolving consumer preferences, growing demand for convenient snacks and continuous product innovations toward natural and health-conscious jelly. Based on ingredients and processing methods, Jelly can be classified into different types. In particular, featuring ease to consume and portable size, squeezezy jelly has become the fastest growing category, appealing to younger consumers who seek fun and interactive snacking experiences. Additionally, squeezezy jelly reflects innovative flavors and incorporates natural ingredients to align with growing consumer demand for high-quality, novel and health-conscious jelly products. The market size of China's jelly industry by retail sales value increased from RMB17.8 billion in 2020 to RMB31.0 billion in 2024 at a CAGR of 14.9%, and the market is expected to reach RMB57.0 billion in 2029, at a CAGR of 13.0% from 2025 to 2029. Specifically, the squeezezy jelly market increased from RMB1.1 billion in 2020 to RMB4.7 billion in 2024 at a CAGR of 43.8%, and the market is expected to reach RMB18.2 billion in 2029 at a CAGR of 28.9% from 2025 to 2029, demonstrating the enormous growth potential of the market.

Market Size of China's Jelly Industry by Retail Sales Value by Edible Methods, 2020–2029E



Source: Interviews with Industry Experts, Frost & Sullivan Report

With increasing consumer awareness of health and wellness, particularly the desire for cleaner labels and more transparent ingredients, demand for natural ingredient jelly has grown significantly. To capture this emerging market trend, jelly manufacturers are shifting their product development strategies toward jelly products with natural ingredients. It is now viewed as a strategic direction for innovation and brand differentiation, aimed at satisfying consumers' growing expectations for authenticity, healthiness, and quality in daily food products. These innovations have resonated particularly well with youngsters, children and white-collar consumers seeking guilt-free and natural ingredient products.

Entry Barrier for Jelly Industry

Product Barrier

Jelly products require precise formulation to deliver consistent texture, elasticity, and taste. Replacing artificial gelling agents or colorants with natural alternatives further increases technical complexity. New entrants often lack access to the expertise or proprietary formulations needed to compete on quality and stability.

Distribution Barrier

Reliable distribution infrastructure is essential to maintain shelf life and food safety. New entrants without established logistics or channel partnerships face high distribution costs and limited reach, particularly in emerging markets or cross-border trade.

INDUSTRY OVERVIEW

Scale Barrier

Jelly is often positioned as an affordable mass-market snack, especially in developing regions. New players entering this low-margin environment must achieve high production efficiency to remain price-competitive. Without economies of scale or automation, it's difficult to maintain profitability.

Market Challenges and Threats for Jelly Industry

Ingredient and Cost Pressures

Fluctuations in the prices of key ingredients may impact production costs and pressure to use more natural or healthier alternatives adds complexity and expense.

Shifting Consumer Preferences

Consumers are shifting away from artificial products toward healthier and more nature jellies. Traditional jelly products face declining appeal, requiring investment in innovation and potential trade-offs in texture or shelf life.

Regulatory Standards

Food regulations are tightening especially for additives and preservations. Meeting diverse compliance requirements increases operational complexity and may raise the risk of reputational harm.

Competitive Landscape of China's Jelly Industry

The China's jelly industry is relatively fragmented and competitive. The market size of China's jelly industry by retail sales value reached RMB31.0 billion in 2024, with the top ten companies accounting for 33.9% of the market share. The Company ranked sixth in terms of retail sales value in China's jelly industry, representing a market share of 2.9% in 2024.

Top Ten Companies in China's Jelly Industry by Retail Sales Value, 2024

Ranking	Company Name	Retail Sales Value of Jelly in China in 2024 (RMB Billion)	Market Share
1	Company H	2.9	9.4%
2	Company I	1.6	5.2%
3	Company J	1.5	4.8%
4	Company K	1.0	3.3%
5	Company L	1.0	3.1%
6	the Company	0.9	2.9%
7	Company M	0.5	1.5%
8	Company N	0.4	1.4%
9	Company B	0.4	1.3%
10	Company O	0.3	1.0%

Top Ten: 33.9%

Source: Annual Reports of Listed Companies, Interviews with Industry Experts, Frost & Sullivan Report

INDUSTRY OVERVIEW

The following sets forth the profile of the companies in the ranking:

Company A, established in 1992 and headquartered in Zhengzhou, Henan, primarily engages in the research, procurement, production and sales of healthy foods, including red dates, freeze-dried products, nuts and dried fruits.

Company B, established in 2007 and headquartered in Hangzhou, Zhejiang, focuses on the research, development, processing, production, trade, warehousing and logistics of snack foods.

Company C, established in 1989 and headquartered in Weifang, Shandong, continuously innovates, researches and integrates with traditional hawthorn food products as its main line.

Company D, established in 2010 and headquartered in Wuhan, Hubei, is a brand operation enterprise that leverages digital technology to integrate supply chain management and an omnichannel sales system, focusing on high-quality snack food business.

Company E, established in 2013 and headquartered in Huzhou, Zhejiang, is a professional snack food production enterprise focusing on research, development, production and sales.

Company F, established in 1992 and headquartered in Hangzhou, Zhejiang, is a specialized snack food enterprise in China.

Company G, established in 1943 and headquartered in Quanzhou, Fujian, mainly produces series of preserves, cold fruit, candy and other series of food.

Company H, established in 1992 and headquartered in Shenzhen, Guangdong, is engaged in production and sale of four major product lines: jelly puddings, seaweed, milk tea and chocolate biscuits.

Company I, established in 1983 and headquartered in Shanghai, is one of famous food and beverage manufacturers in China.

Company J, established in 2000 and headquartered in Quanzhou, Fujian, is a famous snack food supplier in the jelly products market in China.

Company K, established in 1990 and headquartered in Quanzhou, Fujian, is engaged in the production and sale of jelly and shrimp chips, seasonings, rice wine and other related snack food products.

Company L, established in 1998 and headquartered in Shenzhen, is committed to the production of snack foods such as jelly and pudding.

Company M, established in 2005 and headquartered in Changsha, Hunan, integrates research and development, production and sales across the entire snack food industry chain and the deep processing of agricultural products.

Company N, established in 2012 and headquartered in Wuhu, Anhui, is a snack enterprise specializing in the research, development, production and sales of a wide variety of products.

Company O, established in 2020 and headquartered in Shanghai, is committed to providing consumers with snacks that are both healthy and tasty.

RAW MATERIAL PRICE ANALYSIS

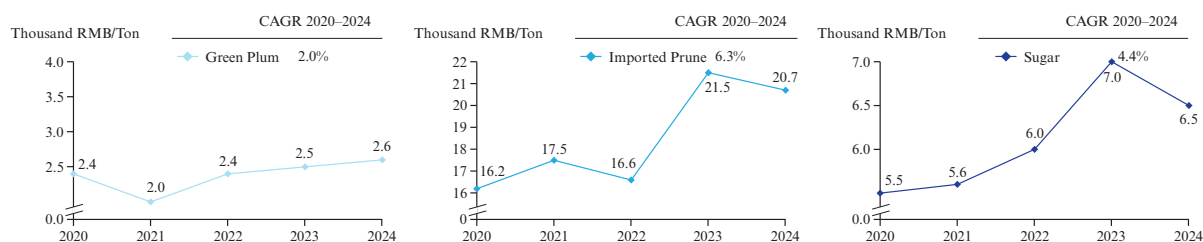
The major raw materials for plum-based products primarily consist of green plums, prunes and auxiliary raw materials, such as sugar and salt. The price of green plum is primarily influenced by weather and market conditions. Green plums can be significantly affected by weather, which causes price fluctuations. Additionally, the plum-based product manufacturers' inventory level can also impact the price of green plums, resulting in fluctuations in procurement costs. From 2020 to 2024, the price of green plum in China increased from RMB2,400 per ton to RMB2,600 per ton, at a CAGR of 2.0%.

INDUSTRY OVERVIEW

Prune-based products mainly use the prunes imported from Chile, France and the United States. The price of prune increased in recent years due to the adverse weather conditions, reduced yields and increased global demand. Additionally, higher transportation costs, logistics disruptions and increased level of inflation also contributed to the price surge of imported prunes. From 2020 to 2024, the price of imported prune increased from RMB16,200 per ton to RMB20,700 per ton, at a CAGR of 6.3%.

The price of auxiliary raw materials, such as sugar, is primarily influenced by the global supply and weather conditions. As one of the world's major sugar-sourcing countries, the price of white sugar in China was greatly affected by that in the international market. Therefore, due to the rising price of white sugar globally, from 2020 to 2024, the price of white sugar in China increased from RMB5,500 per ton to RMB6,500 per ton, at a CAGR of 4.4%.

Average Price of China Green-plum, Imported Prune and White Sugar, 2020–2024



Source: General Administration of Customs of PRC, Interviews with Industry Experts, Frost & Sullivan Report

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on snack food and plum-based products industry and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB400,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The Frost & Sullivan Report is compiled based on the following assumptions: (i) the social, economic and political environment of the globe and Chinese Mainland is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to drive the market in the forecast period.

REGULATORY OVERVIEW

I. REGULATION RELATING TO FOREIGN INVESTMENT

The *Company Law of the PRC*, adopted on December 29, 1993 by the Standing Committee of the National People's Congress and recently amended on December 29, 2023, stipulates that companies are divided into limited liability companies and joint stock limited companies, and all companies established within China are governed by this law.

The *Foreign Investment Law of the PRC* (《中華人民共和國外商投資法》), adopted by the National People's Congress (NPC) on March 15, 2019 and effective from January 1, 2020, provides that the state adopts the management system of pre-establishment national treatment and negative list for foreign investment. Foreign investors are prohibited from investing in sectors specified as prohibited in the Negative List for Admission of Foreign Investment. For sectors classified as restricted under the Negative List for Admission of Foreign Investment, foreign investors must comply with the specific conditions stipulated therein. For sectors not included in the Negative List for Admission of Foreign Investment, management shall be implemented in accordance with the principle of equal treatment for domestic and foreign investment.

Pursuant to the *Special Management Measures (Negative List) for the Access of Foreign Investment (2024 Version)* (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the Negative List) and the *Catalogue of Encouraged Industries for Foreign Investment (2022 Version) and (2025 Version)* (the Encouraged Catalogue), the Company and its domestic holding subsidiaries fall within the industrial sectors encouraged for foreign investment under the Encouraged Catalogue, and are not among the industrial sectors where foreign investment is prohibited or restricted under the Negative List.

II. REGULATION RELATING TO FOOD SAFETY

The *Food Safety Law of the PRC* (《中華人民共和國食品安全法》), adopted on February 28, 2009 by the NPC Standing Committee and recently amended on December 1, 2025, stipulates that the State implements a licensing system for the production and operation of food and food additives, establishes a full-process traceability system for food safety and a food recall system, and requires food producers and operators to be responsible for the safety of the food they produce or operate.

The *Product Quality Law of the PRC* (《中華人民共和國產品質量法》), adopted on February 22, 1993 by the NPC Standing Committee and recently amended on December 29, 2018, stipulates that the State implements a supervision and inspection system for product quality, with random inspections as the primary method. Samples for such random inspections shall be randomly selected from the market or from products to be sold in the finished goods warehouses of enterprises. Where products are found to be unqualified through supervision and inspection, the producers and sellers will be ordered to make corrections within a specified period; if corrections are not made within the specified period, the product quality supervision department of the provincial-level or above government will make a public announcement; if products remain unqualified after a re-inspection following the announcement, the enterprise will be ordered to suspend operations for rectification within a specified period; if the product quality remains unqualified after a re-inspection following the rectification period, its business license will be revoked.

The *Measures for the Administration of Food Business Licensing and Filing* (《食品經營許可和備案管理辦法》), issued by the State Administration for Market Regulation (SAMR) and effective from December 1, 2023, stipulate that food producers who have already obtained food production licenses do not require a food operation license to sell their self-produced food at their production and processing sites or through online channels. Food sellers who have already obtained food operation licenses do not require a separate filing for expanding into sales of pre-packaged food. Food producers who have already obtained food production licenses do not require a separate filing to sell their self-produced pre-packaged food at their production and processing sites or through online channels. Food producers who engage in food operation activities in different business premises

REGULATORY OVERVIEW

shall obtain separate food operation licenses or filings for each premise according to the law. Food operation entities are classified into food sellers, catering service operators, and entity-operated canteens for centralized meal supply.

The *Administrative Provisions on Food Labeling* (《食品標識管理規定》), issued by the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) (now integrated into SAMR) and amended on October 22, 2009, explicitly require that food labels shall indicate the food name, place of origin, production date, shelf life, net weight, ingredient list, and the name, address and contact details of the producer, as well as the applicable national, industry or local standards. Foods that are subject to production license shall be labeled with their food production license number and QS mark.

III. REGULATION RELATING TO INTERNET MARKETING AND LIVE STREAMING E-COMMERCE

The *E-Commerce Law of the PRC* (《中華人民共和國電子商務法》), adopted by the NPC Standing Committee and effective from January 1, 2019, stipulates that e-commerce operators include e-commerce platform operators, operators on platforms, and e-commerce operators who sell goods or provide services through self-built websites or other network services. E-commerce operators shall register as market entities in accordance with the law.

The *Advertising Law of the PRC* (《中華人民共和國廣告法》), adopted on October 27, 1994 by the NPC Standing Committee and recently amended on April 29, 2021, explicitly requires that the release and transmission of advertisements via the internet must not affect the normal use of the internet by users; advertisements published on internet pages in the form of pop-ups shall be clearly marked with a closing sign to ensure one-click closure.

The *Measures for the Supervision and Administration of Online Transactions* (《網絡交易監督管理辦法》), issued by SAMR and effective from May 1, 2025, stipulate that online transaction operators shall disclose information on goods or services in a comprehensive, truthful, accurate and timely manner to protect consumers' right to know and right to choose. Online transaction operators carrying out online transaction activities through network services such as social networks or live streaming shall prominently display the goods or services, the actual operating entity, after-sales service information, or link identifiers of the above information.

The *Measures for the Administration of Online Live Streaming Marketing (Trial)* (《網絡直播營銷管理辦法(試行)》), jointly issued by the Cyberspace Administration of China and six other departments and effective from May 25, 2021, require that operators of live streaming rooms and live streaming marketers engaged in online live streaming marketing activities must not fabricate or tamper with data traffic such as transactions, attention, views, and likes, which constitutes data fraud.

The *Code of Conduct for Online Anchors* (《網絡主播行為規範》), jointly issued and implemented by the National Radio and Television Administration and the Ministry of Culture and Tourism on June 8, 2022, requires that online anchors comply with the relevant regulations on real-name registration of accounts, and must not engage in 31 prohibited acts covering aspects such as political security, social order, minor protection, and business ethics. For live streaming content requiring higher professional expertise (such as medical and health care, finance and economics, law, education), anchors should obtain corresponding practicing qualifications and report such practicing qualifications to the live streaming platform, which shall conduct qualification review and filing.

IV. REGULATION RELATING TO ENVIRONMENTAL PROTECTION

The *Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》) (the “**Environmental Protection Law**”), adopted on December 26, 1989 by the NPC Standing Committee and amended on April 24, 2014, explicitly stipulates that all entities and individuals have the obligation to protect the environment; producers and operators shall prevent and reduce environmental pollution and ecological damage, and bear responsibility for the damage caused in accordance with the law. The State implements a total emission control system for key pollutants and a pollution discharge permit management system. Construction of a project for which an environmental impact assessment has not been conducted in accordance with the law shall not commence. Pollution prevention and control facilities in a construction project shall be designed, constructed, and put into operation simultaneously with the main project. Pollution prevention and control facilities shall comply with the requirements of the approved environmental impact assessment documents, and must not be dismantled or left idle without authorization.

Ten laws related to environmental protection and pollution prevention and control, including the Environmental Protection Law will be replaced by the *Ecological Environment Code of the PRC* (《中華人民共和國生態環境法典》), which was adopted by the NPC and will take effect on June 28, 2026.

V. REGULATION RELATING TO PROPERTY

1. Land Administration

The *Land Administration Law of the PRC* (《中華人民共和國土地管理法》), adopted on June 25, 1986 by the NPC Standing Committee and recently amended on August 26, 2019, stipulates that construction entities using state-owned land shall use the land in accordance with the terms of the compensated use contract such as the land use right grant agreement or the provisions of the approval document for the allocation of land use rights. If a change in the intended use of such land is truly necessary, it shall be approved by the competent department of natural resources of the relevant people’s government and reported to the people’s government that originally approved the land use for approval.

The *Rural Land Contracting Law of the PRC* (《中華人民共和國農村土地承包法》), adopted on August 29, 2002 by the NPC Standing Committee and recently amended on December 29, 2018, stipulates that the State implements the rural land contracting and management system. Rural land contracting adopts the method of household contracting within rural collective economic organizations. After contracting land, the contractor acquires the right to land contractual management and may either manage it by itself or retain the land contracting right while transferring the land management right of the contracted land to others for management. Rural land contracting and management shall comply with laws and regulations, and protect the rational development and sustainable use of land resources. Contracted land must not be used for non-agricultural construction without approval in accordance with the law. Where the party granting the contract contracts rural land to an entity or individual outside the collective economic organization, it shall obtain prior consent from at least two-thirds of the members of the villagers’ assembly or at least two-thirds of the villagers’ representatives in the collective economic organization, and report to the township (town) people’s government for approval.

2. Property Leasing

The *Civil Code of the PRC*, adopted by the NPC and effective from January 1, 2021, stipulates that unless the parties have agreed otherwise, the income derived from the possession and use of the leased property during the lease term belongs to the lessee. A lessee may sublease the leased property to a third party with the consent of the lessor. Where the lessee subleases the property, the lease contract between the lessee and the lessor remains valid. If the third party causes damage to the leased property, the lessee shall compensate for the loss. If the lessee

subleases the property without the consent of the lessor, the lessor may terminate the contract. A change in the ownership of the leased property during the term of the lease contract under which the lessee is in possession does not affect the validity of the lease contract.

The *Administrative Measures for the Lease of Commercial Properties* (《商品房屋租賃管理辦法》), issued by the Ministry of Housing and Urban-Rural Development and effective from February 1, 2011, require that within 30 days after the conclusion of a property lease contract, the parties to the property lease shall register the property lease with the competent department of construction (real estate) of the municipality directly under the Central Government, city or county where the leased property is located. If the lease registration is not completed in accordance with the above requirements, the competent department of construction (real estate) of the municipality directly under the Central Government, city or county shall order correction within a specified period; if an individual fails to make corrections within the specified period, a fine of not more than RMB1,000 shall be imposed; if an entity fails to make corrections within the specified period, a fine of not less than RMB1,000 and not more than RMB10,000 shall be imposed.

VI. REGULATION RELATING TO LABOR AND SOCIAL SECURITY

1. Labor Contract

The *Labor Contract Law of the PRC* (《中華人民共和國勞動合同法》), adopted on June 29, 2007 by the NPC Standing Committee and recently amended on December 28, 2012, stipulates that this law applies to the establishment of labor relationships, and the conclusion, performance, modification, termination or expiration of labor contracts between employers and employees within China. Labor contract employment is the basic form of employment for enterprises, while labor dispatch employment is a supplementary form and may only be implemented in temporary, auxiliary, or substitute positions. The employer shall strictly control the number of dispatched employees, which shall not exceed a certain percentage of its total workforce. The employer may also adopt a part-time employment model, where employees work an average of no more than four hours every day and no more than 24 hours every week in the same entity.

2. Social Insurance

The *Social Insurance Law of the PRC* (《中華人民共和國社會保險法》), adopted on October 28, 2010 by the NPC Standing Committee and recently amended on December 29, 2018, requires that employers shall, within 30 days from the date of hiring, apply for social insurance registration with the social insurance registration agency for their employees. If social insurance registration is not completed, the social insurance registration agency shall determine the social insurance premiums payable by the employer. If an employer fails to pay social insurance contributions in full and on time, the social insurance collection authority may order the employer to pay or make up the contributions within a specified period, and charge a daily late payment of 0.05% of the outstanding amount from the date of default. If the employer still fails to comply, the relevant administrative authority may impose a fine of not less than one time and not more than three times the unpaid amount.

The *Interpretation on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (II)* (《關於審理勞動爭議案件適用法律問題的解釋(二)》), issued by the Supreme People's Court and effective from September 1, 2025, explicitly clarifies that any agreement between an employer and an employee that stipulates or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be invalid. Where an employer fails to pay social insurance premiums in accordance with the law, the employee shall have the right to request the termination of the labor contract on this ground and demand the employer to pay economic compensation. However, after the employer makes up the social insurance premiums in accordance with the law, it has the right to claim the return of the social insurance premium compensation already paid to the employee.

REGULATORY OVERVIEW

3. Housing Provident Fund

The *Administration of Housing Provident Fund* (《住房公積金管理條例》), issued on April 3, 1999 by the State Council and recently amended on March 24, 2019, require that when an employer recruits an employee, it shall register with the housing provident fund administration center and establish or transfer employees' housing provident fund accounts within 30 days from the employment date. If an employer fails to register for housing provident fund contributions or fails to set up accounts for its employees, the housing provident fund administration center may order it to complete such procedures within a specified period. If the employer fails to comply within such specified period, a fine of not less than RMB10,000 but not more than RMB50,000 may be imposed.

VII. REGULATION RELATING TO OVERSEAS SECURITIES ISSUANCE AND LISTING

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》), issued by the CSRC and effective from March 31, 2023, require that a domestic enterprise in China making its initial public offering or listing overseas shall file with the CSRC within three working days after submitting the offering and listing application documents overseas.

The *Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Enterprises* (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), jointly issued by the CSRC and other departments and effective from March 31, 2023, require that during the overseas issuance and listing activities of a domestic enterprise, the domestic enterprise as well as securities companies and securities service institutions providing related services, shall strictly comply with relevant laws and regulations of the People's Republic of China and the requirements of this regulation. They shall enhance their legal awareness of keeping state secrets and strengthening archive management, establish and improve confidentiality and archive management systems, implement necessary measures to fulfill confidentiality and archive management responsibilities, and must not disclose state secrets or work secrets of state agencies, nor harm national or public interests. Domestic enterprises that provide or publicly disclose documents or information involving state secrets or work secrets of state agencies to relevant securities companies, securities service institutions, overseas regulatory authorities or other entities and individuals, whether directly or through their overseas listed entities, shall obtain approval from competent authorities with approval authority in accordance with the law and file with the administrative department for confidentiality at the same level.

VIII. REGULATION RELATING TO CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

The *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》), adopted on June 1, 2017 by the NPC Standing Committee and recently amended on October 28, 2025, stipulates that the construction, operation, and provision of services via networks within China shall comply with the requirements of laws, administrative regulations, and mandatory national standards. Any individual or organization using the network shall abide by the Constitution and laws, uphold public order, and respect social morality. They must not endanger cybersecurity, nor use the network to engage in activities that endanger national security, honor and interests, incite the subversion of state power or overthrow the socialist system, incite secession or undermine national unity, promote terrorism or extremism, promote ethnic hatred or discrimination, disseminate violence, obscenity or pornography, fabricate and disseminate false information that disrupts economic and social order, or infringe upon the reputation, privacy, intellectual property rights, or other lawful rights and interests of others.

REGULATORY OVERVIEW

The *Data Security Law of the PRC* (《中華人民共和國數據安全法》), adopted by the NPC Standing Committee and effective from September 1, 2021, explicitly stipulates that data processing activities carried out within China shall comply with Chinese laws and regulations. For data processing activities carried out outside China that harm the national security, public interests, or the lawful rights and interests of citizens or organizations of China, legal liability shall be pursued in accordance with the law.

The *Personal Information Protection Law of the PRC* (《中華人民共和國個人信息保護法》), adopted by the NPC Standing Committee and effective from November 1, 2021, stipulates that the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information. No organization or individual may illegally collect, use, process, or transmit the personal information of others, nor illegally buy, sell, provide, or disclose the personal information of others. No organization or individual may engage in personal information processing activities that endanger national security or public interests.

The *Measures for Cybersecurity Review* (《網絡安全審查辦法》), jointly issued by the Cyberspace Administration of China and relevant government departments and effective from February 15, 2022, require that where an operator of critical information infrastructure purchases network products and services that affect or may affect national security, it shall declare a cybersecurity review to the Cybersecurity Review Office. A network platform operator that possesses personal information of more than one million users must declare a cybersecurity review to the Cybersecurity Review Office if it seeks to be listed abroad.

IX. REGULATION RELATING TO TAXATION

The *Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》), adopted on March 16, 2007 by the NPC and recently amended on December 29, 2018 by the NPC Standing Committee, 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》), issued on December 6, 2007 by the State Council and recently amended on December 6, 2024, stipulate that enterprises within China are divided into resident enterprises and non-resident enterprises. A resident enterprise shall pay enterprise income tax on its income derived from both within and outside China at a tax rate of 25%.

The *Circular on the Scope of Primary Processing of Agricultural Products Eligible for Enterprise Income Tax Preferential Policies (Trial)* (《關於享受企業所得稅優惠政策的農產品初加工範圍(試行)的通知》) jointly issued by the MOF and the SAT on November 20, 2008, and the *Supplementary Circular on the Relevant Scope of Primary Processing of Agricultural Products Eligible for Enterprise Income Tax Preferential Policies* (《關於享受企業所得稅優惠的農產品初加工有關範圍的補充通知》) issued on May 11, 2011, clarify that income derived from the primary processing of agricultural products within the specified scope is exempt from enterprise income tax.

The *Value-Added Tax Law of the PRC* (《中華人民共和國增值稅法》), adopted on December 25, 2024 by the NPC Standing Committee and effective from January 1, 2026, stipulates that entities and individuals that sell goods, services, intangible assets, or immovable property within China, as well as those that import goods, are taxpayers of value-added tax (VAT) and shall pay VAT in accordance with the law. The tax rate for taxpayers selling goods or importing goods is generally 13%. The tax rate for taxpayers selling or importing agricultural products is 9%. The tax rate for taxpayers selling services or intangible assets is generally 6%. The tax rate for taxpayers exporting goods is zero, unless otherwise stipulated by the State Council. The tax rate for cross-border sales by domestic entities and individuals of services and intangible assets within the scope stipulated by the State Council is zero. The collection rate for VAT calculated and paid using the simplified assessment method is 3%.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a fruit snack company focusing on the plum-based products. Our history dates back to when our founder Mr. Yang founded Anhui Liuliu in 1999 and explored business opportunities in the snack-food industry. Our “溜溜 LIUM” trademark was recognized as a “Renowned Chinese Trademark” since 2015. Guided by our plum-centric product development strategy, we have built a diverse portfolio of plum-based products including dried plum snacks, prune-based products and plum jelly, as well as other plum-based products, such as plum gummy and plum tea concentrate. In 2024, we ranked first in China’s fruit snacks industry in terms of the retail sales value, with a market share of 4.9%.

KEY MILESTONES

The following table summarises the key development milestones of our Group:

Year	Milestones
1999	<ul style="list-style-type: none">Anhui Liuliu was established in Wuhu City, Anhui Province.
2000	<ul style="list-style-type: none">We built the Wuhu Plant in Wuhu City, Anhui Province.
2001	<ul style="list-style-type: none">We registered the “溜溜LIUM” trademark and launched our iconic brand.
2009	<ul style="list-style-type: none">Our Company was founded and we built the Anhui Plant.We also established presence in Fujian Province, a green plum production area in southern China, and built the Zhangpu Plant.
2010	<ul style="list-style-type: none">We continued to expand the Fujian production base and built the Zhaoan plant.
2013	<ul style="list-style-type: none">We introduced well-known celebrity as product ambassador to enhance our brand and product awareness.
2014	<ul style="list-style-type: none">We were recognized as the National Key Leading Enterprise in Agricultural Industrialization* (農業產業化國家重點龍頭企業).
2015	<ul style="list-style-type: none">Our “溜溜LIUM” trademark was recognized as a “Renowned Chinese Trademark”* (中國馳名商標).We started introducing strategic institutional investors to optimize the Company’s capital structure.
2016	<ul style="list-style-type: none">We established Liuliu Research Institute and Zhongnongan Testing to enhance product research and development and testing capabilities.We hosted the Plum Industry Development Conference* (梅產業發展大會) at the China National Convention Center in Beijing.
2019	<ul style="list-style-type: none">We launched the plum jelly products.We were recognized as a National Green Factory* (國家綠色工廠).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestones
2021	<ul style="list-style-type: none"> We expanded into Guangxi Zhuang Autonomous Region, a green plum producing area in southwestern China, and built the Guangxi plant. We participated in the drafting of the national standard “General Rules for Preserved Fruit Quality”* (《蜜餞質量通則》) and the industry standard “Technical Conditions for Plums (Types)”* (話梅(類)技術條件)). “Liuliu Mei No. 1” was granted the new plant variety right certificate.
2022	<ul style="list-style-type: none"> We expanded the Anhui production base and built the plum jelly plant. Our “Liuliu Mei No. 2” was granted the new plant variety right certificate.
2023	<ul style="list-style-type: none"> We launched the zero-additive pitted prune products.
2024	<ul style="list-style-type: none"> We partnered with well-known membership chain store to launch customized premium plum product.
2025	<ul style="list-style-type: none"> We launched electrolyte-infused slushy jelly, pioneering a new plum jelly product series. We introduced “Fiber Life” as a dedicated brand for our prune-based products.
2026	<ul style="list-style-type: none"> We were awarded the 2025 “China Consumer Premium Brands” by the Ministry of Industry and Information Technology of the PRC.

OUR PRINCIPAL OPERATING SUBSIDIARIES

As of the Latest Practicable Date, we had nine principal operating subsidiaries in the PRC which were material to our performance during the Track Record Period. The following table sets out the details of such subsidiaries:

No.	Name of subsidiary	Place of establishment	Date of establishment	Registered capital as of the Latest Practicable Date RMB'000	Equity holding of our Company	Principal business activities
1.	Anhui Liuliu	PRC	April 18, 1999	5,000	100%	Manufacture of food
2.	Fujian Liuliu	PRC	May 25, 2009	15,000	100%	Processing of agricultural products
3.	Zhaoan Liuliu	PRC	September 27, 2010	22,000	100%	Processing of agricultural products
4.	Fujian LIUM	PRC	December 17, 2014	10,000	100%	Procurement and preliminary processing of agricultural products
5.	Anhui LIUM	PRC	March 11, 2015	10,000	100%	Procurement and preliminary processing of agricultural products
6.	Liuliu Research Institute	PRC	November 28, 2016	10,000	100%	Research and development of new products

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

No.	Name of subsidiary	Place of establishment	Date of establishment	Registered capital as of the Latest Practicable Date <i>RMB'000</i>	Equity holding of our Company	Principal business activities
7.	Liuliu Sales	PRC	July 2, 2018	10,000	100%	Sale of food
8.	Liuliu New Retail	PRC	August 23, 2018	10,000	100%	Sale of food
9.	Plum Jelly Tech	PRC	February 24, 2022	50,000	100%	Manufacture of food

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

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

CORPORATE DEVELOPMENT

Our Company underwent the following several rounds of change in registered capital and equity transfers.

Establishment of our Company

The following table sets forth the equity ownership structure of our Company upon its establishment in September 2009:

Name of shareholder	Amount of registered capital subscribed (<i>RMB</i>)	Percentage ownership (%)
Mr. Yang	9,000,000	90.00
Ms. Li	1,000,000	10.00
Total	10,000,000	100.00

Increase in the Share Capital in April 2010

In April 2010, the registered capital of our Company was increased from RMB10,000,000 to RMB30,000,000. The following table sets forth the equity ownership structure of our Company upon the completion of the increase in share capital:

Name of shareholder	Amount of registered capital subscribed (<i>RMB</i>)	Percentage ownership (%)
Mr. Yang	27,000,000	90.00
Ms. Li	3,000,000	10.00
Total	30,000,000	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Increase in the Share Capital in February 2012

In February 2012, the registered capital of our Company was increased from RMB30,000,000 to RMB60,000,000. The following table sets forth the equity ownership structure of our Company upon the completion of the increase in share capital:

<u>Name of shareholder</u>	<u>Amount of registered capital subscribed</u> (RMB)	<u>Percentage ownership</u> (%)
Mr. Yang	54,000,000	90.00
Ms. Li	6,000,000	10.00
Total	<u>60,000,000</u>	<u>100.00</u>

Equity Transfer in January 2015

In January 2015, Mr. Yang and Ms. Li transferred approximately 45.90% and 5.10% equity interests in our Company, representing a registered capital of RMB27,540,000 and RMB3,060,000, to Jurun Investment at assessed value of RMB47,290,402.80 and RMB5,254,489.20, respectively. Jurun Investment was owned as to 90% by Mr. Yang and 10% by Ms. Li.

The following table sets forth the equity ownership structure of our Company upon the completion of the equity transfer:

<u>Name of shareholder</u>	<u>Amount of registered capital subscribed</u> (RMB)	<u>Percentage ownership</u> (%)
Jurun Investment	30,600,000	51.00
Mr. Yang	26,460,000	44.10
Ms. Li	2,940,000	4.90
Total	<u>60,000,000</u>	<u>100.00</u>

Equity Transfer in June 2015

In June 2015, Jurun Investment transferred approximately 4.00% equity interests in our Company, representing a registered capital of RMB2,400,000, to Kailai Star for employee incentive purpose at a consideration of RMB7,200,000, and approximately 6.00% equity interests in our Company, representing a registered capital of RMB3,600,000, to Kaixuan Star as a shareholding platform for Mr. Yang and his family at a consideration of RMB10,800,000, respectively. For details of Kailai Star, please refer to “Pre-IPO Share Incentive Plan” in this section below.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The following table sets forth the equity ownership structure of our Company upon the completion of the equity transfers:

<u>Name of shareholder</u>	<u>Amount of registered capital subscribed</u> (RMB)	<u>Percentage ownership</u> (%)
Mr. Yang	26,460,000	44.10
Jurun Investment	24,600,000	41.00
Kaixuan Star	3,600,000	6.00
Ms. Li	2,940,000	4.90
Kailai Star	2,400,000	4.00
Total	60,000,000	100.00

Series A Financing in July 2015

On June 25, 2015, our Company, our then Shareholders and Beijing Sequoia entered into a capital increase agreement, pursuant to which Beijing Sequoia subscribed for a registered capital of RMB10,588,235 (i.e. Series A Shares) at a consideration of RMB135,000,000. The registration of capital increase was completed on July 13, 2015. The consideration was fully settled on June 30, 2015.

The following table sets forth the equity ownership structure of our Company upon the completion of the Series A Financing:

<u>Name of shareholder</u>	<u>Amount of Registered Share Capital Subscribed</u> (RMB)	<u>Percentage ownership</u> (%)
Mr. Yang	26,460,000	37.49
Jurun Investment	24,600,000	34.85
Beijing Sequoia	10,588,235	15.00
Kaixuan Star	3,600,000	5.10
Ms. Li	2,940,000	4.17
Kailai Star	2,400,000	3.40
Total	70,588,235	100.00

Conversion into a Joint Stock Limited Company in April 2016

On April 21, 2016, our Company was converted from a limited liability company into a joint stock limited company. Upon completion of the conversion, the registered capital of our Company became RMB70,588,235 divided into 70,588,235 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Immediately after the conversion into a joint stock company, our Company is held by the following shareholders who acted as promoters for the purpose of the stock conversion of our Company. The information of our promoters is set forth as follows:

Name of shareholder	Number of Shares	Shareholding percentage (%)
Mr. Yang	26,460,000	37.49
Jurun Investment	24,600,000	34.85
Beijing Sequoia	10,588,235	15.00
Kaixuan Star	3,600,000	5.10
Ms. Li	2,940,000	4.17
Kailai Star	2,400,000	3.40
Total	70,588,235	100.00

Series B Financing in December 2016

On October 25, 2016, Mr. Li Qing (李青) and our Company entered into a capital increase agreement pursuant to which Mr. Li Qing subscribed for 3,715,170 Shares (i.e. Series B Shares), representing approximately 5.00% of the shareholding of our Company, at a consideration of RMB102,631,578.95. The consideration was fully settled on October 31, 2016. The registration of the capital increase was completed on December 6, 2016. Mr. Li Qing is an experienced investor who was acquainted with our Company through mutual business connection and an Independent Third Party.

The following table sets forth the equity ownership structure of our Company upon the completion of the Series B Financing:

Name of shareholder	Number of Shares	Shareholding percentage (%)
Mr. Yang	26,460,000	35.61
Jurun Investment	24,600,000	33.11
Beijing Sequoia	10,588,235	14.25
Mr. Li Qing	3,715,170	5.00
Kaixuan Star	3,600,000	4.85
Ms. Li	2,940,000	3.96
Kailai Star	2,400,000	3.23
Total	74,303,405	100.00

Share Transfer in 2019

On December 22, 2019, Mr. Li Qing and Shenzhen Junrong entered into a share transfer agreement pursuant to which Mr. Li Qing transferred 3,715,170 Shares (i.e. Series B Shares), representing 5.00% shareholding of our Company, to Shenzhen Junrong at a consideration of RMB118,500,000. The consideration was fully settled on January 6, 2020.

Series C Financing in 2020

On August 29, 2020, Nuoxiang Jinhong and Mr. Yang entered into a share transfer agreement pursuant to which Mr. Yang transferred 891,641 Shares (i.e. Series C1 Shares), representing 1.18% shareholding of our Company, to Nuoxiang Jinhong at a consideration of RMB28,800,000. The consideration was fully settled on October 19, 2020.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On December 15, 2020, our Company and Nuoxiang Dongchen entered into a capital increase agreement pursuant to which Nuoxiang Dongchen subscribed for 1,361,977 Shares (i.e. Series C2 Shares), representing approximately 1.80% of the shareholding of our Company, at a consideration of RMB43,991,857. The consideration was fully settled on December 29, 2020. The registration of the capital increase was completed on September 8, 2021.

The following table sets forth the equity ownership structure of our Company upon the completion of the share transfer in 2019 and the Series C Financing:

Name of shareholder	Number of Shares	Shareholding percentage (%)
Mr. Yang	25,568,359	33.79
Jurun Investment	24,600,000	32.51
Beijing Sequoia	10,588,235	13.99
Shenzhen Junrong	3,715,170	4.91
Kaixuan Star	3,600,000	4.76
Ms. Li	2,940,000	3.89
Kailai Star	2,400,000	3.17
Nuoxiang Dongchen	1,361,977	1.80
Nuoxiang Jinhong	891,641	1.18
Total	75,665,382	100.00

Capital Reduction in January 2025

On June 25, 2024, our Company and Beijing Sequoia entered into a share purchase agreement pursuant to which our Company agreed to repurchase all Shares held by Beijing Sequoia by way of capital reduction. On September 30, 2024, our then Shareholders resolved to reduce the registered share capital of our Company by RMB10,588,235. The registration of the capital reduction was completed on January 23, 2025, upon which Beijing Sequoia ceased to be our Shareholder. The following table sets forth the equity ownership structure of our Company upon the completion of the capital reduction:

Name of shareholder	Number of Shares	Shareholding percentage (%)
Mr. Yang	25,568,359	39.29
Jurun Investment	24,600,000	37.80
Shenzhen Junrong	3,715,170	5.71
Kaixuan Star	3,600,000	5.53
Ms. Li	2,940,000	4.52
Kailai Star	2,400,000	3.69
Nuoxiang Dongchen	1,361,977	2.09
Nuoxiang Jinhong	891,641	1.37
Total	65,077,147	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series D Financing in February 2025

On December 8, 2024, our Company, our then Shareholders, Huaan Fund and Xingnong Fund entered into a capital increase agreement pursuant to which (i) Huaan Fund subscribed for 1,210,646 Shares (i.e. Series D1 Shares), representing approximately 1.80% of the shareholding of our Company, at a consideration of RMB40,000,000; and (ii) Xingnong Fund subscribed for 1,059,315 Shares (i.e. Series D2 Shares), representing approximately 1.57% of the shareholding of our Company at a consideration of RMB35,000,000. The respective consideration was fully settled by Huaan Fund on December 26, 2024 and by Xingnong Fund on January 3, 2025.

The following table sets forth the equity ownership structure of our Company upon the completion of the Series D Financing:

Name of shareholder	Number of Shares	Shareholding percentage (%)
Mr. Yang	25,568,359	37.97
Jurun Investment	24,600,000	36.53
Shenzhen Junrong	3,715,170	5.52
Kaixuan Star	3,600,000	5.35
Ms. Li	2,940,000	4.37
Kailai Star	2,400,000	3.56
Nuoxiang Dongchen	1,361,977	2.02
Huaan Fund	1,210,646	1.80
Xingnong Fund	1,059,315	1.57
Nuoxiang Jinhong	891,641	1.32
Total	67,347,108	100.00

PREVIOUS APPLICATION FOR LISTING ON THE SHENZHEN STOCK EXCHANGE

Our Company submitted an application for listing of our Shares on the ChiNext Board of the Shenzhen Stock Exchange on June 17, 2019 (the “**A-Share Listing Application**”). At that time, in response to the slowing pace of sales growth, we initiated a strategic upgrade of our brand, shifting from general snack consumption to positioning green plum products as a mainstream food category. The strategy aimed to differentiate green plums by highlighting their natural health benefits and to open up broader market opportunities by appealing to everyday consumption scenarios, thereby strengthening consumer purchase motivation.

Since 2013, we had promoted our products through celebrity endorsements, which initially enhanced brand awareness. However, by 2017, sales growth began to slow. In 2019, we engaged a branding consultancy with experience advising leading domestic consumer product brands, to support a comprehensive brand repositioning. Based on market research, we strengthened messaging around the health value of green plums and launched extensive nationwide marketing campaigns in major cities, including Hefei, Chengdu, Zhengzhou, Wuhan, Xi’an, Hangzhou and other cities. This repositioning involved significant marketing and promotional expenditures. Moreover, we also discontinued non-core dried fruit products, streamlined our distributor network, and focused on key distributors aligned with our new strategic direction of green plum products. While these measures enhanced brand focus and operational efficiency, they also led to a short-term decline in revenue during the transition period.

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The strategic upgrade led to a temporary decline in revenue and a significant increase in marketing and promotional expenditure, therefore our net profit was expected to decrease substantially and fail to meet the substantive financial requirements for an A-share listing application. Accordingly, following discussions with the then sponsor, we voluntarily withdrew the A-Share Listing Application on December 8, 2019. As confirmed by the Directors, no response had been prepared or submitted in respect of the comments raised by the CSRC regarding the A-Share Listing Application. The application remained valid and had not been returned or rejected by the CSRC prior to our withdrawal. During the process of the A-Share Listing Application, save for the reason as disclosed above, we did not encounter any material difficulties or legal impediments which led us to withdraw the A-Share Listing Application.

To the best of our Directors' knowledge, our Directors are not aware of any matters relating to the A-Share Listing Application, including enquiries from the CSRC, that may pose a material adverse implication on the Listing or would affect our Company's suitability for listing on the Stock Exchange, which should be brought to the attention of the Stock Exchange. As confirmed by our Directors, there were no key outstanding comments from the CSRC remained unresolved, and all information that is relevant to the Listing and reasonably necessary for potential investors to form an informed assessment of our Company has been disclosed in this prospectus. There were no disagreements between our Company and any of the professional parties involved in the A-Share Listing Application. Based on the due diligence work conducted by the Joint Sponsors, the Joint Sponsors did not identify any material facts that would reasonably cause them to cast doubt on the view of the Directors mentioned above.

PRE-IPO INVESTMENTS

Our Company engaged in four rounds of Pre-IPO Investments from 2015 to 2025, details of which are set out below:

Round of Pre-IPO Investment	Name of Pre-IPO Investors	Date of Agreement	Date of Settlement of Consideration	Amount of Registered Capital Subscribed for (RMB)	Consideration (RMB)	Cost Per Share (RMB)	Discount to the Offer Price ⁽⁴⁾	Shareholding in the Company upon Listing assuming the Over-allotment Option is not exercised
Series A	Beijing Sequoia ^{(1), (2)}	June 25, 2015	June 30, 2015	10,588,235	135,000,000	12.75	66.43%	N/A
Series B	Mr. Li Qing ^{(1), (3)}	October 25, 2016	October 31, 2016	3,715,170	102,631,579	27.63	27.27%	N/A
	Shenzhen Junrong	January 6, 2020	January 6, 2020	3,715,170	118,500,000	31.90	16.02%	4.71%
Series C1	Nuoxiang Jinhong	August 29, 2020	October 19, 2020	891,641	28,800,000	32.30	14.96%	1.13%
Series C2	Nuoxiang Dongchen	December 15, 2020	December 29, 2020	1,361,977	43,991,857	32.30	14.96%	1.73%
Series D1	Huaan Fund	December 8, 2024	December 26, 2024	1,210,646	40,000,000	33.04	13.01%	1.54%
Series D2	Xingnong Fund	December 8, 2024	January 3, 2025	1,059,315	35,000,000	33.04	13.01%	1.34%

Notes:

- (1) As of the Latest Practicable Date, such investors had ceased to be our Shareholders.
- (2) Beijing Sequoia is a private equity fund established in June 2012 and invested in our Company in June 2015. Pursuant to the capital increase agreement, Beijing Sequoia had the right to request our Company to repurchase the Shares held by it if our Company had not submitted a listing application by June 2020. In view of its continued confidence in our Company's development prospects, Beijing Sequoia agreed to extend the repurchase timeline to December 2023. However, as Beijing Sequoia's underlying fund is approaching the end of its term in September 2025, Beijing Sequoia will no longer be able to further extend its investment in our Company. Accordingly, as discussed with Beijing Sequoia, our Company repurchased all Shares held by Beijing Sequoia in January 2025 pursuant to the aforesaid repurchase mechanism.

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- (3) Mr. Li Qing is a private equity investor with a focus on the consumer and food-related sectors. He has invested in a number of food companies, including Tianye Innovation Corporation* (田野創新股份有限公司) (NEEQ: 832023). Mr. Li became a Shareholder of our Company in 2016, having identified our Company as a leading player in the green plum product segment, with plans to pursue an initial public offering that year. Following our Company's decision to withdraw listing application from the Shenzhen Stock Exchange in December 2019, Mr. Li reassessed his investment in light of his typical investment strategy, which focused on companies actively pursuing capital market listings. As a result, he sold all of the equity interest in our Company to Shenzhen Junrong in December 2019.
- (4) Based on an Offer Price of HK\$43.58 per Offer Share.

Basis of consideration

The consideration of each round of Pre-IPO Investments were determined based on arm's length negotiation with our respective Pre-IPO Investors and our Group and/or the then Shareholders. Key factors considered included the timing of the investments, our valuation at the time the investment agreement was entered into, the status of our business operations, financial performance of our Group, and the prospect of our business.

In general, the valuations were assessed with reference to a price-to-earnings ("P/E") multiple based on our Group's net profits for the most recent financial year prior to each investment and taking into account the Pre-IPO Investors' then assessment of the Group's historical financial performance and expectation on the Group's future business prospects. The P/E multiples adopted in these investments were broadly in line with P/E multiples of various snack or food companies listed in Hong Kong or the PRC at the relevant time. The final consideration was negotiated either between our Company and the Pre-IPO investors (in the case of equity subscriptions) or among the relevant Shareholders (in the case of share transfers).

Use of Proceeds from the Pre-IPO Investments

As of the Latest Practicable Date, the net proceeds from the Pre-IPO Investments (other than the transfers of Shares between our Shareholders where our Group did not receive any proceed) has been fully utilized for our general operation and business development.

Strategic benefits of the Pre-IPO Investments

Our Company was of the view that we could benefit from the insight for industry, the knowledge and experience of the Pre-IPO Investors and the additional funds provided by them. We obtained capital for development and expansion of our business. Moreover, their investments showed their confidence in our Group's operations and served as an endorsement of our Group's performance and prospects.

Lock-up Period

Pursuant to the applicable PRC laws, within the 12 months following the Listing Date, all existing Shareholders (including our Pre-IPO Investors) shall not dispose of any of the Shares held by them.

Special Rights of Our Pre-IPO Investors

The Pre-IPO Investors were granted certain special rights, including, without limitation, the right to require redemption of the Shares by the Company or Mr. Yang (the "**Redemption Rights**"), as well as information rights, the right to appoint Directors or Supervisors, rights of first refusal, drag-along rights, pre-emptive rights, and most-favored-nation rights (collectively, the "**Non-Redemption Special Rights**"), and together with the Redemption Rights, the "**Special Rights**"). In respect of the Redemption Rights, (i) Shenzhen Junrong (holder of Series B Shares) was entitled to request redemption from the Company or shareholders including Mr. Yang, Ms. Li, Jurun Investment, Kaixuan Star and Kailai Star (or their designed third party) if a qualified listing had not been consummated by 30 December 2025; (ii) each of Nuoxiang Jinhong (holder of Series C1 Shares) and Nuoxiang Dongchen (holder of Series C2 Shares) was entitled to request redemption from the Company or Mr. Yang if a qualified listing had not been consummated by 30 June 2025;

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and (iii) each of Huaan Fund (holder of Series D1 Shares) and Xingnong Fund (holder of Series D2 Shares) was entitled to request redemption from the Company, Mr. Yang, or Ms. Li if a qualified listing had not been consummated by 31 December 2025.

In June 2024, with respect to Series B Shares, Series C1 Shares and Series C2 Shares, the Company, Mr. Yang and Ms. Li entered into a supplemental agreement (the “**2024 Supplemental Agreement**”) with Shenzhen Junrong, Nuoxiang Jinhong and Nuoxiang Dongchen, pursuant to which the Redemption Rights granted to the aforesaid three investors and borne by the Company, as well as the Non-Redemption Special Rights, were irrevocably terminated with effect from the date of execution of the supplemental agreement. In March 2025, with respect to Series D1 Shares and Series D2 Shares, a supplemental agreement (the “**2025 Supplemental Agreement**”) was entered into with Huaan Fund and Xingnong Fund, pursuant to which the Redemption Rights granted to such two investors and borne by the Company, as well as the Non-Redemption Special Rights, were irrevocably terminated with effect from the day immediately prior to the first filing date of the Company’s listing application. The Redemption Rights borne by the Company, as terminated pursuant to the above supplemental agreements, shall not be reinstated under any circumstances.

However, (i) in respect of Shenzhen Junrong, Nuoxiang Jinhong and Nuoxiang Dongchen, pursuant to the supplemental agreement entered into in April 2026 amending the 2024 Supplemental Agreement, in the event that our Company fails to achieve a listing on any domestic or overseas stock exchange by 30 June 2026 (including cases where the Company withdraws the listing application, the application is terminated, rejected, not registered, or not approved by the competent authorities, or where the application receives formal listing approval but the listing and offering are not ultimately completed), and (ii) in respect of Huaan Fund and Xingnong Fund, pursuant to the 2025 Supplemental Agreement, in the event that our Company fails to achieve a listing on any domestic or overseas stock exchange (including the circumstances described above), the Redemption Rights borne by Mr. Yang, Ms. Li, Jurun Investment, Kaixuan Star and Kailai Star (or their designed third party) (as the case may be but excluding the Company), shall be reinstated. No Special Rights will survive after the Listing.

As confirmed by our Directors, our Company is not a party to, and does not guarantee or bear any obligation in respect of, the Redemption Rights borne solely by Mr. Yang, Ms. Li, Jurun Investment, Kaixuan Star and Kailai Star or any third party designated by them. Our Company further confirms that there are no side agreements or arrangements relating to such Redemption Rights or other special rights. See Note 33 to the Accountants’ Report to this prospectus for further details.

Information regarding our Pre-IPO Investors

Shenzhen Junrong

Shenzhen Junrong was established as a limited partnership on September 8, 2015 under the PRC laws. As of the Latest Practicable Date, Shenzhen Junrong was owned as to approximately (i) 84.03% by Ms. Fan Wenhua (樊文花), who is a limited partner; (ii) 3.05% by Mr. Xu Lianzheng (徐連政), who is our non-executive Director and a limited partner of Shenzhen Junrong; and (iii) 12.92% by three general partners, namely Sun Baoquan (孫寶全), Yao Rongjun (姚榮君) and Xie Weishan (謝衛山), and one limited partner, namely Nan Liu (南流), with their respective interest in Shenzhen Junrong ranging from 0.10% to 8.40%. To the best knowledge of our Directors, save as Mr. Xu Lianzheng, each of the general partners and the limited partners of Shenzhen Junrong are Independent Third Parties.

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Nuoxiang Jinhong and Nuoxiang Dongchen

Nuoxiang Jinhong was established as a limited partnership on May 25, 2020 under the PRC laws. As of the Latest Practicable Date, Nuoxiang Jinhong was owned as to approximately (i) 41.27% by Guiyang Zhongtian Jiachuang Investment Co., Ltd. (貴陽中天佳創投資有限公司) (“**Guiyang Zhongtian**”) as limited partner; (ii) 3.17% by its general partner Shanghai Nuoxiang Wealth Asset Management Co., Ltd.* (上海諾享財富資產管理有限公司) (“**Shanghai Nuoxiang**”); and (iii) 55.56% by other seven limited partners, namely Gong Shaoxiang (龔少祥), Luo Xiaogui (羅小桂), Li Yi (李意), Jiang Xiang (蔣香娥), Lin Xiaoqi (林驍騎), Zhang Quansheng (張全生), and Deng Shailiang (鄧曬良), with their respective interest in Nuoxiang Jinhong ranging from 3.17% to 15.87%. Guiyang Zhongtian is indirectly controlled by Zhongtian Financial Group Company Limited* (中天金融集團股份有限公司), which was delisted from the Shenzhen Stock Exchange on June 30, 2023 and is ultimately controlled by Mr. Luo Yuping (羅玉平). Shanghai Nuoxiang was owned as to (i) 20% by Mr. Hu Xiang (胡翔), who is our Supervisor; (ii) 40% by Mr. Hu Xiaozhao (胡小舟), who is Mr. Hu Xiang’s father; and (iii) 40% by four other individuals, namely Yang Lin (楊林), Luo Xiaogui (羅小桂), Gong Shaoxiang (龔少祥), and Wu Wenhai (鄔文海). To the best knowledge of our Directors, each of the general partner and the limited partners of Nuoxiang Jinhong are Independent Third Parties.

Nuoxiang Dongchen was established as a limited partnership on October 13, 2020 under the PRC laws. As of the Latest Practicable Date, Nuoxiang Dongchen was owned as to (i) 38.26% by Nanjing Hongzhuo Venture Capital Partnership (Limited Partnership) (南京弘卓創業投資合夥企業(有限合夥)) (“**Nanjing Hongzhuo**”) as limited partner; (ii) 2.12% by its general partner Shanghai Nuoxiang; (iii) 18.91% by Yangzhou Hongchuang Equity Investment Partnership (Limited Partnership) (揚州弘創股權投資合夥企業(有限合夥)) (“**Yangzhou Hongchuang**”) as limited partner; and (iv) 40.71% by four other limited partners, namely Luo Xiaogui (羅小桂), Yang Ling (楊林), Chen Cheng (陳程), and Hunan Lianzhen Supply Chain Co., Ltd.* (湖南聯振供應鏈有限公司) (“**Hunan Lianzhen**”) with their respective interest in Nuoxiang Dongchen ranging from 6.35% to 13.19%. Nanjing Hongzhuo and Yangzhou Hongchuang share the same general partner, Shanghai Hongzhang Investment Management Co., Ltd. (上海弘章投資管理有限公司), which is owned 99% by Weng Yinuo (翁怡諾) and 1% by Miao Lihua (繆麗華). Hunan Lianzhen, which owned 6.35% partnership interest in Nuoxiang Dongchen, was owned as to 64% by Zhang Xia (張霞) and 36% by Chen Qi (陳琦). To the best knowledge of our Directors, each of the general partner and the limited partners of Nuoxiang Dongchen are Independent Third Parties.

Huaan Fund

Huaan Fund was established as a limited partnership on July 29, 2023 under the PRC laws. As of the Latest Practicable Date, Huaan Fund was owned as to (i) 25% by Wuhu Fanchang Chungu Industrial Investment Fund Co.* (蕪湖市繁昌春穀產業投資基金有限公司) (“**Fanchang Chungu**”) as limited partner, which is ultimately owned by Wuhu Fanchang District Finance Bureau (Wuhu Fanchang District Government State-owned Assets Supervision and Administration Commission)* (蕪湖市繁昌區財政局(蕪湖市繁昌區政府國有資產監督管理委員會)) (“**Wuhu Fanchang District Finance Bureau**”); (ii) 25% by Anhui Carbon Neutral Fund Co.* (安徽省碳中和基金有限公司) as limited partner, which is ultimately owned by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People’s Government* (安徽省人民政府國有資產監督管理委員會); (iii) 20% by Wuhu Industrial Investment Fund Co.* (蕪湖產業投資基金有限公司) as limited partner, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Wuhu Municipal People’s Government* (蕪湖市人民政府國有資產監督管理委員會); (iv) 20% by Huaan Jiaye Investment Management Co.* (華安嘉業投資管理有限公司) (“**Huaan Jiaye**”) as general partner; and (v) 10% by Anhui Jingrui Advanced Manufacturing

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Industry Investment Fund Partnership (Limited Partnership)* (安徽晶瑞先進製造產業投資基金合夥企業(有限合夥)) (“**Anhui Jingrui**”) as limited partner. Huaan Jiaye is wholly-owned by Huaan Securities Co., Ltd.* (華安證券股份有限公司), which is a company listed on Shanghai Stock Exchange (stock code: 600909). Anhui Jingrui was owned as to 50% by Wuhu Yinhu Industrial Co., Ltd.* (蕪湖銀湖實業有限公司) as general partner, which is ultimately owned by Wuhu Economic and Technological Development Zone Management Committee* (蕪湖經濟技術開發區管理委員會), and three limited partners, namely Anhui Railway Development Fund Co., Ltd.* (安徽省鐵路發展基金股份有限公司), Wuhu Chery Technology Co., Ltd.* (蕪湖奇瑞科技有限公司), and Wuhu Zhong'an Jingrui Advanced Manufacturing Industry Investment Management Partnership (Limited Partnership)* (蕪湖中安晶睿先進製造產業投資管理合夥企業(有限合夥)) with their respective interest in Anhui Jingrui ranging from 1.00% to 29.7%. To the best knowledge of our Directors, each of Huaan Fund, Huaan Jiaye, Anhui Jingrui and the other two limited partners are Independent Third Parties.

Xingnong Fund

Xingnong Fund was established as a company with limited liability on December 21, 2021 under the PRC laws. As of the Latest Practicable Date, Xingnong Fund was indirectly wholly-owned by Wuhu Fanchang District Finance Bureau. To the best knowledge of our Directors, Xingnong Fund and its ultimate beneficial owner are Independent Third Parties.

PRC Legal Advisor's Confirmation

As advised by our PRC Legal Advisor, our Company has obtained all necessary approvals from competent authorities or made all necessary registration or filings with the relevant local branch of the State Administration for Market Regulation (國家市場監督管理總局) in respect of the Pre-IPO Investments in material aspects set out above.

Compliance with Pre-IPO Investment Guidance

The Joint Sponsors confirm that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange, on the basis that (i) the consideration for the Pre-IPO Investments was settled more than 28 clear days before the first filing of the listing application by our Company with the Stock Exchange, and (ii) no special rights will survive the Listing.

PUBLIC FLOAT

Out of the 67,347,108 H Shares to be converted from Domestic Shares and listed on the Stock Exchange following the Global Offering:

- (i) 8,238,749 H Shares, representing approximately 10.45% of the total issued share capital of our Company immediately after the Global Offering (assuming that the Over-allotment Option is not exercised), which will be held by Shenzhen Junrong, Nuoxiang Dongchen, Nuoxiang Jinhong, Huaan Fund and Xingnong Fund, will be counted towards the public float; and
- (ii) 59,108,359 H Shares, representing approximately 75.00% of the total issued share capital of our Company immediately after the Global Offering (assuming that the Over-allotment Option is not exercised), which will be held by Mr. Yang, Ms. Li, Jurun Investment, Kaixuan Star and Kailai Star, who/which are core connected persons of our Company, will not be counted towards the public float.

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Based on an Offer Price of HK\$43.58 per Offer Share, immediately following the conversion of the Domestic Shares into H Shares and completion of the Global Offering, and assuming the Over-allotment Option is not exercised, the expected market capitalization of the H Shares at the time of Listing will be approximately HK\$3.44 billion. To the best knowledge of our Directors, save as disclosed above, upon completion of the Global Offering and Conversion of the Domestic Shares into H Shares, 19,702,849 H Shares held or controlled by our Shareholders who are not our core connected persons, representing approximately 25.00% of the total issued H Shares will be counted towards the public float. Therefore, the Company will be able to meet the public float requirement under Rule 19A.13A of the Listing Rules.

FREE FLOAT

Based on an Offer Price of HK\$43.58 per Offer Share, it is expected that 8,077,000 H Shares will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), representing approximately 10.25% of our total issued share capital upon Listing (assuming that the Over-allotment Option is not exercised) and a market capitalization of approximately HK\$352.0 million. Therefore, our Company will be able to satisfy the free float requirement under Rule 19A.13C(1)(a) of the Listing Rules.

PRE-IPO SHARE INCENTIVE PLAN

In recognition of the contributions of our employees and to incentivize them to further promote our development, Kailai Star, Liuliu Star, Liuliu LIUM, Liuliu Orchard and Liuliu Ren were established as our employee shareholding platforms in the PRC. As of the Latest Practicable Date, Kailai Star held approximately 3.56% shareholding in our Company. Kailai Star was held as to approximately 1.00% by Mr. Yang as general partner, and other limited partners including approximately 44.83% by 35 employees (which includes our executive Directors, namely, Mr. Mei Huixiang, Mr. Ning Pengfei and Ms. Hu Yan, and our Supervisor, namely, Ms. Zhang Wenxia), approximately 41.67% by Liuliu Star and approximately 12.50% by Liuliu LIUM. Liuliu Star was held as to approximately 14.90% by Mr. Yang as general partner, and other limited partners including approximately 34.10% by 31 employees, approximately 36.00% by Liuliu Orchard and approximately 15.00% by Liuliu Ren. Liuliu LIUM was held as to approximately 24.67% by Mr. Yang as general partner and approximately 75.33% by 37 employees as limited partners. Liuliu Orchard was held as to approximately 23.33% by Mr. Yang as general partner and approximately 76.67% by 42 employees as limited partners. Liuliu Ren was held as to approximately 12.67% by Mr. Yang as general partner and approximately 87.33% by 49 employees as limited partners. Each of Kailai Star, Liuliu Star, Liuliu LIUM, Liuliu Orchard and Liuliu Ren is an Pre-IPO Share Incentive Platform of our Company. Pursuant to the partnership agreements of Kailai Star, Liuliu Star, Liuliu LIUM, Liuliu Orchard and Liuliu Ren, Mr. Yang, being the general partner, can independently exercise the direct or indirect voting rights attached to the Shares owned by each of Kailai Star, Liuliu Star, Liuliu LIUM, Liuliu Orchard and Liuliu Ren.

All awards granted had been vested and all partnership interests in Kailai Star, Liuliu Star, Liuliu LIUM, Liuliu Orchard and Liuliu Ren have been subscribed by and fully paid up by the grantees, and the relevant registration had been completed. As of the Latest Practicable Date, there were no outstanding options or awards under the Pre-IPO Share Incentive Plan, and no such options or awards will be outstanding upon Listing. The Pre-IPO Share Incentive Plan will not cause any dilution of the shareholding of our Shareholders after the Listing.

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Set out below the details of the partnership interests in the Pre-IPO Share Incentive Platforms and/ or list of the grantees under the Pre-IPO Share Incentive Plan that are granted with the awards:

Name of grantee	Percentage of Capital Contribution in Pre-IPO Share Incentive Platforms					As of the Latest Practicable Date and Immediately Prior to the Global Offering	Approximate shareholding percentage corresponding to the awards held by the grantee in the total number of Shares in issue
	Kailai Star	Liuliu Star	Liuliu LIUM	Liuliu Orchard	Liuliu Ren	Approximate number of Shares corresponding to the awards held by the grantee ^(Note)	
Directors							
Mr. Yang	1.00%	14.90%	24.67%	23.33%	12.67%	350,000	0.52%
Mr. Mei Huixiang	8.33%	–	–	–	–	199,998	0.30%
Mr. Ning Pengfei	6.25%	–	–	–	–	150,000	0.22%
Ms. Hu Yan	2.08%	–	–	–	–	49,998	0.07%
Supervisors of the Company							
Ms. Zhang Wenxia	1.25%	–	–	–	–	30,000	0.04%
Senior management of the Company (other than the Directors)							
Mr. Zhang Shuai	–	10.00%	–	–	–	100,000	0.15%
Other grantees being employees of our Group	25.88%	18.50%	75.33%	76.67%	87.33%	1,520,004	2.25%

Note: For illustrating the indirect interests of grantee in our Company, the number of Shares are presented and calculated by multiplying their respective percentage of limited partnership interests by the total number of Shares held by the Pre-IPO Share Incentive Platforms.

See “Appendix VI — Statutory and General Information — D. Pre-IPO Share Incentive Plan” for further details of the principal terms of the Pre-IPO Share Incentive Plan.

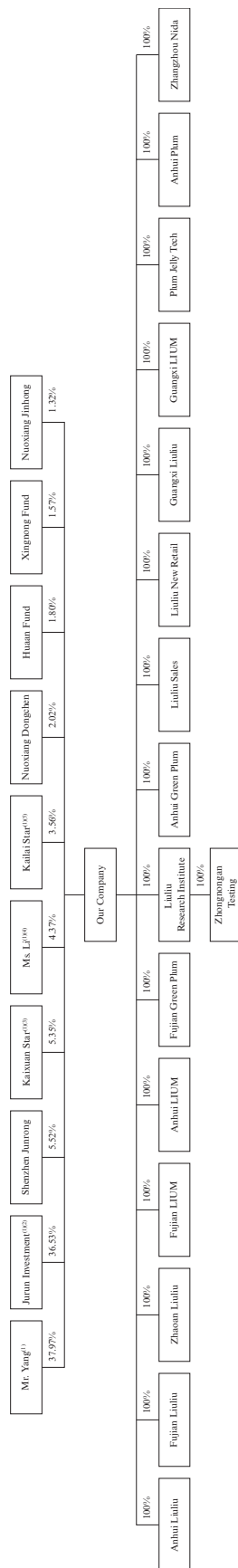
As of the date of this prospectus, there was no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option.

RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see “Financial Information — Material Related Party Transactions” and Note 33 to the Accountants’ Report in Appendix I to this prospectus. We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions set out in Note 33 to the Accountants’ Report in Appendix I to this prospectus was conducted in the ordinary course of business on an arm’s length basis and on normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

CORPORATE STRUCTURE

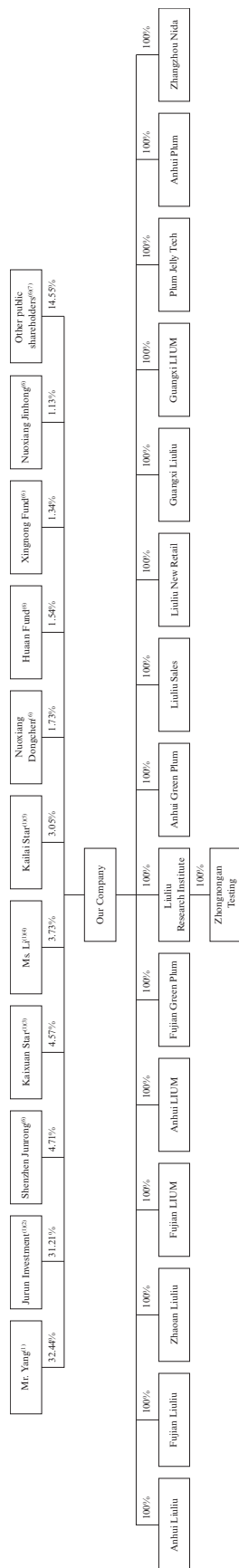
The following chart sets forth our corporate structure immediately prior to the Global Offering:



Notes:

1. Mr. Yang is deemed to be interested in the Shares held by Ms. Li, who is Mr. Yang's spouse, Jurun Investment, Kaixuan Star and Kailai Star. See "Substantial Shareholders".
2. As of the Latest Practicable Date, Jurun Investment was held as to 90% and 10% by Mr. Yang and Ms. Li, respectively.
3. Kaixuan Star is owned as to approximately 1.39% by Mr. Yang, approximately 5.56% by Ms. Li, approximately 84.72% in aggregate by Mr. Yang's family members (with no individual family member holding 30% or more), and approximately 8.33% by Independent Third Parties, and Mr. Yang was the general partner of Kaixuan Star.
4. Ms. Li is Mr. Yang's spouse, and therefore is deemed to be interested in the Shares held by Mr. Yang. See "Substantial Shareholders".
5. Kailai Star is our Pre-IPO Share Incentive Platform controlled by the general partner, Mr. Yang, in accordance with the Pre-IPO Share Incentive Plan. See "— Pre-IPO Share Incentive Plan" for details.

The following chart sets forth our corporate structure immediately after the completion of the Global Offering, without taking into account any H Share which may be issued upon the exercise of the Over-allotment Option:



Notes:

1. Mr. Yang is deemed to be interested in the Shares held by Ms. Li, who is Mr. Yang's spouse, Jurun Investment, Kaixuan Star and Kailai Star. See "Substantial Shareholders".
2. As of the Latest Practicable Date, Jurun Investment was held as to 90% and 10% by Mr. Yang and Ms. Li, respectively.
3. Kaixuan Star is owned as to approximately 1.39% by Mr. Yang, approximately 5.56% by Ms. Li, approximately 84.72% in aggregate by Mr. Yang's family members (with no individual family member holding 30% or more), and approximately 8.33% by Independent Third Parties, and Mr. Yang was the general partner of Kaixuan Star.
4. Ms. Li is Mr. Yang's spouse, and therefore is deemed to be interested in the Shares held by Mr. Yang. See "Substantial Shareholders".
5. Kailai Star is our Pre-IPO Share Incentive Platform controlled by the general partner, Mr. Yang, in accordance with the Pre-IPO Share Incentive Plan. See "— Pre-IPO Share Incentive Plan" for details.
6. Such Shares will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules upon the Listing.
7. Such Shares will be counted towards the free float for the purpose of Rule 19A.13C(1) of the Listing Rules upon the Listing.

WHO WE ARE

We are a fruit snack company focusing on the plum-based products. We also aspire to promote plum culture and to introduce snacking options with natural ingredients. Guided by our plum-centric product development strategy, we have built a diverse plum-based products portfolio ranging from classic products crafted with traditional techniques to products fused with complex flavors. Since the launch of our iconic brand Liuliumei (“溜溜梅”) in 2001, we have been dedicated to developing high-quality plum-based products and unlocking the culinary potential of sour flavors within plums.

In 2024, we ranked first in China’s fruit snacks industry in terms of the retail sales value, with a market share of 4.9%, according to Frost & Sullivan. Since its launch in 2019, our plum jelly rapidly captured consumer bases, leveraging its natural and refreshing taste. As a result, according to Frost & Sullivan, in 2024, we ranked sixth in China’s jelly industry in terms of retail sales value, representing a market share of 2.9%.

Our brand is synonymous with plum-based products, owing to our decades-long foothold in the industry. Plum-based products, due to their digestion-aiding components, organic acids and antioxidant substances, align with the modern consumers’ pursuit of functional snack options. Chinese consumers are increasingly prioritizing food safety and natural ingredients, while demonstrating a stronger willingness to pay a premium for snacks made with natural ingredients, generating market opportunities for plum-based products that are rich in vitamins, organic acids and polyphenols.

Drawing on the Chinese phrase, “suan liu liu” (“酸溜溜”), which stands for mouthwatering sourness, our Liuliumei brand can be instantly associated with the sour flavor sensation. We have leveraged our decades-long industry expertise and deep market insights to establish the plum-centric product development strategy, which explores diverse plum-based products and different combinations of plum’s sour flavor and other taste profiles. Pursuing this strategy, we have presented three major product categories: dried plum snacks, prune-based products and plum jelly, as well as other plum-based products, such as plum gummy and plum tea concentrate.

To ensure raw material quality control and strengthen our bargaining power with upstream suppliers, we procure plums from all major sourcing regions in China and provide technical guidance to farmers on seedling and orchard management, while sourcing prunes directly from premium farms in Chile and France for high-quality supplies at competitive prices. We have established production bases in Anhui, Fujian and Guangxi to maintain food safety and finished product quality by minimising the time between harvest and preliminary processing.

Our multi-faceted sales network integrates online self-operated stores, supermarkets, membership stores, snack stores and a distributorship network, encompassing both online and offline scenarios. We have effectively capitalized on the growth opportunities brought by emerging retail channels, such as snack stores and membership stores. By offering products in differentiated packaging tailored to each channel’s target customer base, we effectively promote our product portfolio. Leveraging our comprehensive distribution network, we have successfully amplified our shelf presence across cities of different tiers. We also operate online flagship stores and engage with other online platforms, such as e-commerce and live commerce, to expand our market reach.

Drawing on our products and marketing campaigns, we have established our brand has enjoyed nationwide popularity across consumers of different demographics. Committed to promoting the plum culture, we have implemented culture-driven marketing campaigns that highlight the rich cultural and historical roots of plum-based products. We also carefully select celebrities and KOLs who seamlessly align with our brand image to appeal to younger consumers and to extend our brand influences. Our brand was honored as one of the Top Ten Innovative Brands in China’s Food Industry in 2016. Meanwhile, our products have received multiple awards, with our plum jelly products winning the Gold Award at the National Competition for Special Tourism Products in 2021 and the Superior Taste Award 1-Star Medal by the International Taste Institute in 2023.

During the Track Record Period, we achieved strong growth. In 2023, 2024 and 2025, our total revenue amounted to RMB1,322.0 million, RMB1,616.0 million and RMB1,710.7 million, respectively. We also effectively managed our costs and enjoyed benefit from economies of scale, recording net profit of RMB99.2 million, RMB147.7 million and RMB182.1 million in 2023, 2024 and 2025, respectively.

OUR STRENGTHS

Market leadership in fruit snacks industry.

We lead in China's fruit snacks industry. According to Frost & Sullivan, in 2024, we ranked first in China's fruit snacks industry in terms of retail sales, with a market share of 4.9%. Meanwhile, our plum jelly had rapidly gained widespread market acceptance. According to Frost & Sullivan, the market size of fruit snacks industry by retail sales value was RMB52.0 billion in 2024, and is expected to reach RMB78.0 billion in 2029, at a CAGR of 8.6% from 2025. Through our market leadership and diversified product offerings, we are well-positioned to seize emerging market opportunities, extend our reach to new segments of snack industry.

Since the launch in 2001, our brand has become synonymous with plum-based products. Our signature dried plum snacks that are crafted with traditional techniques, such as Snow Plum and Refreshing Plum, enjoy enduring popularity and widespread acceptance across various consumer demographics. Dedicated to the spirit of innovation, we have also blended the taste of plums with other distinct flavors, introducing dried plum snacks with complex flavors, such as our pineapple-flavored plum and sour-spicy plum.

We are also actively exploring new raw materials to expand our fruit snacks portfolio. Finding that prunes have distinctive ingredients such as anti-oxidants, improving metabolism besides their well-balanced sweet and sour taste, we have focused on developing prune-based snacks in recent years. We introduced our first prune-based product in 2016, and established "Prune Knight" pitted prune-based product in response to the rising demand for healthy and natural fruit snacks. According to Frost & Sullivan, we ranked first in China's prune-based fruit snacks industry for four consecutive years from 2021 to 2024.

Our plum jelly represents a milestone in our product innovation strategy, marking the successful expansion into snacking option with natural ingredients for consumers pursuing preservative-free, low-fat snacking options. Our plum jelly effectively addresses longstanding pain points of jelly industry regarding the use of artificial additives, redefining the consumer perception of the jelly products. The popularity of our plum jelly products has been unequivocally validated by the success of our marketing campaigns. According to Frost & Sullivan, in 2024, we were a major player in China's jelly industry in terms of retail sales value, representing a market share of 2.9%.

Moreover, we led the formation of various industry alliances such as National Plum Innovation Alliance, integrating the industry resources within the snack food industry to fully unlock the culinary potential of plums. Additionally, we helped to formulate industry standards, such as "Provincial Standard for Plum Seedlings" and the "Provincial Standard for Plum Cultivation," further solidifying our leading position in the industry.

Robust product development strategy and continuous R&D efforts.

We actively promote the development of plum-based products through various fundamental R&D initiatives. In particular, we led the establishment of Liuliumei Research Institute and the formation of the National Plum Innovation Alliance, which facilitate the fundamental research on the plum's culinary and medicinal value and plum planting techniques. As of December 31, 2025, we had obtained 42 invention and utility model patents that are material to our business.

We actively pursue the plum-centric product development strategy, a plum-centric product development philosophy that blends the natural sour taste of plums with other flavors and versatile product types. Our success in launching plum jelly illustrated our robust product R&D capabilities

of developing commercially successful plum-based products. Additionally, to expand into the confectionery sector, we had also launched the plum gummy in 2025, which integrated natural plum extracts to deliver refreshing tastes and reinvigorating effects. Looking forward, in the condiment sector, we plan to launch plum-based seasoning products, aiming to bring plum elements to Chinese consumers' daily lifestyles.

Comprehensive sales network and diversified marketing campaigns.

Our comprehensive and diversified channel networks that span from offline to online channels are crucial to our extensive market expansion. We promptly seize the growth opportunities brought by emerging retail channels, such as snack stores and membership stores, in recent years. For instance, we offer customized products of differentiated packaging to snack stores, catering to their target consumers' consumption behaviors. By leveraging this sales expertise and their extensive consumer bases, we have enhanced our products' shelf presence, thereby increasing brand and product recognition among customers and gaining more direct access to target consumer bases with a high demand for snacks. With the rising per capita income, membership stores have also experienced rapid growth in China, gathering loyal consumers who are willing to pay premium prices for high-quality products. Through providing customized products for these membership stores, we have fostered a close connection with them. Recognizing the potential of e-commerce channels and growing popularity of live commerce among young consumers, we have built an online sales network on major e-commerce and live commerce platforms, operating our flagship stores and hosting large-scale live commerce events.

In addition to our online self-operated stores and sales to supermarkets, membership stores and snack stores, our comprehensive distribution network ensures our reach to a wide range of customers. As of December 31, 2025, we had engaged 1,439 distributors, covering 34 provinces and municipalities.

Our culture-driven marketing campaigns also drive our sales performance, promoting plum-based products and appealing to customers of different demographics. Multimedia marketing campaigns, coupled with various forms of offline promotional activities, continuously amplify our brand recognition. We also pay particular attention to interactive communication, livestreaming the daily operations of the plum industry covering the seedling and processing, as well as the value proposition and culture of our brand. Additionally, we strategically establish partnerships with celebrities who may convey our energetic and youthful brand image to young consumer. Through live events or product campaigns featuring our celebrity brand ambassadors, we can quickly amplify our presence on mainstream platforms and effectively promote our new products to a broad consumer group. The events also triggered a buzz on internet, generating over one billion views and over one million discussion posts on social media platforms.

We actively promote the rich heritage of plum-based products. For example, we host annual events like the "66 Plum Festival," passing on the traditional Chinese plum culture while appealing to the cultural sensibilities of younger generations. Coupled with our extensive marketing campaigns on social media platforms, we have reached widespread popularity.

Integrated supply chain covering procurement to production management.

We have strategically established our production bases near key plum-growing regions across Southwest, South and East China, significantly reducing the time from raw material procurement to production. Additionally, we maintain robust, long-term partnerships with local plum farmers by offering them advanced planting techniques, proprietary plum varieties and price stabilization support by entering into cooperation arrangement contracts with them. We collaborated with research centers, agricultural and farming organizations and local government authorities to publish technical protocols for plum cultivation, which established best practices in the site selection, orchard management, variety selection, planting, soil management, trimming, pest control and harvesting. Additionally, beyond procurement management, we offered agronomic support for plum farmers on cultivation techniques and orchard management to foster a long-term cooperative

relationships with plum farmers and farmers' specialized cooperatives. Specifically, we supply proprietary plum varieties or high-quality plum varieties procured from third parties to farmers at favorable prices, encouraging plum farmers to plant such varieties on required land and in accordance with our technical protocols and requirements. We provide planting guidance, soil improvement, and pest and disease control services free of charge. Furthermore, we collaborated with academic and research institutions to develop proprietary plum varieties featuring enhanced pest resistance and high yield. We cultivated the seedlings in small batches on the land located in Fanchang District of Wuhu City, and then sold these seedlings at favorable prices to local farmers or farmers' specialized cooperatives. We generally held no contractual or harvest rights over the grown-up plum trees. Following our integrated supply chain strategy, we implement guaranteed pricing mechanisms in certain regions by combining minimum purchase price with collaborative price stabilization initiatives, providing local farmers with predictable returns for growing plums, further promoting the plum farming and empowering the broader plum growing ecosystem. Under our collaborative price stabilization initiatives, we agree to purchase all qualified plums at the prevailing market price, protecting collaborative plum farmers' economic interests. Under the guaranteed pricing mechanism, we agree, during market downturns, to purchase all qualifying plums that partner farmers are unable to sell, at a pre-agreed minimum price set out in the cooperation agreements. The minimum price is set based on factors such as planting and harvesting costs, aiming to cover plum farmers' expenses and incentivizing them to cultivate plums. These arrangements are intended to provide downside support to partner farmers while empowering the entire industry chain. We procure plums from all major plum-sourcing regions in China, securing a reliable supply of high-grade plums at competitive prices while being resilient against price volatility and supply disruptions from certain production areas. Similarly, for our prune-based products, we directly source prunes from various reputable farms to uphold quality while effectively controlling procurement costs. Our close relationships with upstream suppliers, coupled with reliable high-quality raw material sources, enable us to exercise end-to-end quality control, thereby ensuring a strong bargaining power against upstream suppliers while maintaining our cost advantage.

Other than our control over raw materials, we have implemented a modern production system incorporating advanced food processing equipment and production automation technologies, enhancing production efficiency while guaranteeing product quality. In 2022, we launched our Plum Jelly Plant to specialize in producing high-quality plum jelly products. We are Orihiro's exclusive strategic partner in China. As a part of our ten-year strategic partnership with Orihiro, we introduced the advanced jelly production line to preserve the freshness of our plum jelly products for up to nine months without any preservatives or additives. We also adopted various advanced technologies for other key production steps, such as preliminary processing and packaging.

Experienced management team with entrepreneurship and market insights.

Our founder, Mr. Yang, maintains entrepreneurial passion, having dedicated himself to the fruit snacks industry for more than two decades. Our management team shares unified values and collaborates seamlessly, possessing an average of 20 years of industry experience. In addition, supported by a comprehensive talent management system, we have built a well-structured and talented team capable of executing our strategic objectives with precision.

As a flagship enterprise of the industry, we also actively assume social responsibilities to expand our influences. In Southern Anhui, we encourage the plum cultivation, securing long-term cooperation agreements with local farmers to facilitate their farming practice while mitigate market risks. We have also spearheaded the national "851 Project" for the industry, which encouraged farmers to grow plums in major plum sourcing regions in China by providing farmers with comprehensive guidance on planting techniques and our proprietary high-quality plum varieties.

OUR GROWTH STRATEGIES

Enrich our product offerings and engage in fundamental R&D.

Through leading the formation of industrial alliances, such as National Plum Innovation Alliance and establishing Liuliumei Research Institute, we work closely with top-tier academic institutions, agricultural research organizations and industry-leading snack food enterprises. These industrial alliances and research initiatives drive the technological advancements in the production and processing capabilities, develop innovative and distinctive products, and enhance the quality and yield of plum varieties.

We focus our fundamental R&D on cultivating high-quality plum varieties and developing efficient planting techniques to ensure stable supply of premium raw materials and promote efficient farming practices. Leveraging insights from our R&D on the value of plums together with advancements in food processing technologies, we will integrate complementary flavours into our plum-based products and incorporate the distinctive plum flavour into other categories, while further diversifying our comprehensive portfolio by exploring new culinary applications and consumption scenarios to enhance competitiveness.

Enhance our brand recognition and solidify market leadership.

To enhance our brand recognition and strengthen customer loyalty, we plan to implement tailored marketing strategies across various consumption scenarios of plum-based products, develop creative packaging for seasonal campaigns that highlight our products' unique attributes, and pursue strategic collaborations with cross-industry brands and KA customers for co-branding and customised offerings to reach a broader consumer base. We will also deepen customer engagement through diversified online and offline activities, festival campaigns, KOL and celebrity endorsements to cultivate an appealing brand image across demographics, while leveraging social media, e-commerce and live commerce platforms to promote plum culture, collect feedback, refine product formulas and enhance customer stickiness and loyalty.

Expanding our sales network, increasing customer bases and exploring international markets.

To further penetrate our existing markets and extend our reach to new markets, we are committed to optimizing and expanding our sales and distribution network. We plan to balance sales across channels, reinforcing partnerships with KA customers, including supermarkets, membership stores and national snack chains through customized and co-branded products with strategic displays, and establish collaborations with emerging channels such as snack stores, fruit shops, restaurants and tea brands, while developing differentiated packaging and customized products for lower-tier cities. We will also pursue international expansion by targeting markets with large Chinese communities or similar dietary habits and offering a tailored product portfolio with positioning and packaging adapted to local cultures and consumer preferences.

Optimizing our production capacity and supply chain.

Our business growth depends on the optimization of production capacity and effective supply chain management. We plan to expand production capacity by constructing new facilities, enhancing existing efficiency through refined production processes and upgraded facilities and techniques, and continuously investing in advanced equipment and technology to elevate automation levels, while strengthening supply chain management by optimizing intelligent inventory and warehouse systems to improve efficiency and reduce costs, solidifying collaborations with professional logistics providers for shortened delivery times and enhanced service to end customers, and establishing long-term relationships with plum farmers in major sourcing regions in China to secure stable high-quality raw material supplies, together with ongoing R&D of premium plum varieties to mitigate seasonal fluctuations and maintain our competitiveness.

OUR BRAND AND PRODUCTS

We offer three major product categories, namely, our dried plum snacks, prune-based products and plum jelly. For each category, we have launched different series encompassing both products crafted with traditional methods and products fused with flavors, continuously providing consumers with distinctive taste experience to satisfy their evolving preferences. We have further launched other plum-based products with significant market potential, such as Dameida plum gummy and plum tea concentrate. With our continuous product innovations capabilities and deep market insights, we aim to fully explore the culinary value of plums. Looking forward, we plan to launch our plum-based ready-to-drink beverages and condiment products.

The following table sets forth the breakdown of the sales volume and average selling price per kg of our major product categories for the years indicated:

		Year ended December 31,		
		2023	2024	2025
Dried plum snacks	kilotons	23.2	29.9	23.6
	RMB/kg	36.2	32.6	35.2
Prune-based products	kilotons	4.0	5.6	9.0
	RMB/kg	38.7	39.7	42.1
Plum jelly	kilotons	12.1	21.8	24.7
	RMB/kg	25.7	18.8	18.8

Note: the average selling price per kg is estimated through dividing the revenue of each product category by the sales volume.

From 2023 to 2024, we proactively offered more competitive prices of dried plum snacks to enhance our market penetration in the broader snack industry. For example, we introduced various packaging sizes and combinations tailored to the targeted consumers' preferences, including family-sized packages and variety packs which typically have lower per-unit prices. Additionally, in 2024, we offer customized products with lower per-unit prices for distributors targeting the lower-tier cities, expanding our market presence. The average selling price of our dried plum snacks increased from 2024 to 2025, primarily due to the launch of various new products that have higher prices. We expanded our production capacity for plum jelly during the Track Record Period and successfully optimized the cost structure by reducing outsourced processing costs, allowing us to implement more competitive pricing strategies to appeal to a broader range of consumers. The average selling price of our prune-based products increased from 2024 to 2025, primarily due to the launch of premium prune-based products sold to certain membership stores and our pricing strategy in response to the higher raw material costs.

BUSINESS

The following table sets forth the breakdown of our revenue by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
<i>(RMB in thousands, except for percentages)</i>						
Dried plum snacks	838,110	63.4	973,531	60.3	829,895	48.5
Prune-based products	155,985	11.8	223,561	13.8	380,210	22.2
Plum jelly	311,069	23.5	410,358	25.4	465,879	27.3
Others ⁽¹⁾	16,878	1.3	8,568	0.5	34,747	2.0
Total	<u>1,322,042</u>	<u>100.0</u>	<u>1,616,018</u>	<u>100.0</u>	<u>1,710,731</u>	<u>100.0</u>

Note:

- (1) Others mainly represent plum gummy, plum-based seasoning products, plum tea concentrate and other fruit-based products.

Dried Plum Snacks

The decades-long journey of our brand started with dried plum snacks that are primarily crafted with green plums. We offer a range of dried plum snacks, featuring three series: classic products, special-flavored products and customized products.

Classic Products

Our classic products are flagship dried plum snacks that are most familiar and widely accepted by customers, enjoying widespread and enduring popularity. We craft our classic products by using the superior plums, while preserving the authentic taste and texture of dried plum snacks made with traditional methods. We procure plums from all major plum sourcing regions in China, following a same-day processing workflow to preserve the plums' original flavor and nutrition.

We combine traditional craftsmanship with modern fine-tuning to create unique flavor experiences fitting for diversified consumption scenarios. Our product portfolio comprises four flagship plum-based snacks that blend traditional craftsmanship with modern innovations to meet diverse consumer preferences. Our popular Snow Plum is continuously upgraded with natural herbal extracts such as mint, monk fruit and honeysuckle, delivering a cooling and refreshing taste that effectively relieves throat discomfort; complementing this profile, our Refreshing Plum sources fully ripened plums from the mountainous regions of Fujian and Guangdong, combined with natural honey and traditional Taiwanese manufacturing techniques, to provide a succulent texture rich in dietary fiber and a refreshing taste. Building on time-honored recipes, our Preserved Plum is crafted from thick, succulent high-quality green plums through established techniques to achieve a deep, layered sweet-and-sour flavor that stimulates appetite as an ideal daily appetizer, with ongoing innovations including herbal-flavored and zero-sucrose variants; furthermore, our distinctive Smoked Plum, produced from selected green plums ripened in May, features a soft and smooth texture enhanced by traditional methods and natural ingredients such as aged citrus peel, licorice and hibiscus flowers, creating a revitalizing smoky flavor that pairs perfectly with beverages and appeals to contemporary palates.

Special-flavored Products

We have cultivated a diversified dried plum snacks portfolio tailored to customers' evolving texture preferences. For instance, our Crispy Green Plum (脆青梅) was developed in response to consumer demand for dried plum snacks with crispy texture and refreshing taste, delivering a vibrant tasting experience marked by freshness, crunch and juiciness. We drew inspiration for our Crispy Green Plum from the plum varieties sourced from Southern Anhui, Jiangsu and Zhejiang regions, which naturally contain lower tannin levels, offering a uniquely crispy texture with minimal astringency. Meanwhile, our Plum Cakes (梅餅) cater to consumers seeking delicate and soft plum products by faithfully blending time-honored preservation methods with modern manufacturing techniques to achieve a balanced aromatic profile that has garnered significant consumer appreciation. Additionally, we have introduced our Plum Slice (“梅片”), a functional snack crafted for consumers seeking invigorating flavors. By incorporating menthol complex or perilla essence into plum slices, this product delivers a stimulating taste and energizing experience. We have further broadened our dried plum snacks portfolio with the recent launch of our Plum Strips (“梅條”), a novel strip-format plum product crafted to cater to consumers who seek a more substantial and texturally satisfying snacking experience. Our Plum Strips achieve a first-of-its-kind integration of premium highland green plums with dried tangerine peel. By drawing upon our traditional plum-making process — encompassing sea-salt activation, double-selection for fruit integrity, natural drying and honey-curing — the product strikes a refined balance between the plum's natural organic acids and the aromatic depth of the aged tangerine peel, yielding a layered tasting experience that transitions from an initial sweet-sour note to a lingering mellow sweetness.

In addition, we creatively blend the plum's inherent flavor with other flavors to form complex flavors, which has become increasingly popular among customers. For example, our Green Tea Plum (綠茶青梅) perfectly combines the fresh aroma of green tea with plum flavors for a refreshing taste. Additionally, inspired by the unique taste profiles in certain regions, we introduce dried plum snacks featuring regional-specific flavors, such as pineapple-flavored and sour-spicy plums, creatively combining regional-exclusive flavors like pineapple from Taiwan, yellow peach from Shanghai, Mango from Hainan and sour-spicy elements from Guizhou with the original plum flavor. We have further given expression to this multi-flavor philosophy through the launch of our Mei He Guozi (梅和菓子) series, a creative filled dried plum product line that positions our natural premium green plum as the foundation for innovative fruit-flavored combinations. Each product in the series pairs our thick, plump and seedless plum flesh with a distinct fruit infusion, spanning guava, lemon, mango, grape and pineapple, among others, to deliver a vibrant sweet-sour flavor profile that is at once appetite-stimulating and refreshing. The seedless, thick-flesh format of the Mei He Guozi range is specifically designed to provide a more substantial and satisfying bite, while enabling the layered fruit flavors to be fully expressed.

Customized Products

We offer customized dried plum snacks tailored to chain snack stores and membership stores. These customized products allow us to access each KA customers' target consumer base, providing unique offerings to a broader range of consumers. In addition, given that KA customers are critical in our sales network, establishing these partnerships positions us for continued success as we expand our reach and introduce our brand to new customers. In particular, since its launch, our high-end product “Premium Plum” (皇梅) quickly captured the attention of consumers with its unparalleled quality and craftsmanship. Exclusively available at a high-end membership store, it ranked first on this membership store's New Product Hot List within eight days after its launch, showcasing its immense popularity and market appeal. In addition, we launched Chilean pitted prune in membership stores, which is a premium prune-based products catering to mid- to high-income consumers demanding high-quality products with high nutritional value.

Prune-based Products

We introduced prunes to our portfolio in 2016, enabling us to explore new market opportunities. Prunes are rich in dietary fiber, natural antioxidants, as well as essential vitamins and minerals, including high levels of anthocyanins. Additionally, prunes have been scientifically proven to support digestive health and enhance metabolic functions, thereby enjoying widespread popularity among urban middle-class, white-collar professionals and the discerning Generation Z consumers who appreciate the health benefits of snacks and have growing demand for natural food alternatives.

We have developed three core series of prune-based products tailored to different consumer preferences. For consumers seeking diversified snack options, we introduce classic dried prune product that uses premium prunes with rich flavor and fine-textured flesh. On the other hand, we launch the “Fiber Life” pitted prune product to cater to consumers calling for convenient, natural snacking options. Crafted by precision de-pitting techniques and constant-temperature drying technology, our “Fiber Life” pitted prune product offers a convenient, ready-to-eat alternative to our classic dried prune product, while preserving the natural content of high-quality, large-sized prunes. We have further elevated our prune-based product portfolio through the launch of our Prune Knight (西梅騎士) series, a premium prune product line that embodies our commitment to global sourcing and clean-label formulation. The Prune Knight series sources its prunes exclusively from premier growing regions across the globe. The product is also rich in dietary fiber, iron, potassium and vitamin B6, and is classified as a low-GI food, making it well-suited for consumers who seek both nutritional value and digestive wellness.

Our prune-based products have rapidly captured market share. According to Frost & Sullivan, we ranked first in prune-based fruit snacks industry for four consecutive years in terms of retail sales value from 2021 to 2024.

Plum Jelly (梅凍)

According to Frost & Sullivan, the China’s jelly market is evolving toward innovations of functional products made with natural ingredients and free of preservatives. Following our plum-centric product development strategy, we launched the plum jelly products in 2019. Unlike traditional jelly products frequently perceived as additive-heavy snacks, our plum jelly, made with locust bean gum, natural green plum nectar and other natural fruit nectars, is positioned as a low-calorie, convenient jelly option made with natural ingredients. Additionally, deploying Orihiro’s advanced food processing equipment and technologies, we extend our plum jelly’s shelf life to nine months without adding preservatives. During the Track Record Period, we generated revenue of RMB311.1 million, RMB410.4 million and RMB465.9 million from the sales of plum jelly products in 2023, 2024 and 2025, respectively, demonstrating the growing market acceptance of our plum jelly products. According to Frost & Sullivan, in 2024, we were one of the leading player in China’s jelly market in terms of retail sales value, capturing a market share of 2.9%.

Classic Products

Our portfolio also extends to natural fruit-flavored plum jelly and lactic acid bacteria (LAB) plum jelly products that further harness the natural tartness of green plums through advanced flavor innovations to meet evolving consumer preferences. Our natural fruit-flavored plum jelly achieves harmonious and authentic fruit flavors by blending natural fruit nectars with the delicate tartness of green plums, creating a balanced and invigorating taste profile. For instance, our white peach plum jelly contains more than 40% white peach nectar carefully extracted from two premium peach varieties, delivering a refined aroma reminiscent of freshly picked peaches. Building upon this fruit-forward foundation, our LAB plum jelly incorporates a concentrate of six distinct bacterial strains through a specialized fermentation process that preserves distinctive cheesy and buttery flavor notes, while infusing natural fruit nectars to develop popular fruit-flavored variants that have gained strong market acceptance.

Seasonal-themed Products

Inspired by market trends and seasonal elements, we periodically introduce seasonal-themed plum jelly products integrating seasonal ingredients that reflect distinctive characteristics of certain seasons.

To capture seasonal and festive consumption trends, we launched a range of new plum jelly products in 2024. In spring, we introduced snow pear loquat plum jelly, blending the sweet crisp texture of snow pears with the moisturizing and throat-soothing properties of loquat for a refreshing taste ideally suited for springtime consumption, alongside orange grapefruit plum jelly that harmonizes the natural sweetness of oranges with the mild invigorating acidity of grapefruit; in summer, we launched lychee sea salt lime plum jelly and pineapple wampee lemon plum jelly, delivering cooling and refreshing flavors perfectly suited for summertime, with these summer-themed products featuring our brand ambassador Teens in Times rapidly attracting over 100 million online views and effectively conveying our core brand values. Furthermore, we introduced festival-themed plum jelly products aligned with our marketing campaigns, including vibrant red and gold packaging for the 2025 Chinese New Year symbolizing prosperity, good fortune and wealth, featuring red plum, red grape and red cherry variants as well as golden osmanthus, golden pomelo and kumquat plum jelly to resonate with consumers' aspirations for an auspicious year.

Electrolyte-infused Slushy Jelly

In 2025, we introduced our electrolyte-infused slushy jelly, yet another testament to our market-driven product development strategy. The electrolyte-infused slushy jelly incorporates carefully selected fruit nectar to provide the authentic, rich fruit flavor. Unlike traditional frozen products, our electrolyte-infused slushy jelly can be easily stored at room temperature. After being placed into the freezer, it can soon transform into a smooth, slushy texture, offering a refreshing new taste and an innovative frozen-snack experience. Added with electrolytes, this product serves not only as an ideal option for a quick energy boost after workout, but also as a convenient way to replenish energy during everyday leisure moments.

Other Products

We plan to expand into various plum-based product categories, including confectionery, tea concentrate, ready-to-drink beverages and condiments, integrating plum-based products into consumers' everyday lives.

We launched our plum gummy “Dameida” (打梅打) in 2025 and our plum tea concentrate products in 2024. Made with plum extract and Madeira tea extract that provides invigorating effects, “Dameida” plum gummy provides refreshing and harmonious sweet-sour tastes, targeting consumers who need fruit-based and functional snack options. In addition, we offer two tea concentrate options, namely the smoked plum ginger tea concentrate made from Yunnan small yellow ginger, donkey-hide gelatin, brown sugar and smoked plum extract, and the green plum snow pear tea concentrate made from pear syrup, green plum juice, loquat juice and smoked plum extract, providing a warming, soothing drink in just 30 seconds.

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OUR SALES CHANNELS

Overview

Our sales strategy integrates distributorship, online self-operated and sales to supermarkets, membership stores and snack stores.

The table below sets forth a breakdown of our revenue by sales channel for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<i>(RMB in thousands, except for percentages)</i>						
Online self-operated stores	135,582	10.3	139,226	8.6	128,945	7.5
Supermarkets and membership stores ⁽¹⁾	170,919	12.9	266,914	16.5	402,554	23.5
Snack stores	133,827	10.1	550,813	34.1	648,451	38.0
Distributorship	881,714	66.7	659,065	40.8	530,781	31.0
Total	<u>1,322,042</u>	<u>100.0</u>	<u>1,616,018</u>	<u>100.0</u>	<u>1,710,731</u>	<u>100.0</u>

Note:

- (1) Supermarkets and membership stores primarily include national and regional supermarkets operating both online and offline, as well as membership stores with whom we began cooperation in late 2024. Our revenue from membership stores accounted for 0.7% and 8.6% of our total revenue in 2024 and 2025, respectively.

Self-Operated Stores and Retail Channels

We adeptly capitalize on the expansive reach of online platforms by selling our products directly to consumers through our self-operated stores on leading e-commerce platforms and live commerce platforms. In the meantime, we directly sell our products to various retail channels, including national and regional supermarkets with both online and offline operations, as well as emerging retail channels such as membership stores and snack stores.

Our revenue growth during the Track Record Period was primarily driven by sales to supermarkets and membership stores, as well as snack stores. Revenue from supermarkets and membership stores increased by 56.2% from RMB170.9 million in 2023 to RMB266.9 million in 2024, and further increased by 50.8% to RMB402.6 million in 2025. Revenue from snack stores increased from RMB133.8 million in 2023 to RMB550.8 million in 2024, and further increased to RMB648.5 million in 2025. During the Track Record Period, our revenue attributable to snack stores increased significantly, primarily because we expanded our presence in this channel only after 2022 following our assessment of channel dynamics that consumers will increasingly prefer snack stores that specialize in offering a wide range of snacking options and packaging sizes. Such cooperation has enabled us to capture (i) the continued expansion of the store networks of national snack chains and (ii) the sustained growth of the snack and beverage retail industry, thereby driving a rapid increase in sales through this channel. In addition, our revenue per snack store customer was significantly higher than that of our supermarket and membership store customers during the Track Record Period primarily because the snack store channel has become increasingly concentrated among a limited number of major national snack chains, each of which typically operates a large and expanding store network with higher order volumes.

These customers possess extensive consumer bases and robust purchasing power, enabling us to strengthen our presence across multiple channels while ensuring our products are prominently displayed in their well-established retail networks. For select retailers, we provide tailored products that closely align with their brand positioning and consumers expectations. For instance, we developed a customized Premium Plum and Chilean pitted prunes exclusively for a membership store, which resonated strongly with this membership store's mid- to high-income consumer bases. Additionally, we offer variety package, family-sized package and small package for snack stores, targeting their consumers who prefer to purchase various flavors and products at once. We rely on our retailer customers' report on their inventory. However, we are unable to ascertain the precise volume of unsold inventory held by retailers, since we do not have complete, up-to-date inventory data from most retailer customers.

Correspondingly, revenue from our self-operated online stores and online distributors decreased during the Track Record Period. In particular, we strategically adjusted our channel strategies, as we believe the sales to emerging retail channels, such as membership stores and national snack chains are in line with the prevailing industry development toward these channels and offer consistent growth momentum and better sales efficiency through, among others, improved shelf visibility and more targeted consumer reach.

Arrangements with Retailer Customers

We had similar framework agreements with most retailer customers including supermarkets, membership stores and snack stores. Our arrangements with retailer customers differ from those with distributors in that we typically supply customized products exclusive to retailers, whereas we primarily supply standardized products to distributors. For example, the products we offer to retailers may differ from those sold to distributors in terms package, size and sometimes product types. In addition, we generally afford retailer customers greater flexibility with respect to marketing promotions, sales strategies and favorable credit terms compared to distributors. During the Track Record Period, the salient terms of our agreements with supermarkets and snack stores typically include:

- *Terms.* We typically enter into one-year agreement with retailer customers, subject to renewal upon mutual consent by the parties.
- *Payment and Credit Terms.* We issue invoices to our retailer customers following the shipment of relevant products, and our customers are required to pay within the specified time upon receipt of invoices.
- *Delivery.* Generally, we are responsible for delivering the products to the location designated by our retailer customers at the specified time.
- *Pricing.* We sell our products to retailer customers at mutually agreed price levels and provide them with recommended retail prices.
- *Minimum Purchase Requirements.* We may set minimum purchase requirements for our retailer customers. For retailer customers who fail to meet the required purchase amount, we do not impose penalties on them but may offer support, such as facilitating their marketing efforts.
- *Product Promotions.* For certain retailer customers, such as national supermarkets, we are permitted to conduct marketing activities on their sites.

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- *Product Returns.* We may accept return of defective products or products that are not delivered under the agreed conditions. We do not accept expired products from retailer customers. During the Track Record Period, we did not have any product returns from retailer customers in respect of expired products.
- *Anti-Bribery and Corruption.* We agree to comply with any laws, regulations or internal policies relating to anti-bribery and anti-kickbacks in selling our products to retailer customers.

While contractual agreements with these membership stores are generally similar to those with retailer customers, we customized or co-developed products in accordance with the agreed specifications that catered to their target consumer groups. During the Track Record Period, the salient terms of our agreements with membership store customers typically include:

- *Terms.* We typically enter into one-year agreement with membership stores.
- *Payment Term.* We typically require membership store customers to pay upon receiving the products, and we may offer credit terms.
- *Product Specifications.* We ensure our products comply with product specifications mutually agreed upon with the membership store, which may also stipulate specific requirements for the raw materials used in production.
- *Delivery.* We are obligated to deliver products to the location designated by the membership stores.
- *Product Return.* We generally do not accept any product return, except in cases of product defect or quality issues.
- *Anti-Bribery and Corruption.* We agree to comply with any laws, regulations or internal policies relating to anti-bribery, anti-kickbacks and anti-corruption in our collaboration with membership stores.

Movements of Retailer Customers

We experienced rapid growth in the number of retailer customers we cooperated with, including supermarket customers and snack store customers from 2023 to 2025. In addition, we started to engage membership store customers in late 2024 and cooperated with two membership stores as of December 31, 2025.

The table below sets forth the total number of supermarket customers and their movements for the years indicated:

	Years ended December 31,		
	2023	2024	2025
Number at the beginning of the year	26	44	111
Number of supermarket customers newly engaged	19	70	32
Number of supermarket customers terminated	1	3	2
Net increase (or decrease) in the number of supermarket customers	18	67	30
Number at the end of the year	44	111	141

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The table below sets forth the total number of snack store customers and their movements for the years indicated:

	Years ended December 31,		
	2023	2024	2025
Number at the beginning of the year	12	45	104
Number of snack store customers newly engaged	33	62	11
Number of snack store customers terminated	0	3	6
Net increase (or decrease) in the number of snack store customers	33	59	5
Number at the end of the year	45	104	109

Note:

* The number of snack store customers refers to the number of snack store groups that we collaborated.

Distributorship

We have cultivated a highly adaptive distribution network. Wholesale distributors, with their deeply entrenched networks in high-demand markets, enable us to seamlessly connect with core consumer bases and swiftly address concentrated demand. Additionally, we primarily sell products to convenience stores through our distributors. Online distributors, leveraging their advanced digital infrastructure and robust logistical capabilities, facilitate streamlined bulk transactions and foster efficient engagement with business customers. Our online distributors typically sell our products on reputable e-commerce platforms, such as Taobao, JD.com, as well as live commerce platforms, such as Douyin.

As of December 31, 2025, we engaged a total of 1,439 distributors. During the Track Record Period, our revenue from distributorship amounted to RMB881.7 million, RMB659.1 million and RMB530.8 million in 2023, 2024 and 2025, respectively. We offer customized products that feature affordability and price-to-value to certain distributors, targeting lower-tiered cities through our market campaign to make our high-quality plum products accessible to everyone.

We determine the number and allocation of distributors by considering the income level of the target consumer bases, market potential and distribution coverage, establishing an efficient and reasonable distribution network.

Management of Distributors

We implement a strict screening and evaluation mechanism to assess our distributors' performance, emphasizing on both their sales capabilities and marketing efforts. We conduct on-site visits to gather feedback from local points of sale regarding the distributors' distribution capacity, service quality and reputation in their respective regions, while also reviewing the quality of distributors' product display through documenting the photographs of display condition in our internal system. This assessment process allows us to further gauge distributors' reputation and network reach within their geographic regions. Our local business supervisors, who have close connections with local points of sales, also assess the distributors' capacity by reviewing the coverage of products they currently distribute at these points of sales. These local business supervisors are members of our in-house sales and marketing teams and are responsible for overseeing our sales network within designated geographic markets. They monitor channel performance, coordinate local execution of sales initiatives, and liaise between our sales and marketing team and local market participants. Additionally, we evaluate distributors' key operational capabilities, including their warehousing facilities, logistical vehicles, personnel management and financial stability, thereby ensuring that they meet our high standards. We maintain a distributor selection and management policy, which sets out obligations for distributors serving different channels. In general, a

prospective distributor must possess (i) valid operating credentials, adequate capital resources and a solid business reputation, (ii) well-established commercial relationships with local points of sales, robust display resources, and the ability to provide high quality retail services, (iii) extensive experience and strategic approaches in operating snack food brands, (iv) a professional sales team with strong capabilities in channel servicing and expansion, (v) sound internal management, and (vi) qualified warehouse for inventory storage, along with appropriate logistics vehicles that can fulfill timely delivery to customers. We also impose market coverage requirements on distributors for different sales channels. Distributors place orders based on their demand, and we ship products to them within a week of receiving the payment, ensuring the efficiency of our distribution.

We evaluate our distributors' performance by regularly monitoring their inventory level to measure their sales performance and assess if they may achieve the minimum purchase amount. However, we cannot ascertain the precise volume of unsold inventory held by our distributors, since our on-site inventory reviews of distributors are conducted on a sample basis and are not comprehensive to cover all inventory held by distributors. Besides their sales performance, we also evaluate their involvement in advancing and executing our marketing goals, ensuring alignment with our broader brand objectives. To incentivize our distributors, we offer sales discounts for our distributors with outstanding annual sales performance and set different tiers for distributors based on their sales performance. Specifically, we set quarterly sales targets for our distributors, who are evaluated at the end of each quarter. Sales discounts are granted exclusively to those distributors who are able to meet their designated quarterly targets. During the Track Record Period, the sales discounts we offered to distributors amounted to RMB117.1 million, RMB88.3 million and RMB44.9 million in 2023, 2024 and 2025, respectively, accounting for 13.3%, 13.4% and 8.5% of the revenue from sales to distributors during the respective years. The decrease in such sales discounts during the Track Record Period was primarily attributable to our strategic refinement of our distributorship arrangement to enhance distribution efficiency. In particular, we granted sales discounts only to those who both achieve sales targets and demonstrate effective product promotion. In parallel, we are strategically shifting focus from distributorships to other sales channels, including membership stores and snack stores. For those distributors who are unable to achieve our minimum purchase amount targets, we may decide to terminate their distributorship.

Our distributors may engage sub-distributors, and we did not enter into any agreements or otherwise directly establish relationships with any sub-distributor during the Track Record Period. As a result, we do not have control over sub-distributors. This arrangement enhances operational efficiency by delegating key localized responsibilities such as inventory management, last-mile delivery and order fulfillment, allowing distributors to prioritize overarching operational goals and strategic management. Under our distributorship agreements, distributors are expected to monitor the operations of their sub-distributors, including their inventory levels, sales performance and market activities, to ensure alignment with our overall sales and distribution strategy. We impose penalties on distributors for any violations and misconduct by their sub-distributors, encouraging them to actively oversee their sub-distributors. During the Track Record Period, our distributors appointed 578, 782 and 1,365 sub-distributors in 2023, 2024 and 2025, respectively. The number of sub-distributors increased throughout Track Record Period mainly because our distributors further penetrated lower-tier cities, where they relied on the sub-distributors' local operation and sales expertise. According to Frost & Sullivan, it is a common industry practice for companies in the industry in which we operate to rely on third-party distributors to sell their products to sub-distributors and retailers without entering into contractual relationships with such sub-distributors and retailers.

Offering sales discounts and the engagement of sub-distributors could potentially increase the risk of channel stuffing, as distributors or their sub-distributors might be incentivized to purchase more products than they can sell in order to benefit from discounts or maintain relationships. However, we believe that we have taken comprehensive measures to mitigate such risks and that our sales correspond to actual consumer demand and therefore our products are at low risk of channel stuffing in our distribution network, because (i) we generally do not accept product returns from distributors except for returns caused by product quality issues, ensuring that distributors place orders based on realistic sales forecasts rather than speculative or inflated volumes; (ii) we carefully determine the types of products sold to distributors by evaluating market demand forecasts and adjust the minimum purchase requirements according to distributors' sales capabilities. Specifically, our approach combines consumer surveys and analysis of sales data from key retail outlets to capture purchasing preferences and price sensitivity. We also review third-party industry reports to monitor competitive dynamics and incorporate historical sales trends to project market capacity and upcoming sales targets. These assessments are conducted on a regular basis and minimum purchase requirements are adjusted periodically to reflect changes in market demand and distributors' actual sales performance; (iii) we offer sales discounts mainly to incentivize distributors with outstanding sales performance; (iv) the relatively short shelf life of our products further discourages overstocking, as distributors bear full responsibility for the costs of disposing of expired products, incentivizing them to maintain prudent inventory levels that align with market demand; (v) we deliver products to distributors only after they make full payments for their orders, which promotes their disciplined inventory management aligned with actual sales projections; (vi) we closely monitor distributors' demand, and if an order exceeds the demand forecast, our sales team may conduct an on-site assessment to verify whether the distributor can sell the requested quantity; and (vii) our dedicated market research team conducts consumer and market studies three to four times per month. To stay closely connected to market dynamics, our local business supervisors conduct weekly assessments to evaluate channel demand, identify emerging trends, and address distributor concerns. Our sales personnel from our headquarters also carry out one to two on-site visits each month, engaging directly with both points of sales and distributors to ensure the effective implementation of our sales strategy.

Arrangements with Distributors

We typically enter into standard distribution agreements, which are sales and purchase agreements in nature, with our distributors. Under these agreements, we deliver our products to distributors after they place orders and recognize revenue when they accept our products upon delivery. According to Frost & Sullivan, our distribution arrangement, in particular the goods return policy, is in line with industry norm.

During the Track Record Period, the salient terms of our standard distribution agreements include:

- *Terms.* We typically enter into one-year agreements with distributors, subject to renewal upon mutual consent of the parties.
- *Minimum Purchase Amount.* To incentivize our distributors, we typically set overall minimum purchase amount for distributors during the terms of distributorships, considering their designated regions and sales capabilities. We further specify their monthly targets for different product categories to align with our overall sales and marketing strategies.
- *Pricing.* Our distributors must set their retail prices in accordance with our suggested prices.
- *Payment and Delivery.* We require our distributors to make payment before the delivery of products, and we will deliver to the location designated by distributors.

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- *Inventory.* Our distributors are required to keep our products in suitable warehousing conditions.
- *Product Return.* We generally do not allow product returns. We reserve the rights to reject any product returns except those caused by the defective products upon inspection.
- *Marketing and Promotions.* Our distributors should assist our marketing plans and promptly report market information to us. They are also obligated to protect our intellectual properties, reputation and brand images.
- *Termination.* We have the right to terminate the distribution contracts if our distributors breach specified contractual terms. In particular, we are typically allowed to terminate contracts with distributors who fail to purchase products for several consecutive months or violate their sales obligations under contracts.
- *Penalties for Cannibalization.* We expressly prohibit distributors from selling products outside of their designated channels and geographical regions. In addition, we send sales teams to regularly monitor any cannibalization. We impose fines or terminate distributorships for distributors who sell products outside of their designated channels and regions.
- *Anti-Bribery and Anti-Corruption.* Our distributors are committed to the transparent and fair business practices, agreeing to comply with any anti-bribery, anti-corruption and anti-kickbacks laws and regulations.

We formulate and implement policies to prevent existing employees from working for or owning equity in any of our distributors. In addition, our internal control policy ensures equal treatment of our distributors, providing consistent pricing and incentive mechanisms to distributors across regions. To the best of our knowledge, during the Track Record Period, all of our distributors were Independent Third Parties. During the Track Record Period, there was no employment, financing or family relationship between our distributors and us or our subsidiaries, our shareholders, directors or senior management, or any of their respective associates.

Movements of Distributors

The table below sets forth the total number of our distributors during and their movements for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Number at the beginning of the year	1,200	1,398	1,396
Number of distributors newly engaged	336	281	263
Number of distributors terminated	138	283	220
Net increase (or decrease) in the number of distributors	198	(2)	43
Number at the end of the year	1,398	1,396	1,439

During Track Record Period, we terminated 641 distributors. We terminated distributors mainly because we changed our sales strategy to increase sales through our retailer customers, while replacing underperforming distributors with new distributors to further penetrate into new markets. During the Track Record Period and up to the Latest Practicable Date, we had no material unresolved disputes or lawsuits with terminated distributors.

Coordination between Sales Channels

To balance different sales channels and ensure our distribution efficiency, we adopt the following measures to mitigate cannibalization risks among the distributors and other sales channels:

- *Differentiated Products.* We strategically sell products with different packaging across various sales channels. For example, products sold through our self-operated online stores differ from those sold in other channels in several aspects, including packaging design, product weight, flavor selection and pricing. We may customize products with different packaging specifications for our membership store or snack store customers. Additionally, to mitigate channel cannibalization, we differentiate our product portfolio for different channels based on the consumption behaviors of their target consumer bases. Meanwhile, for distributors, we adjust product types and packaging sizes according to local consumption patterns. We strictly prohibit distributors from selling any other similar products without our authorization. In addition, we designate product categories and specify sales targets by each category for distributors.
- *Pricing.* We also employ channel-specific pricing strategies to ensure that retailer customers and distributors all maintain sufficient profit margins. Each channel's customized offerings are priced to align with its target consumer base while preserving adequate profitability, thereby discouraging channel cannibalization. We implement a pricing policy setting the minimum retail price for our products and require both our distributors and their sub-distributors to strictly adhere to this policy by not setting their prices below the established minimum. If any distributors or their sub-distributors violate our pricing strategy, we may temporarily suspend product deliveries to non-compliant distributors, impose penalties, or even terminate their distributorships, until they complete necessary rectifying measures and ensure future compliance with our pricing policies.
- *Monitoring.* Our sales team monitors the pricing of our products across various sales channels. This team conducts regular reviews, at least once a month, of price levels at both distributor and retail endpoints, identifying any deviations from our suggested retail price. In cases where pricing violations or cross-regional sales are detected, the team promptly reports such incidents.
- *Geographical and Channel Restrictions.* We specifically require our distributors to restrict their sales to the designated regions and channels authorized by us. We have established comprehensive written policies that requires sub-distributors to operate strictly within the authorized channels and regions specified in the distribution agreement. In addition to contractual controls, we have implemented a product tracing system, which enables full traceability of each product throughout the distribution chain.
- *Penalties for Violations.* We have implemented a three-strikes penalty system to discourage distributors from selling products outside their designated channels. For the first two violations, we will either impose fines or increase the sales price, and upon the third violation, we will terminate the distributorship.
- *Product Tracing System.* We have employed a comprehensive product tracing system in which every product is assigned a unique label, enabling us to trace the product back to the distributor who places it in the market. Additionally, for products sold through our online self-operated stores and retail channels, we can track their origin to ensure full oversight.

During the Track Record Period, our revenue was mainly attributable to standardized products, which accounted for 99.6%, 98.6% and 86.3% of our total revenue in 2023, 2024 and 2025, respectively. We introduced certain customized products and co-branding products in 2022 and 2023 on a trial basis to explore market opportunities. Beginning in 2024, we strategically offered certain customized products tailored for emerging retail channels.

Pricing

Our retail sales prices are set according to various factors, such as brand positioning, marketing strategy, market condition and production costs. In managing our distribution network, we implement stringent pricing policies to prevent channel cannibalization and maintain market order. Our pricing typically leaves sufficient profit margins for our distributors. We enforce compliance with these policies by requiring adherence to minimum pricing standards, supported by robust monitoring mechanisms and clear consequences for violations.

MARKETING AND PROMOTION

During the Track Record Period, our selling and distribution expenses amounted to RMB309.4 million, RMB310.2 million and RMB271.7 million in 2023, 2024 and 2025, respectively, representing 23.4%, 19.2% and 15.9% of our total revenue in each respective year.

Committed to promoting the plum culture, we adopt the culture-driven marketing strategy that educates consumers about the rich history of plum-based food. Our multi-faceted marketing style provides an immersive experience to consumers, creating emotional connections with our customers, while enriching the cultural narratives of our brand.

Product Marketing

Our product marketing strategy is tailored to the distinct features of our products. For our classic products, we emphasize on assigning unique identities of each product by highlighting its distinctive features and functionalities, while advocating diversified consumption scenarios and driving consumption. For instance, Snow Plum is marketed for its soothing effects on throat discomfort and Smoked Plum is marketed for its appetite-stimulating properties, and prune-based product for its digestive benefits. Meanwhile, packaging is meticulously designed to reinforce each product's core and strengthen consumer recognition. For special-flavor products, we launch targeted campaigns centered on unique ingredients and origins, supported by distinctive slogans and visual elements, to create compelling consumption scenarios and broaden appeal, particularly among younger consumers. For example, our market campaign for our pineapple-flavored plum highlights the origin of the pineapple used for the product while adopting the invigorating packaging and regional-special slogan, seamlessly integrating this narrative into the product's promotional materials. We position plum jelly as a versatile product that transcends the seasonal limitations often associated with traditional jelly products. In particular, through packaging and slogans resonating with the holiday spirit, our Chinese New Year campaign for plum jelly makes it a New Year treat. By associating different flavors of plum jelly with diversified specific lifestyles or occasions, we redefine plum jelly as a year-round staple that addresses the seasonality limitations of traditional jelly products.

Product Customization

Through providing customized products to KA customers and targeted marketing of these products, we reach to diversified consumer bases. For our customized products to membership stores, we strategically position them as premium offerings tailored to meet the preferences of high-end consumer segments.

Understanding that different channels cater to unique consumer bases with distinct purchasing habits, we tailor our product offerings accordingly to capture these varying consumption patterns. In particular, to expand our reach in lower-tier cities, we provide customized products to certain distributors, advocating in our campaign to make our high-quality plum-based products accessible to everyone.

Moreover, we collaborate with major food and beverage brands by developing co-branded plum-flavored products. This collaboration enables us to fully explore the potential of plum flavor.

The salient terms of our co-branding collaboration agreements typically include:

- *Terms.* We generally enter into agreements with our co-branding corporate partner for a term not exceeding one year.
- *Branding.* Both parties determine the design of co-branding products for sale and permit the use of each other's brands and logos on these products and related marketing materials.
- *Approval.* All materials featuring our brands and logos must be submitted to us for evaluation and approval prior to their release for marketing purposes.
- *Intellectual Property.* We own all intellectual property rights related to our branding, marketing materials and logos, and we share intellectual property rights with the other party for materials incorporating both our brands and logos.
- *Termination.* We are allowed to terminate the agreement if the other party breaches the agreed terms in the contract or causes damages to our brand.

In 2023 and 2024, we partnered with cross-industry brands, including a well-known chain milk tea brand and a chain bakery store, to co-develop plum-flavored milk tea and plum-flavored cake, which gained significant popularity upon launch. These co-branding collaboration initiatives caught attention on social media platforms, further strengthening our brand's association with sour and plum flavors while effectively expanding our reach to a younger consumers.

Culture-driven Marketing

Our marketing campaign reinforces our commitment to promoting the plum culture. Recognizing the growing interest among younger generations in the “new Chinese style,” which combines traditional Chinese aesthetics with modern fashion, we have seamlessly integrated these elements into our product packaging and marketing materials that feature motifs and patterns that reflect the elegance and heritage of Chinese plum culture while adding a contemporary, youthful twist.

Festival Marketing

In addition to our culture-driven marketing, we implement festival-focused marketing strategies tailored to summer and Chinese New Year. Summer campaigns position our products as refreshing and energizing options for active lifestyles, emphasizing cooling attributes and introducing limited-edition flavors aligned with seasonal demand. These initiatives are amplified through digital platforms and lifestyle-oriented content, complemented by summer-themed pop-up events. Chinese New Year represents the peak of our annual marketing activities, with campaigns centered on themes of reunion, celebration and prosperity. During the holiday season, our brand presence is reinforced through initiatives such as festive packaging, gifting-oriented product lines (e.g. the “Family Bucket” and “Eye-Catching Pack” series), and in-store activities including gift wrapping and themed tastings. The following pictures illustrate some of our festival marketing initiatives:

KOL and Celebrity Marketing

We frequently collaborate with celebrities and KOLs to facilitate the launch of new products. Recognizing the rising popularity of live-commerce, we introduce engaging topics that associate our new products with our celebrity ambassadors or organize live-commerce sales featuring our ambassadors. The costs associated with the use of KOLs are recognized as marketing expenses during the Track Record Period. Our total GMV attributable to the top ten KOLs was RMB12.8 million, RMB13.9 million and RMB16.2 million in 2023, 2024 and 2025, respectively. As the sales by KOLs in all platforms during the Track Record Period represented a relatively insignificant amount of the total sales amount, we believe that there is no concentration risk relating to one or more KOLs.

We carefully select our brand ambassadors who align with our youthful, vibrant and elegant brand image that resonates strongly with younger generations. We have implemented the following internal control measures for engaging celebrities and KOLs: (i) we require in the contracts that celebrities and KOLs comply with all PRC laws and regulations during our collaborations; (ii) we regularly coordinate with our legal department, which periodically updates us on relevant laws and regulations to ensure continued compliance; (iii) for livestream events with KOLs, we provide them with product briefs and pre-approved copywriting to minimize the risk of livestream content violating applicable laws and regulations; (iv) our collaboration agreements with KOLs expressly require KOLs to adhere to applicable laws and regulations during the livestream events or other marketing activities featuring our products; and (v) our public relations department promptly responds to any adverse publicity affecting our engaged celebrities and KOLs. During the Track Record Period and up to the Latest Practicable Date, we did not receive any penalties or notices from government authorities or from e-commerce and live commerce platforms that would materially effect our business, operations or financial condition. Our Directors believe that (i) our use of KOLs during the Track Record Period complied with all applicable laws and regulations, taking into account our strict adherence to relevant laws and regulations when selecting KOLs, and our robust internal control measures; and (ii) no misleading advertising was used during the Track Record Period. In view of our compliance record and internal controls, our Directors believe that we can continue adhering to relevant laws and regulations. Accordingly, our Directors believe that the risk of our brand image being harmed by negative publicity or inappropriate behavior of our engaged celebrities and KOLs, as well as the risk of incurring regulatory penalties for such engagements, is low. Based on the due diligence work conducted by the Joint Sponsors, nothing material has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the views of the Directors set out above.

During the Track Record Period, the salient terms of our agreements with celebrities and KOLs typically include:

- *Terms.* We typically enter into an agreement with a term of three months to one year, subject to the renewal upon mutual agreement.
- *Fees.* In addition to the basic service fees at a fixed rate, we will pay incentive fees based on the sales targets and commission fees calculated as a proportion of an agreed sales indicator, such as Gross Sales Value, through the livestream platform.
- *Negative Publicity.* In the event that, during the promotion period, we, our senior executives, or our designated brand ambassadors are involved in adverse publicity or negative news coverage, the other party shall have the right to terminate this agreement.
- *Anti-corruption and Anti-bribery.* Both parties are required to comply with all anti-bribery, anti-corruption and anti-kickbacks laws and regulations in China.

OUR CUSTOMERS

Our major customers primarily comprise both retailers and distributors. During the Track Record Period, revenue from our five largest customers in each year accounted for 14.2%, 33.1% and 45.8% of our total revenue for the respective year. The increase in revenue generated from our five largest customers in each year during the Track Record Period was primarily attributable to our strengthened cooperation with fast-expanding national snack stores, which typically purchase large volumes of our products due to their centralized procurement systems and extensive store networks. During the Track Record Period, revenue from our largest customer in each year accounted for 3.4%, 14.1% and 16.4% of our total revenue for the respective year. Our largest customer in 2022 and 2023 was a leading nationwide chain supermarket, which offered comprehensive range of groceries, food and household items. Our largest customers in 2024 and 2025, Customer B and Customer C, were nationwide chain snack stores.

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The following tables set forth details about our five largest customers in each year during the Track Record Period:

Year ended December 31, 2023

Customers	Background	Products purchased by the customer	Revenue (RMB in thousand)	% of total revenue	Year of commencement of business relationship
Customer A	A nationwide supermarket chain headquartered in Shanghai, China, primarily engaged in the sale of groceries, food products, and household goods, operating about 500 retail outlets across multiple provinces and major cities in Chinese Mainland	Dried plum snacks and prune-based products	44,427	3.4%	2016
Customer B	A nationwide chain snack store operator headquartered in Changsha, China, operating over 14,000 stores across 28 provinces and all city tiers in China	Dried plum snacks and plum jelly	43,053	3.3%	2022
Customer C	A nationwide chain snack store operator listed on the Shenzhen Stock Exchange, operating about 15,000 stores in all major cities and provinces	Dried plum snacks, prune-based products and plum jelly	39,443	3.0%	2022
Customer D	A nationwide retailer headquartered in Beijing, China, operating about 8,000 stores across all city tiers in China	Dried plum snacks and plum jelly	31,340	2.4%	2022
Customer E	A distributor headquartered in Chengdu, China, selling food, groceries, appliance and furniture in Chengdu and cities nearby Chengdu	Dried plum snacks and prune-based products	27,197	2.1%	2010
Total			185,460	14.2%	

Year ended December 31, 2024

Customers	Background	Products purchased by the customer	Revenue (RMB in thousand)	% of total revenue	Year of commencement of business relationship
Customer B	A nationwide chain snack store operator headquartered in Changsha, China, operating over 14,000 stores across 28 provinces and all city tiers in China	Dried plum snacks and plum jelly	228,568	14.1%	2022
Customer C	A nationwide chain snack store operator listed on the Shenzhen Stock Exchange, operating about 15,000 stores in all major cities and provinces	Dried plum snacks, prune-based products and plum jelly	193,365	12.0%	2022
Customer F	A nationwide chain snack store operator headquartered in Chengdu, China, operating about 4,000 stores	Dried plum snacks, prune-based products and plum jelly	44,299	2.7%	2022
Customer A	A nationwide supermarket chain headquartered in Shanghai, China, primarily engaged in the sale of groceries, food products, and household goods, operating about 300 retail outlets across multiple provinces and major cities in Chinese Mainland	Dried plum snacks and prune-based products	36,112	2.2%	2016
Customer D	A nationwide retailer headquartered in Beijing, China, selling a variety of products including computer hardware, mechanical equipment, household appliances, snacks and food across all city tiers in China	Dried plum snacks, prune-based products and plum jelly	34,183	2.1%	2022
Total			536,527	33.1%	

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Year ended December 31, 2025

Customers	Background	Products purchased by the customer	Revenue (RMB in thousand)	% of total revenue	Year of commencement of business relationship
Customer C	A nationwide chain snack store operator listed on the Shenzhen Stock Exchange, operating about 15,000 stores across Chinese Mainland	Dried plum snacks, prune-based products and plum jelly	280,258	16.4%	2022
Customer B	A nationwide chain snack store operator headquartered in Changsha, China, operating over 14,000 stores across Chinese Mainland	Dried plum snacks, prune-based products and plum jelly	233,774	13.6%	2022
Customer G	A nationwide supermarket chain headquartered in Shanghai, China, primarily engaged in the sale of groceries, food products, and household goods, operating about 500 retail outlets and membership stores across Chinese Mainland	Dried plum snacks, prune-based products and plum jelly	163,499	9.6%	2017
Customer F	A nationwide chain snack store operator headquartered in Chengdu, China, operating about 4,000 stores	Dried plum snacks, prune-based products and plum jelly	67,463	3.9%	2022
Customer D	A nationwide retailer headquartered in Beijing, China, selling a variety of products including computer hardware, mechanical equipment, household appliances, snacks and food across Chinese Mainland	Dried plum snacks, prune-based products and plum jelly	38,974	2.3%	2022
Total			<u>783,968</u>	<u>45.8%</u>	

As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers.

In 2024, our sales to Customer B and Customer C increased significantly, primarily due to our strategy to strengthen collaboration with national snack chains. Snack chains emerged as they offered snacks in packages tailored to purchase behaviors of frequent snack buyers. Leveraging their specialty in selling snacks and close relationships with our target snack consumer bases, we strategically increased our sales to national snack chains, enhancing our market reach and amplifying our shelf visibility. Our revenue attributable to Customer B and Customer C continued to increase in 2025, primarily due to our continuously expanding sales to snack stores. In particular, Customer C experienced rapid growth in its snack retail business, leading to an increase in the procurement volume of our products during this year.

Third-Party Payment Arrangements

Background and Implications Relating to Third-Party Payment Arrangements

During the Track Record Period, certain of our customers (individually or collectively, the “**Relevant Customer(s)**”) settled payments with us through accounts that do not belong to the contractual parties (the “**Third Party Payment Arrangements**”). We generally required the Relevant Customers and their designated third-party payors to undertake our review procedures, such as providing us with written confirmation of delegation before entering into Third-Party Payment Arrangements. In 2023, 2024 and 2025, the aggregate amount settled with the Relevant Customers under the Third-Party Payment Arrangements was RMB299.8 million, RMB193.7 million and RMB73.1 million, respectively, representing 22.7%, 12.0% and 4.3% of the total revenue for the same years. No single Relevant Customer made material contribution to our revenue in any year during the Track Record Period. As of October 1, 2024, we had ceased all Third-Party Payment Arrangements except for circumstances where payments were settled through the accounts of the operators in the case of sole proprietorships.

The Relevant Customers during the Track Record Period were distributors primarily in the form of sole proprietorships, limited liability companies (owned by either individuals or legal entities) and, in limited cases, partnerships. Based on the representations of the Relevant Customers and to the best knowledge of our Directors, the Relevant Customers mainly utilized Third-Party Payment Arrangements either because they preferred using their affiliated persons' accounts for convenience, or because they would like to avoid the cumbersomeness of corporate accounts and maintain operational flexibility. To the best of our knowledge, the designated third-party payors primarily consisted of persons affiliated with the Relevant Customers, such as controlling shareholders, operators' family members or employees of the Relevant Customers. According to the Frost & Sullivan, it is a common commercial practice for businesses in the snack food industry in China to settle payments through third-party payors with their suppliers or customers for convenience and flexibility.

During the Track Record Period, we did not initiate any Third-Party Payment Arrangements, and the Third-Party Payment Arrangements were arranged based on the Relevant Customers' requests. We did not provide any discount, commission, rebate or other benefits to any of the Relevant Customers or the designated third-party payors to facilitate or incentivize the Third-Party Payment Arrangements. During the Track Record Period, the relevant payments were based on *bona fide* underlying transactions and valid contractual relationships. The pricing and payment terms we provided to the Relevant Customers were in line with those provided to customers not involved in the Third-Party Payment Arrangements. During the Track Record Period, to the best knowledge of our Directors, all Relevant Customers and the designated third-party payors who settled payments under the Third-Party Payment Arrangements were Independent Third Parties.

We were not the subject of any investigations, enquiries, penalties or surcharges as a result of our involvement in the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. In addition, we had not encountered any refund requests, actual or pending disputes or disagreements due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

As advised by our PRC Legal Advisor, (i) the risks of financial losses caused by the Third-Party Payment Arrangements were low for our Group; (ii) the Third-Party Payment Arrangements during the Track Record Period do not contravene the mandatory provisions of the Civil Code of the PRC or other relevant applicable PRC laws and regulations currently in effect; (iii) the likelihood that we would be imposed any administrative penalties for being deemed as violating relevant PRC laws and regulations related to tax evasion in connection with aforementioned Third-Party Payment Arrangements is remote; and (iv) the risk of the Third-Party Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (《中華人民共和國刑法》) for the purpose of disguising or concealing the source and nature of proceeds or gains is low.

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

We required the Relevant Customers to communicate with us the relevant information, including, among others, the reasons for the Third-Party Payment Arrangements and the identity of the involved third-party payors. We generally required the Relevant Customers to undertake review procedures, such as providing us with the written delegation, which specifies that the designated third-party payors are authorized by the Relevant Customers to settle payments with us and that the Relevant Customers shall bear the liabilities of any economic dispute caused by the Third Party Payment Arrangements.

We have implemented enhanced internal control measures, including, among others: (i) we started to implement Third-Party Payment Arrangements rectification measures and informed our employees of the enhanced internal control measures; and (ii) we issued a notice on September 24, 2024, pursuant to which we only allow payments either (a) directly from the accounts of the customers; or (b) through the accounts of the operators in the case of sole proprietorships.

Our Directors consider that the rectification of the Third-Party Payment Arrangements did not have, nor will have, any material adverse effect on the Group, as (i) all of the Relevant Customers who continue to conduct transactions with us since the implementation of enhanced internal control measures cooperated with the rectification process to cease all Third-Party Payment Arrangements; (ii) the rectification of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Customers to us; and (iii) the cessation of the Third-Party Payment Arrangements has not resulted in any loss of our customers.

RESEARCH AND DEVELOPMENT

As of December 31, 2025, we had 29 R&D professionals, and many of whom have postgraduate degrees. We attend campus recruiting events to hire graduating college students majoring in food engineering, food safety and nutrition, polymer chemistry and other fields, further expanding our R&D team. We also actively collaborate with researchers to explore the potential of plums in other untapped fields by contributing our industry knowhows to facilitate academic research of plum varieties and planting techniques.

Product R&D

Our product R&D involves four key steps: (i) product design, (ii) product validation, (iii) raw material procurement, and (iv) product launch. At the product design stage, our branding and marketing team conducts market analysis to assess trends, consumer preferences and the competitive landscape, and evaluates the technical and financial feasibility of product concepts. Upgrades to existing products usually take two to three months, while new product development may take a year or more, with seasonal products planned as part of our annual strategy. At the product validation stage, product prototypes are tested through internal assessments and independent third-party consumer blind testing, and only qualified products proceed to trial production. At the raw material procurement stage, our R&D team sets quality standards for raw materials, manufacturing, packaging and finished products, and coordinates with relevant teams to source key materials and ensure consistent product quality and brand-aligned packaging. At the product launch stage, products undergo internal flavor testing and market trials on a small to medium scale, and mass production begins only after positive market feedback is confirmed.

Fundamental R&D

We collaborated with academic and research institutions to conduct fundamental research of plums.

The salient terms of our collaborations with research institutions are set forth as below:

- *Term.* We typically enter into an agreement with a term up to three years.
- *Obligations.* We shall formulate an annual research plan with the research institution, specifying the R&D objectives and timelines. The research institution shall form a team of experts to support the development of new plum varieties. The research institution shall also promote plum planting technologies.
- *Intellectual Property.* Both parties share the intellectual property rights of any research results.

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- *Confidentiality.* Both parties shall be obligated to maintain the confidentiality of each other's trade secrets, product formulas, intellectual property, product information and other key commercial information.

We established the Liuliumei Research Institute, which has united a team of top-tier experts and formed strategic partnerships with renowned academic institutions. Additionally, the Institute was recognized as a Provincial High Technology Enterprise, underscoring our dedication to driving innovation within the plum industry. Committed to improving plum varieties, enhancing plum planting techniques and exploring the medicinal value of plums, the Institute has spearheaded in drafting various industry standards, such as the “Provincial Standard for Plum Seedlings” and the “Provincial Standard for Plum Cultivation.”

Moreover, we led in establishing the National Plum Innovation Alliance, in collaboration with academic institutions and leading enterprises within the snack food industry. The Alliance has integrated industry resources to meet broader industry needs.

Leveraging advanced food processing technologies, we have developed a precision extraction and concentration technique to preserve key natural constituents of plums, including organic acids, phenolic compounds and volatile aromatic, while amplifying plums' inherent flavor profiles. Our proprietary formula replaces artificial additives with natural alternatives, such as natural fermentation derivatives, plant-based polyphenol antioxidants, as well as fruit or vegetable-sourced pigments. Third-party GC-MS analysis verifies that our manufacturing process has enhanced natural flavor compound concentration, creating a complex while authentic taste profile.

OUR PRODUCTION

Our Production Facilities

During the Track Record Period, our production plants mainly produced dried plum snacks, plum jelly and prune-based products. We strategically build our production bases in major plum-sourcing regions in China, timely processing our raw materials to preserve their quality. We also engage some third-party contractors, from time to time, primarily to ease the short-term pressure on our production facilities caused by the short shelf life of our raw materials and temporary production shortage during peak seasons. See “— Seasonality.” We typically engage contractors to facilitate only certain phases of the production, such as the pickling phase for our dried plum snacks. To the best of our knowledge, during the Track Record Period, all of our third-party contractors were Independent Third Parties. During the Track Record Period, there was no employment, financing or family relationship between our third-party contractors and us or our subsidiaries, our shareholders, directors or senior management, or any of their respective associates.

The following table sets forth the production capacity, production volume and utilization rate by product category during the Track Record Period:

	Year ended December 31,								
	2023			2024			2025		
	Designed production capacity	Actual production volume	Utilization rate (%)	Designed production capacity	Actual production volume	Utilization rate (%)	Designed production capacity	Actual production volume	Utilization rate (%)
	<i>(tons in thousands, except for percentages)</i>								
Dried plum snacks	27.1	21.8	80.6	33.7	28.7	85.2	33.7	25.0	74.2
Plum jelly	10.3	7.3	70.8	23.6	18.8	79.8	26.6	21.3	80.0
Prune-based products	4.5	4.1	90.8	6.8	5.8	86.0	14.0	9.6	68.6
Others	0.3	0.2	57.3	1.2	0.9	78.3	1.2	0.8	66.7
Total	42.2	33.4	79.1	65.3	54.3	83.2	75.5	56.7	75.1

Notes:

- (1) The actual production volume during the year is the total volume of the products manufactured during that year.
- (2) The utilization rate during the year equals to the actual production volume divided by the designed capacity during the same year.

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The utilization rate of the production capacity for dried plum snacks decreased from 85.2% as of December 31, 2024 to 74.2% as of December 31, 2025, primarily due to our optimization of production planning and strategic adjustment of production schedule to prioritize and accommodate increased production of plum jelly and prune-based products, which we focused on to capture growth opportunities in these categories. The utilization rate for prune-based products decreased from 86.0% as of December 31, 2024 to 68.6% as of December 31, 2025, mainly because of the ramp-up of our designed production capacity for prune-based products in 2025, in response to the growing market demand for prune-based products and the accelerated sales growth.

The following table sets forth the production capacity, production volume and utilization rate of our four production plants for finished products during the Track Record Period:

	Year ended December 31,								
	2023			2024			2025		
	<u>Designed capacity</u>	<u>Actual production</u>	<u>Utilization rate (%)</u>	<u>Designed capacity</u>	<u>Actual production</u>	<u>Utilization rate (%)</u>	<u>Designed capacity</u>	<u>Actual production</u>	<u>Utilization rate (%)</u>
	<i>(tons in thousands, except for percentages)</i>								
Anhui Plant	25.9	22.5	86.9	32.2	30.2	93.9	34.9	27.1	77.7
Plum Jelly Plant	10.3	7.3	70.8	23.6	18.8	79.8	26.6	21.3	80.0
Wuhu Plant	6.0	3.6	59.9	6.0	3.5	58.1	6.0	3.6	60.0
“Fiber Life” Natural Food Production Plant	—	—	—	3.5	1.8	51.8	8.0	4.7	58.8
Total	42.2	33.4	79.1	65.3	54.3	83.2	75.5	56.7	75.1

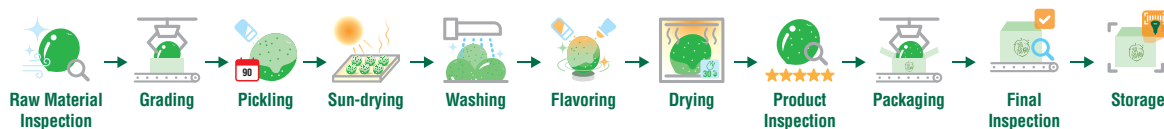
Notes:

- (1) The designed production capacity of the year is calculated based on the following assumptions: (i) All product lines are functioning in its full capacity; (ii) our production facilities operate 16 hours per day for most of our products; and (iii) we operate at every working day per year.
- (2) The utilization rate of our production plant during the year equals the actual production volume divided by the designed production capacity during the same year.
- (3) During the Track Record Period, Anhui Plant primarily produced dried plum products and prune-based products. The utilization rate of Anhui Plant decreased from 93.9% in 2024 to 77.7% in 2025, mainly because we increased our sales focus on plum jelly and prune-based products in response to market demand and consumer preferences, and adjusted our production schedule accordingly to prioritize these two product categories. As our Anhui Plant is principally configured for the production of dried plum snacks, this adjustment correspondingly resulted in a decrease in its production utilization rate. Looking ahead, we expect to launch new dried plum products to attract consumers, which is expected to increase the utilization rate at the Anhui Plant over time.
- (4) During the Track Record Period, our Plum Jelly Plant mainly produced plum jelly products.
- (5) During the Track Record Period, our Wuhu Plant primarily produced dried plum products and other products.
- (6) During the Track Record Period, our “Fiber Life” Natural Food Production Plant primarily produced pitted prune-based products.

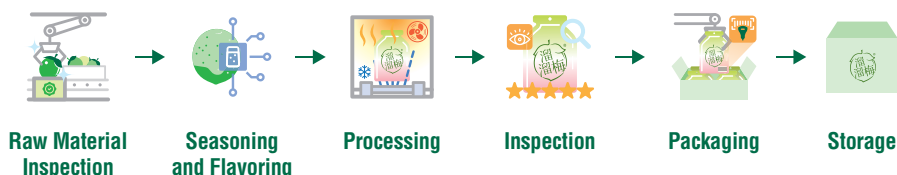
Our Production Process

We conduct different production steps at specialized production facilities located near the major plum-sourcing regions, thereby facilitating operational efficiency and reducing the time from harvest to final production. Upon harvesting, plums are promptly shipped to the plum sorting facilities, where plums undergo quality inspections and grading. The sorted plums are then delivered to preliminary processing facilities, where they are salted and sugared in vats in preparation for the subsequent drying process. These pickled plums are then transferred to the sun-drying facilities, allowing them to naturally dry in sunlight and complete this critical phase. After sun-drying, the plums either at our production plant or facilities specializing in these procedures undergo washing, flavoring and further drying. The resulting semi-finished products are sent for final product inspection and packaging. Upon meeting our quality standards, the finished products are distributed to the market.

The details of the key steps in the production processes of our dried plum snacks are as follows:



The production of plum jelly begins with rigorous inspection of raw plums sourced from selected suppliers, during which unqualified materials are sorted out before processing. The raw materials then undergo standardized seasoning and flavoring, where ingredients are precisely measured and blended using digital systems to ensure formulation consistency and minimize human error. The blended jelly mixture is processed under controlled pressure and strict hygiene conditions to achieve the desired texture, followed by high-temperature steam pasteurization to eliminate potential contaminants and cooling through low-temperature spray and hot-air drying to extend shelf life without preservatives. Finished products undergo visual imaging and manual inspections to detect metal or other foreign contaminants before being packaged using automated machinery, assigned unique barcodes, and verified for weight accuracy. Finally, qualified and sealed products are transferred to warehouses and stored under appropriate conditions prior to distribution. Our advanced processing technologies in plum jelly production, such as low-temperature processing and high-pressure filtering, retain the nutrients in fruits while preserving their natural flavors. The following chart illustrates the production process of our plum jelly:



We also adopt Orihiro's advanced food processing technology to extend the shelf life of plum jelly without adding preservatives. The salient terms of our collaboration with Orihiro are set forth as below:

- *Term.* We enter into an agreement with Orihiro with a term of ten years.
- *Obligations.* During the term of this agreement, we are obligated to purchase a certain number of T-shape konjac jelly production lines from Orihiro each year at a fixed price as agreed in the contract as its exclusive business partner in Chinese Mainland. We are not required to pay royalties or license fees beyond the procurement price for the production lines, or to share revenue or profit with Orihiro.
- *Collaborative R&D.* Both parties shall be committed to the R&D of new natural, preservative-free functional products and advanced production technologies.
- *Termination.* Each party is entitled to terminate with written notice in the event of the other party commits breach of contract and fails to fulfill its contractual obligation.
- *Confidentiality and Trade Secrets.* Both parties shall be obligated to maintain the confidentiality of each other's trade secrets, product formulas, intellectual property, product information and other key commercial information.

Our Production Expansion Plan

We plan to expand the production capacity for prune-based products as our newly launched prune-based products have received widespread market acceptance, resulting in an increased demand. Meanwhile, the utilization rate of our Plum Jelly Plant reached 80.0% as of December 31, 2025, as we promoted and sold more plum jelly products in response to rising market demand. Looking forward, the market demand for our dried plum snacks, plum jelly and prune-based products is expected to grow further due to increasing market acceptance and popularity of our brands. We therefore plan to expand the production capacity of our plum jelly line plant to meet this persistently strong demand. In addition, we plan to increase the production capacity of our dried plum snacks and prune-based products to accommodate diverse consumer preferences. As we expand our product offerings into new categories like plum gummy and plum based condiments, we anticipate that our current capacity will not be sufficient to keep up with the growing market demand. This production expansion plan is therefore crucial to support our continued business growth.

Our OEM Suppliers

We collaborate with reliable OEM suppliers for the production of some of our plum jelly and other plum-based products to relieve the production capacity shortage caused by overwhelming market demand. In our collaborations, we provide raw materials directly to our OEM suppliers and require them to comply with our quality standards and operational guidelines. These suppliers must meet our specified requirements for production facilities and organize production based on agreed conditions, equipment, process, standards, quantities and timelines.

We have established and implemented internal control measures over our OEM suppliers to ensure that products manufactured under our OEM arrangements are produced in accordance with our quality standards and applicable regulatory requirements. In particular, such measures cover (i) OEM supplier selection and approval, where we conduct qualification procedures prior to engagement, including reviews of the OEM supplier's legal and regulatory compliance status; (ii) contractual and specification controls, where we typically enter into OEM agreements and/or quality-related arrangements that set out our product specifications and acceptance criteria; (iii) pre-production and in-process supervision, where we provide technical guidance and production instructions as necessary and assign personnel to conduct periodic and/or on-site monitoring of the OEM supplier's production process; (iv) inspection, testing and release controls, where we conduct, and/or require the OEM supplier to conduct under our supervision, appropriate quality inspections at different stages; (v) traceability and documentation, where we require the OEM supplier to maintain proper batch/lot identification and production records to facilitate traceability and, where appropriate, we retain samples and maintain records to support post-sale review and handling of customer feedback; and (vi) ongoing evaluation and non-conformance management, and, in the event of any failure to meet our internal guidelines and policies, we require timely investigation and rectification and may suspend further orders, reject the relevant products, require remedial actions and enhanced supervision, and, where the circumstances warrant, cease to work with the relevant OEM supplier. We maintain long-term relationships with our OEM suppliers. During the Track Record Period, we did not experience any failure by our OEM supplier to meet our internal guidelines and policies that might cause to cease our business relationship.

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The following table sets forth the breakdown of the production volume attributed to our internal production and OEM production during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	kilotons	%	kilotons	%	kilotons	%
Internal production	33.4	83.6	54.3	90.1	56.7	91.5
OEM production	6.6	16.4	6.0	9.9	5.3	8.5
Total	39.9	100.0	60.3	100.0	62.0	100.0

The salient terms of the agreements with our representative OEM supplier are set forth as below:

- *Term.* We enter into an agreement with a term of three to four years.
- *Rights and Obligations of Parties Involved.* We shall specify the production volume, product type, delivery schedule and logistics arrangement.
- *Minimum Production Volume.* The agreement generally sets forth a specified minimum production volume for each production order. We shall be liable for any excessive production wastage if the production order falls below the specified minimum, while the OEM supplier shall be responsible for excessive wastage if the production shortfall is caused by equipment failure, power outage or other reasons attributable to the OEM supplier.
- *Pricing.* The price of the production is determined by the production volume.
- *Warehousing and Logistics.* We shall deliver raw materials, auxiliary materials and packaging materials to the location designated by the OEM supplier at our own expense.
- *Termination.* Unless otherwise agreed by the parties, neither we nor the OEM supplier may terminate the order or reduce its amount without providing at least prior notice.

SUPPLY CHAIN MANAGEMENT

Our procurement team is mainly responsible for purchasing raw materials, seasoning and other auxiliary materials, packaging materials, equipment and accessories, office supplies, labor protection products and other supplies that are necessary for our production. The procurement team coordinates with our production team, preparing a procurement list based on the production team's plans, annual budgets and market price for raw materials.

Raw Materials

Our raw materials primarily include plums, prunes, fresh fruits and konjac, among others. Seasoning and other auxiliary materials such as salt and sugar are also used in our production. We set stringent standards to select suppliers and effective mechanisms to monitor their performance, enabling us to reduce production costs and ensure production quality. In addition, to effectively manage the procurement costs, we maintain strong connections with our upstream plum suppliers. During the Track Record Period, our gross profit margins were adversely affected by increases in the prices of certain key raw materials, including plums, prunes and sugar. However, we procure plums in eight major plum sourcing regions — Fujian, Guangdong, Guangxi, Yunnan, Sichuan, Zhejiang, Anhui and Jiangsu — in China, and thus remain resilient against price volatility or disruption in supply. According to Frost & Sullivan, Fujian, has an annual plum output of approximately 200 kt, benefited from a warm, humid climate and fertile soil conducive to premium-quality plums, and supported by a mature industrial foundation for large-scale processing. There are about 43,000 specialized farmers' cooperatives in Fujian. Guangdong has annual plum output at around 200 kt,

benefited from abundant rainfall and a robust industrial chain to cultivate large-sized, high-quality plums with strong geographic branding. There are about 60,000 specialized farmers' cooperatives in Guangdong. Guangxi and Yunnan each produce around 100 kt of plums annually, receiving government policies fostering specialty industries and benefited from high-altitude ecological advantages that enhance plum quality. There are about 60,000 specialized farmers' cooperatives in Guangxi and about 70,000 cooperatives in Yunnan. Sichuan and Zhejiang, each with an annual output of approximately 50 kt, capitalize on traditional fruit-growing expertise and integrated planting-processing systems, resulting in consistently shaped, aromatic plums. There are about 110,000 specialized farmers' cooperatives in Sichuan and about 42,000 cooperatives in Zhejiang. Anhui and Jiangsu, with annual plum output of around 30 kt and 20 kt, place emphasis on regional brand development, advanced processing technologies and higher-value-added products, thus fueling the plum cultivation in eastern China. There are about 115,000 specialized farmers' cooperatives in Anhui and about 53,000 cooperatives in Jiangsu. Furthermore, according to Frost & Sullivan, all these major plum-sourcing provinces have implemented policies facilitating the plum cultivation by local farmers and specialized farmers' cooperatives.

During the Track Record Period, the total procurement from our top five plum suppliers amounted to RMB26.0 million, RMB30.8 million and RMB43.6 million in 2023, 2024 and 2025, respectively. We had a total of 260, 328 and 361 specialized farmers' cooperatives and plum farmers during the same years. Our plum suppliers mainly comprised individual farmers and specialized farmers' cooperatives in major plum sourcing regions, which represented the collective interests of groups of farmers.

The salient terms of our procurement agreement with upstream plum suppliers are set forth as below:

- *Term.* We typically enter into a procurement agreement with plum suppliers with a term of about one year.
- *Product Quality.* Under our procurement agreement, plum suppliers are required to deliver plums that meet the specified size and quality requirements on the same day they are harvested.
- *Delivery.* Plum suppliers are responsible for the logistics and shall deliver plums to the place designated by us.
- *Payment.* We make the payment after accepting the delivery.
- *Exclusivity.* During our contractual term, plum suppliers are prohibited from providing plums to other purchasers.
- *Anti-corruption and Anti-bribery.* We attach the Fair Trade Commitment Letter to every procurement contract, requiring our suppliers to refrain from any forms of bribery or corrupt conduct that may be deemed unfair business practices.

We also maintain strong control over the prune supply chain, by sourcing premium-quality prunes at competitive prices directly from the world's leading prune farms in regions such as Chile and France. This direct procurement model enables us to maintain consistent supply for our production needs cost-efficiently. When selecting prune suppliers, we deploy specialized personnel to these farms to conduct on-site inspections and select only the highest-quality prunes that meet our stringent standards for production. Additionally, our large and stable procurement volume, combined with our strong brand recognition in the industry, positions us as a preferred partner for prune suppliers. These suppliers are thus willing to offer us superior quality prunes at more competitive prices due to the reliability of our purchasing agreements and the prestige associated with our brand.

We procure sugar and salt from major domestic suppliers based on the market price, effectively mitigating supply shortage risks. Our procurement team adopts a dynamic approach, formulating and adjusting annual procurement plans based on thorough assessments of our production schedules and supply lists. This allows us to align our raw material needs with production demands. Additionally, our strong partnerships with reputable suppliers enable us to secure favorable terms, including pre-negotiated price ranges, which shield us from short-term price fluctuations in the raw materials market. We typically enter into a short-term purchase agreements with our auxiliary material suppliers, which generally have a term of two or three months. Under our procurement agreements, our suppliers are typically responsible for delivering the materials to the location designated by us, using the delivery methods meeting the specified requirements in the agreement. We also specify the product quality for any auxiliary materials and hold suppliers liable for any product liability claims attributable to auxiliary materials' quality issues.

To uphold the quality of these auxiliary inputs, we implement rigorous supplier selection and evaluation protocols, ensuring that only those meeting our stringent standards for quality and reliability are approved. Comprehensive and regular quality inspections are conducted to verify that the sugar and salt sourced meet our precise production requirements, safeguarding the integrity of our finished products. We establish long-term agreements with key suppliers, further enhancing our ability to maintain stable procurement costs and high-quality standards.

Packaging Materials

Our packaging materials primarily include packaging bags and thin packaging films. We procure these materials primarily from reliable third-party suppliers in China. We enter into the procurement agreements with them, typically for a term of one year, and our packaging material suppliers provide packaging materials based on our specified packaging designs. These agreements outline price terms and purchase volumes, and we place orders based on our production needs. Our procurement team has implemented a stringent selection mechanism sorting out qualified suppliers, ensuring that our packaging materials comply with relevant laws and regulations relating to the food safety and product quality, as well as our own standards set by our production team. In the event of significant price fluctuations in these packaging materials, we would promptly look for alternative suppliers, ensuring a stable supply of qualified raw materials. Our rigorous selection approach and adaptive supply chain underpin our commitment to delivering safe, high-quality products to consumers. During the Track Record Period, we did not experience any significant shortage of raw materials and packaging materials supplies, and the raw materials and packaging materials provided by our suppliers did not have any significant quality issues.

Our Major Suppliers

Our major suppliers primarily comprise raw material suppliers, production equipment suppliers, packaging material suppliers and manufacturing service providers. During the Track Record Period, purchase amount from our five largest suppliers in each year accounted for 16.9%, 14.5% and 14.7% of our total purchase amount for the respective year. During the Track Record Period, purchase amount from our largest supplier in each year accounted for 5.0%, 5.1% and 3.9% of our total purchase amount for the respective year. Our largest supplier in 2023 and 2024 sold sugar to us.

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The following tables set forth details about our five largest suppliers in each year during the Track Record Period:

Year ended December 31, 2023

Supplier	Background	Products/ services provided	Purchase amount <i>(RMB in thousand)</i>	% of total purchase amount	Year of commencement of business relationship
Supplier A	Sugar supplier in Yunnan, China	Sugar	50,086	5.0%	2019
Supplier B	A company listed on Shanghai Stock Exchange, specializing in sugar manufacturing, sugar import, port sugar refining, sugar sales and trade in the domestic market, sugar warehousing and logistics	Sugar	32,328	3.2%	2020
Supplier C	A prune supplier in Chile	Prunes	29,271	2.9%	2022
Supplier D	A supplier of packaging materials for food industry, located in Huangshan, China	Packaging materials	29,065	2.9%	2013
Supplier E	A manufacturer of snack food and beverages, located in Hefei, China	Manufacturing services	28,638	2.9%	2019
Total			169,388	16.9%	

Year ended December 31, 2024

Supplier	Background	Products/ services provided	Purchase amount <i>(RMB in thousand)</i>	% of total purchase amount	Year of commencement of business relationship
Supplier A	Sugar supplier in Yunnan, China	Sugar	62,436	5.1%	2019
Supplier D	A supplier of packaging materials for food industry, located in Huangshan, China	Packaging materials	36,644	3.0%	2013
Supplier F	A packaging material and printing service supplier, located in Hangzhou, China	Packaging materials	26,896	2.2%	2013
Supplier B	A company engaged in sugar manufacturing, sugar import, port sugar refining, sugar sales and trade in the domestic market, sugar warehousing and logistics	Sugar	26,100	2.1%	2020
Supplier G	A prune supplier in Chile	Prunes	25,832	2.1%	2022
Total			177,908	14.5%	

Year ended December 31, 2025

Supplier	Background	Products/ services provided	Purchase amount <i>(RMB in thousand)</i>	% of total purchase amount	Year of commencement of business relationship
Supplier G	A prune supplier in Chile	Prunes	56,924	3.9%	2022
Supplier H	A food ingredient and additive supplier located in Shanghai, China	Auxiliary materials	48,771	3.4%	2023
Supplier D	A supplier of packaging materials for food industry, located in Huangshan, China	Packaging materials	40,687	2.8%	2013
Supplier I	A prune supplier in Chile	Prunes	37,437	2.6%	2018
Supplier C	A prune supplier in Chile	Prunes	28,678	2.0%	2022
Total			212,497	14.7%	

As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers.

Warehousing and Logistics

During the Track Record Period and as of the Latest Practicable Date, we operated our own warehouse to store raw materials, work-in-progress and finished products. In addition, we also leased a third-party warehouse to store finished products in preparation for peak seasons. During the same period, the majority of our product transportation was provided by independent third-party logistics service providers. We typically enter into service agreements with logistics service providers with competent qualification, service ability and competitive price. Under our standard agreements with our logistics service providers, we require them to promptly deliver our products to designated customers. The risks relating to the transportation and delivery of our products are transferred to the logistics service providers once they confirm receipt of the products to be delivered.

Inventory Management

Our inventory turnover days were 181.7 days, 167.7 days and 198.2 days in 2023, 2024 and 2025, respectively. We regularly conduct on-site inspection distributors' inventory level, enabling us to monitor real-time inventory levels, facilitating our production planning and effectively mitigating risks of overstocking or shortages. In addition, we dispatch designated personnel to conduct random on-site inventory audits at distributor locations. These in-person inspections serve to verify the authenticity of reported inventory levels while providing valuable insights into market sales trends and inventory turnover efficiency.

FOOD SAFETY AND QUALITY CONTROL

Food safety and product quality is our top priority. Building on the requirements of ISO 22000 and HACCP, we identify and evaluate food safety risks in each stage of production. We establish critical control points, develop corresponding control measures and monitoring procedures, and have achieved the globally recognized FSSC 22000 certification in October 2024 to standardize food safety management across our supply chain. We have established a dedicated quality assurance center with specialized teams for quality planning, quality engineering and supplier management. The testing center has received CMA and CNAS certifications and produces authoritative testing reports that facilitate continuous improvement in our quality management practices. During the Track Record Period, we did not experience any material incidents of food safety and product quality problems.

Raw Material Quality Control

We have implemented a rigorous, multi-layered supplier selection and evaluation process to ensure the quality of our raw materials. We also conduct sample testing with a 100% sampling rate each year and perform annual reviews to continuously monitor our suppliers' performance. Only those suppliers who meet all our requirements are included on our approved supplier list. Each batch of raw materials delivered to our facilities undergoes stringent inspections before being accepted into inventory. Our testing team conducts evaluations on whether the sensory, physicochemical and microbiological indicators of the raw materials meet both national regulatory requirements and our internal procurement standards, covering, among others, food safety metrics, nutritional components and accurate packaging labels.

Production Process Quality Control

We strictly adhere to GMP and SSOP standards in our production facilities, following standardized production processes and operating procedures. To prevent cross-contamination, we closely regulate temperature, humidity and cleanliness in our workshops. Guided by the HACCP system, we identify critical control points such as sterilization temperature and metal detection, record real-time data, and use automated alarms as necessary. We also employ intelligent production equipment, including intelligent vision sorting machines, combination dynamic scales and fully automated filling lines, to enhance product quality. To ensure compliance with relevant regulations and our internal standards, we establish multiple checkpoints throughout the production process and conduct both regular and random hygiene inspections focused on critical factors such as temperature, pressure and timing. Any non-conforming products are immediately discarded, and each incident is recorded for root-cause analysis and ongoing improvements to our quality control. In addition to these technical procedures, we emphasize the importance of our employees in maintaining a safe and consistent production process. Employees are required to maintain proper personal hygiene, pass health examinations before employment, and follow strict sanitation and dress code protocols. We also provide regular training on topics including quality control and food safety to reinforce professional knowledge and foster increased awareness.

Product Returns and Product Recalls

In accordance with our non-conforming product control procedure and product recall control procedure, we regularly inspect products and manage any non-conforming items through testing and disposal. If unsafe or potentially unsafe products are found to have been delivered to customers, the relevant department will formulate a product recall plan promptly to recall the products and categorize them based on the level of hazard. For emergency incidents, we have established reporting and handling procedures, and we provide at least one food safety-related training annually to relevant employees. During the Track Record Period and up to the Latest Practicable Date, we did not have any product recalls.

COMPETITION

According to Frost & Sullivan, the snack food industry in China is highly competitive. Several segments within the snack food industry present great market opportunities. According to Frost & Sullivan, the market size of the fruit snack industry in China by retail sales value increased from RMB37.8 billion in 2020 to RMB52.0 billion in 2024 at a CAGR of 8.3%, and is expected to further reach RMB78.0 billion in 2029, with a CAGR of 8.6%. On the other hand, sour-flavored products, particularly plum-based products, have been growing rapidly, primarily due to the evolving market demand for products made with natural ingredients. We believe our brand recognition, product development ability, sales channel management ability and production and quality control ability enable us to compete effectively against our competitors. According to Frost & Sullivan, in 2024 we ranked first in China's fruit snacks industry, with a market share of 4.9%. See "Industry Overview."

SEASONALITY

The supply and demand for our products is subject to seasonal variations during harvest periods of key raw materials, holidays and major shopping events. Our primary raw materials, including plums, prunes and other fruits, are highly seasonal in nature. During the harvest season for plums, typically from late spring to early summer, we procure a substantial quantity of plums sufficient for our annual production. In addition to the seasonal procurement, we experience pronounced sales peaks during major holiday seasons and shopping events, such as Chinese New Year, the 618 Shopping Festival and Double Eleven. These events lead to a surge in consumer demand for our products, necessitating increased production and the stockpiling of work-in-progress and finished goods in advance. As a result, our inventory levels for finished products, tend to rise leading up to these periods.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we registered 42 invention and utility model patents, 40 trademarks and 77 copyrights that are material to our business operations in China. See “Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group” for more details of our material intellectual property rights. We seek to protect our intellectual property rights by registration of patents, trade secret protection and confidentiality agreements executed with core employees and other third parties, among others. As of the Latest Practicable Date, we did not have any outstanding material proceedings in connection with infringement of intellectual property rights sued by any third party. We were not aware of any threatened material proceedings or claims relating to intellectual property rights against us.

INFORMATION TECHNOLOGY

Our key information technology systems primarily include: (i) enterprise resource planning (“ERP”) system to centralize and streamline our core business operations, encompassing procurement, production, inventory management, sales and financial auditing; (ii) customer relationship management (“CRM”) system that integrates marketing, sales and service processes, establishing an effective marketing management system and coordinating multichannel marketing activities; (iii) office automation (“OA”) system optimize our daily operation processes including document sorting, process verification and human resources management; and (iv) cloud service system to facilitate the communications with our customers and among our staff. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

DATA PRIVACY AND SECURITY

In the course of our business operations, we may encounter certain personal data pertaining to our end consumers, such as end consumers’ order information such as shipping addresses, contact details, transaction records and payment data. Moreover, through collaborations with retailers and distributors, we may access additional information related to our end consumers. We recognize the importance of safeguarding personal data and are committed to handling all such information responsibly and in accordance with applicable data protection laws. As confirmed by our PRC Legal Advisor, we had complied with all applicable laws and regulations relating to data privacy and security during the Track Record Period and up to the Latest Practicable Date.

We have implemented a series of data protection policies and measures to ensure our compliance with applicable laws and regulations relating to personal data protection, sourcing, storage and usage. Specifically: (i) we have developed and publicly posted our privacy policies across our official website, mobile applications, and online stores. These policies clearly outline the types of personal data we collect, explain how and why such data is gathered, and specify the purposes for which it is utilized; (ii) we process personal information in strict adherence to specific and lawful purposes, ensuring that our activities remain limited to the minimal scope necessary for achieving those purposes. Additionally, we do not independently engage in automated decision-making or algorithm-based recommendations; (iii) we promptly inform our customers whenever their personal data is transmitted to third parties, providing details such as the identities of those parties, their contact information, the types of personal data involved, and the specific purposes behind the data transmission; and (iv) we store certain personal information of our customers only for the limited time necessary to support our business operations, such as providing logistics services and tracking orders. Furthermore, we have informed our customers that, upon their request through customer services, we may desensitize their personal information.

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EMPLOYEES

As of December 31, 2025, we had 1,917 full-time employees. The following table sets forth a breakdown of our employees by employee function as of the same date:

<u>Employee Function</u>	<u>Number of Employees</u>	<u>Percent (%)</u>
Sales and Marketing	399	20.8
Administration and Management	147	7.7
R&D	29	1.5
Production	1,342	70.0
Total	1,917	100.0

We have not experienced any significant labor disputes which have adversely affected or are likely to have adverse effects on our business operations. We believe we have maintained a good relationship with our employees and we did not have any material labor dispute during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period, we did not make adequate contributions and failed to make contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, see “— Licenses, Approvals and Permits — Non-compliance — Inadequate and Third-Party Payment for Social Insurance and Housing Provident Funds.”

INSURANCE

Our primary insurance policies include property insurances covering accidental loss for some of our fixed assets and employer liability insurance. Our Directors believe that our insurance coverage is in line with industry practice and standard business practices of relevant countries.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

We have established a three-tier environmental, social and governance (ESG) governance structure, comprising of the Board, an ESG working group and an implementation level. The Board holds ultimate responsibility for the ESG strategy and reporting. It monitors and approves our ESG and climate-related management policies, strategies, targets and annual work, and regularly reviews and monitors performance and progress towards our ESG targets. The Board also conducts an annual review of our ESG policies to ensure their effectiveness and to foster a culture aligned with our core ESG values. The Directors regularly attend ESG training to enhance their knowledge of ESG governance. Our ESG working group, consisting of the chairman of the Board and senior management and with a solid understanding of current ESG issues and our business, will report directly to the Board on ESG matters. Key responsibilities of our ESG working group primarily include: (i) regularly assess ESG risks in accordance with applicable laws, regulations and policies, and implement mitigating measures to ensure our ESG responsibilities are fulfilled; (ii) monitor local environmental, social and climate changes in the regions where we operate and take timely measures to mitigate risks during our daily business operations; (iii) collect, understand and respond to stakeholders' opinions on significant ESG matters through appropriate channels; and (iv) routinely prepare ESG reports, report to the Board on our ESG performance and the effectiveness of our ESG policies, and provide recommendations to the Board on ESG matters.

Materiality Assessment

A materiality assessment has been conducted to gain a deeper understanding of our stakeholders' needs and expectations. We have engaged an independent ESG consultant to assist in conducting a materiality assessment in accordance with Appendix C2 of the Main Board Listing

Rules of the Stock Exchange. This involves a questionnaire to gather stakeholders' concerns and expectations, which helped us determine material issues. The materiality assessment process primarily include: (i) identify potential material ESG issues that may impact our business or related parties based on our development; (ii) invite stakeholders (Directors, senior management, employees, suppliers and partners) to participate in the questionnaire to express their concerns on each potential material issue; (iii) analyze the results from the questionnaire and prioritize potential material issues; and (iv) review and confirm the material issues by the management for further actions and disclosures.

Based on the results of our materiality assessment, the following topics have been identified as highly material: product quality and safety, product health and nutrition, anti-corruption, business ethics, waste management, compliance operations, occupational health and safety, employee rights, and intellectual property protection. We remain committed to upholding the highest standards in these areas by strictly complying with all applicable laws and regulations, maintaining robust quality and food safety management systems to deliver safe, reliable and high-quality products, using natural ingredients to offer healthier and functional options, implementing effective anti-corruption and business ethics frameworks, responsibly managing waste to minimize environmental impact, ensuring occupational health and safety, providing competitive remuneration, benefits and training to support talent retention and development, and proactively safeguarding our intellectual property rights.

Environmental and Social Issues

Energy and Emission Management

We formulated the energy conservation and resources management guidelines. The energy sources consumed by us primarily include electricity, light diesel and natural gas. We have implemented measures to reduce energy consumption and greenhouse gas (GHG) emissions, including: (i) set and manage the temperature and operating time of air conditioners, and control and maintain their operational status; (ii) manage the lighting schedules in each department to avoid unnecessary long-term lighting; (iii) record and collect data on the consumption of electricity, fuel and gas; (iv) ensure that all energy and resources suppliers have appropriate qualifications in line with our related-party environmental aspects management procedure; and (v) evaluate the energy consumption performance and environmental requirements of new equipment during the procurement process.

Water Management

We implement measures to conserve water, enhance water efficiency and manage the treatment and discharge of sewage, including: (i) regularly check the operating status of the water pipelines and promptly repair any leaks; (ii) regularly inspect water supply systems and equipment such as submersible pumps and fans at sewage treatment stations to ensure their normal operation; (iii) reasonably limit the discharge volume of circulating water to control water consumption; (iv) strictly prohibit the disposal of oil products, chemical waste liquids, residual oil, leftover food and phosphorus-containing detergents into the pipe network; and (v) conduct external monitoring of wastewater discharge and implement corrective and preventive measures in the event of any abnormalities.

Waste Management

We are committed to minimizing waste generation and enhancing disposal and recycling practices across our offices and factories in accordance with our solid and hazardous waste management guidelines. We strive to reduce pollution and promote responsible and sustainable consumption by strictly complying with applicable laws and regulations, adopting the principles of reduce, detoxify and utilize for solid waste, correctly classifying and storing all waste types in line with the National Hazardous Waste List and our internal classification table, maintaining clear

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signage and secure leak-proof containers with prompt spill response, conducting regular cleaning and scheduled collections, and engaging qualified professional units for the safe transshipment and recycling of hazardous waste.

Use of Sustainable Packaging Materials

We attach great importance to packaging development and management and are committed to promoting sustainable packaging through lightweighting and enhanced recyclability. We optimize packaging structures from the design stage by adopting advanced materials, such as high-stiffness PE to reduce thickness and VMCPP to decrease film layers, thereby lowering plastic consumption, while strengthening the compressive resistance of paper barrels to reduce paper and carton usage. Over 80% of our inner soft packaging (by SKU) and all hard plastic packaging and shipping cartons utilize recyclable materials, primarily PP and PE plastics. We have established a target to reduce the intensity of non-recyclable materials by 5% within ten years, with 2024 as the base year.

Metrics

Outlined below are the key environmental performance indicators for our offices, production plants and plum farms. Our GHG inventories are conducted in accordance with the “How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” published by the Stock Exchange.

	Year ended December 31,		
	2023	2024	2025
GHG emission			
Scope 1 (Direct emission) (tCO ₂ e) ⁽¹⁾	2,022.48	1,171.17	1,118.41
Scope 2 (Indirect emission) (tCO ₂ e) ⁽²⁾	7,490.39	10,395.00	11,819.32
Total GHG emission (Scopes 1, and 2) (tCO ₂ e)	9,512.87	11,566.17	12,937.72
Total GHG emission intensity (tCO ₂ e/million RMB revenue)	7.20	7.16	7.56
Resources Consumption			
Electricity consumption (kWh)	13,934,108.47	19,324,593.43	21,962,243.00
Electricity intensity (kWh/million RMB revenue)	10,539.84	11,958.15	12,837.93
Water (m ³)	461,623.00	614,398.36	536,438.00
Water intensity (m ³ /million RMB revenue)	349.17	380.19	313.57
Gasoline (L)	187,417.41	184,903.05	175,179.30
Diesel oil (L)	154,882.29	165,602.26	135,822.17
Natural gas (m ³)	510,600.00	109,644.00	133,070.00
Liquefied Petroleum Gas (kg)	1,140.00	1,140.00	1,280.00
Waste			
Non-hazardous waste (kg)	27,330.00	27,513.00	27,442.00
Non-hazardous waste intensity (kg/million RMB revenue)	20.67	17.03	16.04

Notes:

- (1) Direct GHG emissions from sources controlled or owned by us, including fossil fuel combustion from both stationary and mobile sources, as well as refrigerant gas leaks, are categorized as Scope 1 emissions.
- (2) Scope 2 emissions are indirect and primarily arise from the consumption of purchased electricity.

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In 2024, our GHG emission intensity as well as electricity and water usage intensities were 7.16 tCO₂e per million RMB of revenue, 11,958.15 kWh and 380.19 m³ per million RMB of revenue, respectively, which were lower than the peer average of 27.78 tCO₂e per million RMB, 25,229.68 kWh and 606.76 m³ per million RMB of revenue, respectively.

Targets

We have established environmental goals aimed at reducing our GHG emissions, electricity consumption and water consumption. We aim to reduce total GHG emission intensity, electricity consumption intensity and water consumption intensity by 10% each within ten years, with 2024 as the base year.

Climate Change

The Board holds full responsibility for overseeing climate-related management. We prioritize climate change management and are fully aware of the physical risks posed by shifting climate patterns and extreme weather events, as well as the transition risks associated with the move towards a low-carbon economy. To address these challenges, we have identified and evaluated climate risks and opportunities across short-term (within three years), medium-term (three to ten years) and long-term (over ten years) horizons.

The following table sets forth the main physical risks identified and our response measures:

Risk type	Potential risks (timeframe; risk level)	Potential impacts on business, strategy and finance	Response measures
Acute physical risk	Flood/Cyclone (short term; low risk)	<ul style="list-style-type: none"> • Extreme weather poses risks to green plum growth, potentially causing supply shortages and higher costs. • Food supply chain disruptions and damage may drive up costs. • Adverse weather may hinder employee commuting, disrupting operations. • Buildings, equipment, and assets are at risk of weather-related damage. 	<ul style="list-style-type: none"> • Maintain orchard drainage by cleaning ditches regularly to ensure adequate capacity. • Broaden the product range to minimize the impact of green plum yield fluctuations on operations. • Regulate raw material supply processes and establish related policies to ensure food safety. • Develop safety measures and emergency plans to protect employees. • Diversify the sources of supply chain to strengthen resilience. • Build on higher ground and adhere to strict construction standards.
Chronic physical risk	Extreme temperature (long term; low risk)	<ul style="list-style-type: none"> • Warm winters reduce green plum yields, which may affect the supply of plum. • Infrastructure may face damage or reduced lifespan due to extreme heat. 	<ul style="list-style-type: none"> • Use artificial pollination to reduce the effects of extreme temperatures on yields. • Install energy-efficient cooling systems to maintain infrastructure temperatures.
	Water scarcity (long term; low risk)	<ul style="list-style-type: none"> • Winter drought may threaten green plum yields, which may affect the supply of plum. • Climate change worsens water scarcity, which may affect supply and increase cost. 	<ul style="list-style-type: none"> • Use manual irrigation to combat the impact of drought on yields. • Implement water-saving measures to reduce usage, manage costs, and address water shortages.

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The following table sets forth the main transition risks identified and our response measures:

Risk type (timeframe; risk level)	Potential impacts on business, strategy and finance	Response measures
Policy and regulatory risk (medium to long term; low risk)	<ul style="list-style-type: none"> With stricter global climate regulations, we need to comply with more rigorous climate related guidelines. Non-compliance with regulations may affect business operations. 	<ul style="list-style-type: none"> Monitor policy and regulatory changes, ensure compliance, and mitigate risks. Incorporate environmental factors into the Company's long-term planning.
Technological risk (medium to long term; medium risk)	<ul style="list-style-type: none"> Implementing low-carbon upgrades may increase costs. 	<ul style="list-style-type: none"> Upgrade to low-carbon technologies, such as green factories to improve energy efficiency and reduce costs.
Reputational risk (medium to long term; low risk)	<ul style="list-style-type: none"> Investors and stakeholders demand transparency in climate-related information, and delays or incomplete disclosures may impact financing. 	<ul style="list-style-type: none"> Increase transparency through enhanced climate information disclosure.
Market risk (medium to long term; low risk)	<ul style="list-style-type: none"> Customers prioritize sustainability and favor low-carbon businesses; failure to adjust strategies could lead to a loss of market share. 	<ul style="list-style-type: none"> Develop sustainable strategies, strengthen environmental governance, and boost eco-investment to meet customer expectations.

Society

We strictly comply with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and the Law of the People's Republic of China on Labor Contracts (《中華人民共和國勞動合同法》) and other labor-related laws and regulations. We recruit employees in accordance with the principles of openness, transparency, equal competition and merit-based selection as stipulated in our employee handbook. As of December 31, 2025, we had a total of 1,917 employees, with 57% being male and 43% female.

New employees must pass our verification of educational qualification, professional experience and other relevant information, after which we sign a formal employment contract specifying the rights and obligations of both parties and other necessary information. We prohibit child and forced labor.

Employee Training and Development

We regard our employees as our most valuable assets and are committed to their long-term development and well-being. We offer comprehensive training through diverse platforms, including new employee programs, job skills enhancement, managerial development, qualification training and on-the-job academic programs, supported by annual training needs assessments and the Liuliumei Business School for internal talent cultivation, consulting services and external training to suppliers and franchisees, alongside a structured monthly, semi-annual and annual performance appraisal system and dual administrative and professional career paths to support promotions and continuous improvement. We implement an incentive-based remuneration system and comprehensive welfare benefits aligned with operating conditions, industry standards and individual performance, while upholding stringent occupational health and safety standards through robust policies, mandatory safety training, risk assessments, hazard identification, position-specific operating procedures and regular inspections to prevent accidents and ensure a safe working environment.

PROPERTIES

Our headquarters office is located in Wuhu, Anhui Province, the PRC. We own and lease properties in China. As of the Latest Practicable Date, all of our production plants were located in Chinese Mainland. As of December 31, 2025, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of the Latest Practicable Date, we owned 21 properties in China with an aggregate floor area of approximately 288,042.0 sq.m. for which we obtained the relevant title certificates, which were primarily used for production and office purposes. As of the Latest Practicable Date, we also obtained the land use right for 29 parcels of land with a site area of 736,256.7 sq.m. for which we obtained the relevant title certificates, which were primarily used for production purpose. As of the same date, we also obtained the contracted management right (承包經營權) for one parcel of collectively-owned land (集體土地) with a site area of 272.00 mu. In addition, on January 15, 2025, we entered into a state-owned construction land use right assignment agreement (國有建設用地使用權出讓合同) with the local government authority, pursuant to which we are entitled to the land use right to a parcel of land located in Wuhu, Anhui, with a site area of 12,003.91 sq.m. upon full payment. As of the Latest Practicable Date, we had made full payment of the land grant fee for the state-owned construction land use right with an area of 12,003.91 sq.m. located in Jinghu District, Wuhu City and were in the progress of obtaining relevant title certificates.

We did not obtain the relevant title certificates for certain of our owned properties in Fujian. In addition, we commenced the production at our plum processing facility for sun-drying and pickling in Guangxi without completing the filing of the inspection and acceptance check (竣工驗收備案) with relevant authorities. In Fujian, we began utilizing a building for employee dormitory and cafeteria purposes prior to completing the filing of final inspection and acceptance check with relevant authorities. As of the Latest Practicable Date, we had completed the acceptance check and had obtained title certificate for the said facilities in Fujian. See “— Licenses, Approvals and Permits — Non-compliance — Title Defects of the Plum Sorting Facility and Sun-drying Facility in Fujian,” “— Licenses, Approvals and Permits — Non-compliance — Incomplete Acceptance Check for the Plum Processing Facility in Daxin, Guangxi” and “— Licenses, Approvals and Permits — Non-compliance — Incomplete Acceptance Check for Employee Dormitory in Fujian,” respectively.

Leased Properties

As of the Latest Practicable Date, we leased 20 properties in China with an aggregate floor area of 5,608.99 sq.m., which were primarily used as offices and employee dormitories. For details about title defects and inconsistent usage in relation to our leased properties, see “— Licenses, Approvals and Permits — Non-compliance — Title Defects and Inconsistent Usage of Leased Properties.”

LICENSES, APPROVALS AND PERMITS

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to obtain various licenses and regulatory approvals to operate our business. See “Regulatory Overview.” As of the Latest Practicable Date, save as disclosed below, we obtained all necessary licenses that are material to our business operations from the relevant government authorities and such licenses are valid and subsisting. Our Directors do not expect any impediment in the renewal of our licenses.

Non-compliance

Incomplete Acceptance Check for the Plum Processing Facility in Daxin, Guangxi

We commenced the production at our plum processing facility in Guangxi without completing the filing of the inspection and acceptance check (竣工驗收備案) and other required procedures with relevant authorities because we are still in the process of constructing other ancillary facilities on the same site. The plum processing facility in Guangxi is involved in the construction of multiple facilities in different phases, and our original plan was to construct ancillary facilities for fire safety and complete the acceptance check once all facilities were constructed. After constructing certain production facilities, we commenced production in response to the rising consumer demand. This production arrangement addressed the immediate market needs and alleviated production shortages. The remaining ancillary facilities were scheduled to be constructed in accordance with our overall construction plan. During the COVID-19 pandemic, recurring outbreaks and heightened investment risks prompted us to revisit our remaining ancillary facilities' construction plans. As a result, the construction of several ancillary facilities in Guangxi, including the planned fire safety infrastructure at our plum processing facility, was deferred. As of the Latest Practicable Date, we had completed the construction of the fire safety infrastructure and we were in acceptance check process. We have completed the construction of ancillary facilities. This facility was estimated to account for approximately 4% of our total owned properties as of the Latest Practicable Date. According to Regulations on the Administration of Quality of Construction Works (《建設工程質量管理條例》), for construction projects that have not completed acceptance check and are delivered for use without authorization, the relevant competent authorities shall order rectification and impose a fine of not less than 2% and not more than 4% of the contract price of the project. The maximum fine that can be imposed upon us due to our operations without the acceptance check is RMB651,100. We put this facility into operation, which is mainly used for the certain steps of the preliminary processing of our dried plum snacks, including pickling and sun-drying. We then transfer these work-in-progress to our production plants for producing the finished goods. We have conducted interviews with relevant competent authorities, which confirmed that they will not order us to suspend our current operations and production on the facility, and will not impose administrative penalties on us for the failure to complete the acceptance check and other required procedures. The relevant competent authorities further confirmed in the interview that there is no material impediment for us to complete the acceptance check and other required procedures to obtain the title certificate once we finish the construction of the ancillary facilities on the same site, as we had obtained all the other required approvals.

According to the Certificate issued by the relevant competent authority, this plum processing facility is a project formally accepted by our Bureau for filing and supervision. Since the commencement of its construction, there has been no administrative penalty imposed for any violation of housing construction or building engineering management laws, regulations, or normative documents, and no quality or safety accidents have occurred. Furthermore, the Certificate confirms that we do not have any potential or ongoing disputes, controversies, or lawsuits with Bureau concerning housing construction or building engineering of this facility, nor are there any records of complaints or any other forms of claims regarding this facility.

In addition, in October 2025, we engaged Guangxi Jingtai Engineering Co. Ltd., a professional firm specializing in fire safety system design, installation, consulting and the maintenance and inspection of fire safety equipment, to conduct an independent review of our plum processing facility in Guangxi (the “**Fire Safety Consultant**”). This review included comprehensive on-site inspections, testing and evaluation of key fire safety aspects. The Fire Safety Consultant is of the view that (i) all major fire protection systems were fully compliant with all relevant national and local standards and regulations; (ii) no non-conformities were identified in any of the systems inspected; (iii) all tested equipment and installations met the required technical and operational standards; (iv) the facility's fire safety provisions are appropriate for its intended use and occupancy; and (v) the fire safety systems are properly installed, clearly marked and well maintained.

Based on the foregoing, our PRC Legal Advisor believes that the risk of us being ordered to cease the operations and production at the processing facility or being imposed of administrative penalties is low. In addition, due to the abundance of similar facilities in our operating region, we can readily identify and relocate to alternative preliminary processing facilities. As a result, we do not expect that our business, financial position or results of operations will be subject to material adverse impact due to the relocation.

Moreover, according to our PRC Legal Advisor, our plum processing facility in Guangxi is categorized as a general fire safety grade building that only needs to meet basic fire safety requirements. Additionally, since this facility primarily engages in water-based processing and contains no flammable or combustible materials, the risk of fire hazards is significantly minimized. As a result, the overall fire safety risk of the facility remains low and satisfies the applicable regulatory requirements.

Incomplete Acceptance Check for Environmental Protection Facilities for the Plum Processing Facility in Guangxi

As of the Latest Practicable Date, we are preparing the application for the acceptance check of the Completed Environmental Protection Facilities for the same plum processing facility in Guangxi. Prior to passing the environmental protection acceptance, we ensure that production emissions comply with all applicable laws and regulations. According to Article 23 of the Regulations on Environmental Protection of Construction Projects (“建設項目環境保護管理條例”), where a construction project is put into production or use without constructing required environmental protection facilities, completing the environmental protection acceptance check, or failing the acceptance check, the environmental protection administrative department at the county level or above shall order the entity who owns the project to rectify within a specified time period and impose fines ranging from RMB200,000 to RMB1,000,000. If the entity fails to rectify within the given time frame, fines ranging from RMB1,000,000 to RMB2,000,000 shall be imposed, and fines ranging RMB50,000 to RMB200,000 shall be levied on the person in charge and other responsible individuals. The maximum fine that can be imposed on us is RMB1,000,000. In cases of severe environmental pollution, the entity may be ordered to cease production or use of the project, or, upon approval from the relevant government authority, be ordered to shut down the project.

Based on the Environmental Impact Assessment (“EIA”) approval issued by the Daxin County Ecology and Environmental Bureau, our Guangxi production facility must process wastewater at our on-site facility before discharging it to the Taocheng Town Industrial Park’s (“**Industrial Park**”) sewer network and wastewater processing plant. Since the Industrial Park’s wastewater processing facilities are not yet operational, and our current production processes do not involve massive wastewater discharge, the Bureau approved our phased environmental protection measures in December 2024. Under our phased environmental protection measures, our facility is allowed to temporarily store wastewater on-site, and we implemented certain environmental protection measures such as optimizing production methods and reducing wastewater generation until the Industrial Park’s plant becomes operational, thereby ensuring our compliance with the relevant requirements by the governmental authority. Once the Industrial Park’s plant begins operations, we will complete our wastewater processing facilities and obtain the environmental protection acceptance check. Additionally, we agree to upgrade our wastewater processing facilities to meet the heightened wastewater discharge requirements if we expand the production at our plum processing facility in Guangxi.

According to our PRC Legal Advisor, since we implemented the agreed phased environmental protection measures and complied with the wastewater disposal requirements by the governmental authority, we are allowed to continue our operational activities at the production facility in Guangxi, and the risk of us being subject to any material administrative penalties by relevant governmental authorities before completing the acceptance check is low. In addition, we are in the process of constructing the required wastewater processing facilities. We ensure that our current production processes and wastewater discharge fully comply with all environmental protection requirements of the relevant governmental authorities. As our production expands, we plan to promptly construct any necessary environmental protection facilities, obtain the required environmental approvals and comply with the regulatory requirements in all respects. According to our PRC Legal Advisor, upon the construction completion of our required environmental protection facilities and the construction completion of the Industrial Park's wastewater processing plant, there is no material legal impediment for us to complete the required acceptance check, as we had obtained all the other required approvals. Additionally, we may readily find alternative sites for the preliminary processing, we do not expect that our business, financial position or results of operations will be subject to material adverse impact due to the relocation.

Incomplete Acceptance Check for Employee Dormitory in Fujian

In Fujian, we began utilizing a building for employee dormitory and cafeteria purposes prior to completing the filing of the inspection and acceptance check with relevant authorities. This building is being used in a limited capacity before we complete construction of other ancillary facilities for fire safety on the same site. According to the Regulations on the Administration of Quality of Construction Work, the relevant competent authorities may order us to rectify and impose fines on us. The maximum fine that can be imposed on us is RMB204,000. According to our PRC Legal Advisor, we were not imposed any penalties by the authorities.

The building has undergone routine fire safety inspections and shows no hidden fire safety hazards. According to our fire safety consultant, it meets the relevant fire safety standards, and its ancillary fire safety facility serves merely as a contingency measure in case of disruptions to the municipal water supply that feeds the on-site fire hydrants. Consequently, the building's overall fire safety risk is low, and its existing infrastructure is deemed sufficient to ensure firefighting capabilities in the event of an emergency. As of the Latest Practicable Date, we had completed the construction of these ancillary facilities on the same site and had received the acceptance check for these facilities. As of the same date, we had obtained the title certificate of the said facilities. As advised by our PRC Legal Advisor, the said facilities are in compliance with the relevant laws and regulations.

Title Defects of the Plum Sorting Facility and Sun-drying Facility in Fujian

As of the Latest Practicable Date, we were not able to obtain the relevant title certificates for certain owned properties situated on two parcels of land for which we had land use right. The land was on the urban-rural transition zone. We acquired the land use rights for these two parcels of land in 2009 and 2017, and the properties on them were constructed prior to our acquisition of the land use rights. These properties were primarily used as a sun-drying facility. The floor area of these properties accounted for approximately 3% of our total owned properties as of the Latest Practicable Date. The sun-drying facility accounts for 6.9% of our total sun-drying space as of the Latest Practicable Date. We acquired the land with such buildings that lacked the title certificates at the time, and these properties constructed prior to the enactment of the Urban and Rural Planning Law (城鄉規劃法), when the regulatory procedures for self-build properties were not yet fully established. As such, these properties were built without proper planning approval documents, and we inherited these title defects in our capacity as a subsequent purchaser. We are unable to obtain the relevant title certificates for these properties as the regulatory environment had substantially changed, and we are unable to retrospectively complete the required procedures and secure valid title certificates. As advised by the PRC Legal Advisor, the relevant competent authorities may order the construction entity to demolish the buildings or structures, and confiscate the buildings or structures

or any income illegally earned from such buildings or structures; and/or impose a fine of not more than 10% of the construction cost. During the Track Record Period and up to the Latest Practicable Date, the relevant competent authorities neither required us to demolish our properties, nor ordered us to suspend our operations, nor imposed any fines on us. According to our PRC Legal Advisor, government authorities inspected our daily operations from time to time, including fire safety and environmental protection measures, and, based on the Certificate for No Illegal and Irregular Conduct (無違法違規證明) issued by the relevant competent authority, we did not receive any penalties and meet the relevant fire safety standards during the Track Record Period. Considering that (i) the area of these properties represented an insignificant portion of the total area of our properties as of the Latest Practicable Date; and (ii) we may readily find alternative properties for sun-drying if necessary, and we estimate that fully outsourcing the sun-drying process would cost approximately RMB350,000 annually, based on our current lease with a third-party sun-drying facility, the Directors are of the view that even if demolition were ordered, it would not have a material adverse impact on our business, financial conditions and results of operations.

Title Defects and Inconsistent Usage of Leased Properties

Pursuant to the applicable laws and regulations in China, property lease agreements for leased buildings must be registered with the relevant real estate administration bureaus in China. As of the Latest Practicable Date, we had not registered the lease agreements for nine of our leased properties with the relevant competent authorities in accordance with applicable laws and regulations in China. Our PRC Legal Advisor advised us that the lack of registration does not affect the validity and enforceability of the lease agreements, but we may be subject to fines from RMB1,000 to RMB10,000 for each such lease agreement for failure to register.

As of the Latest Practicable Date, lessors of five out of our 20 leased properties with an aggregate gross floor area of 1,296.45 sq.m. failed to provide us their property ownership certificates or proof of authorizations from the property owners. Additionally, as of the same date, the actual use of two out of our 20 leased properties with an aggregate gross floor area of 140.76 sq.m. did not fit into the prescribed scope of usage shown on the relevant certificates. We currently use these leased properties as the office premises while their permitted usage under the relevant title certificates is residential purposes. As advised by our PRC Legal Advisor, for the leased properties that were subject to title defects or with inconsistent usage, the property owners and the relevant lessors shall take the responsibility to obtain valid title certificates and ensure the actual usage complies with the prescribed usage of the properties. As the tenants, we would not be subject to any administrative penalties pursuant to the relevant laws and regulations. However, if any of these leases is terminated as a result of challenges by third parties, we may not be able to continue to use the properties. Nevertheless, considering these properties' uses, we believe there is a sufficient supply of similar properties and do not expect any material adverse effect on our business due to these potential terminations and the potential costs of relocation would not have a material adverse effect on our daily operation.

Inadequate and Third-party Payment for Social Insurance and Housing Provident Funds

During the Track Record Period, we did not make adequate contributions and failed to make any contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, primarily because (i) certain employees whose social security accounts had not been suspended or closed by their previous employer; (ii) certain employees prefer to participate in the rural social security contribution plans in their resident places or their hometowns; (iii) certain employees have already participated in the social security programs in other cities and (iv) certain employees were unwilling to pay the social insurance and housing provident funds in full as it requires additional contributions from our employees. The shortfall of social insurance and housing provident fund contributions amounted to approximately RMB5.0 million, RMB5.2 million and RMB4.9 million in 2023, 2024 and 2025, respectively. In addition, during the Track Record Period, we engaged third-party agencies to pay social insurance and housing provident funds for certain employees because (i) these employees

voluntarily requested us to pay their social insurance and housing provident funds at different locations and (ii) we have not established subsidiaries or branches at certain cities where we have employees. The social insurance and housing provident contributions made by the third-party human resource agency amounted to RMB1.4 million, RMB1.5 million and RMB1.2 million in 2023, 2024 and 2025, respectively, and the shortfall of such contributions in the respective year amounting to RMB83.6 thousand, RMB81.8 thousand and RMB127 thousand.

As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement. In addition, pursuant to the Supreme People's Court's Interpretation (II) on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)), we may face the risk of employees seeking termination of the labor contract and claiming economic compensation. See "Regulatory Overview — Regulation Relating to Labor and Social Security."

Our Directors believe that the incident described above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) based on the interview with relevant government authorities, in practice they typically do not proactively pursue the collection from or impose administrative penalties on companies, and they generally will initiate investigations if they receive complaints from employees; (ii) based on the Certificate for No Illegal and Irregular Conduct (無違法違規證明) and the confirmation issued by the relevant competent authorities, and as advised by our PRC Legal Advisor, we did not receive any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, nor did we receive any administrative penalties from relevant competent authorities; (iii) we have confirmed that no material administrative penalty was imposed on us with respect to the payment of social insurance and housing provident funds as of the Latest Practicable Date. We undertake that if we receive a notice from relevant authorities requiring us to rectify, pay or make up social insurance and housing provident funds within a specified period, we will promptly comply with the requirements of such notice.

In addition, our Directors are of the view, and our PRC Legal Advisor concurs, that the New Judicial Interpretation will not have a material adverse effect on our business, financial condition or results of operations, taking into account that: (i) the implementation of the New Judicial Interpretation will not affect our compliance status; (ii) the New Judicial Interpretation does not create any new basis for reassessing contribution shortfalls or exposing us to increased penalties; (iii) no employee has brought a lawsuit or arbitration in respect of payment of social insurance; and (iv) any shortfall in social insurance or housing provident fund contributions has been accounted for in our shortfall calculations.

Furthermore, those employees, for whom we engaged third-party agencies to pay social insurance and housing provident fund contributions, have provided written confirmations stating that they had authorized us to engage a third-party agency to pay their salaries and individual income tax, and that we had fulfilled the obligation to make social insurance and housing provident fund contributions on their behalf.

Based on the foregoing, our PRC Legal Advisor is of the view that the likelihood that we would be required by relevant authorities to pay the shortfall for social insurance and housing provident fund contributions or being subject to administrative penalties due to our failure to make any payment, make full payment or engage a third-party agency to pay social insurance and housing provident fund contributions within the stipulated period for our employees is relatively remote. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed in this prospectus, we had not been and were not involved in any material non-compliance incident in relation to social insurance and housing provident funds that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Rectification and Internal Control Measure Enhancements

We intend to make social insurance and housing provident fund contributions in accordance with the applicable laws and regulations progressively going forward. Further, we expect to fully rectify and make full payment of any outstanding amount within five years after the Listing, or if requested by the relevant authorities. To further ensure compliance of our social insurance and housing provident contributions, we have implemented robust internal control measures, which primarily include: (i) maintaining open communication with employees to ensure that social insurance and housing provident fund contributions are made in accordance with the legal requirements; (ii) establishing a dedicated internal control team responsible for continuously monitoring compliance with social insurance and housing provident fund requirements and for implementing any necessary corrective or improvement measures; (iii) regularly monitoring updates to PRC laws and regulations relating to social insurance and housing provident funds and promptly adjusting our policies to ensure ongoing compliance; and (iv) establishing online and offline systems to allow employees to review their individual contribution records and an offline channel to report any discrepancies. All inquiries are reviewed, verified, and addressed within three business days.

In addition, we have engaged an independent internal control consultant (the “**IC Consultant**”) to review the overall adequacy of our risk management and internal control systems across major business operations of our Group and the other relevant procedures, systems and controls, including accounting and management systems, that we have established. Based on (i) the agreed review scope and work procedures, (ii) rectification of all identified deficiencies, and (iii) the IC Consultant’s follow-up review of our enhanced risk management and internal control systems, no material deficiencies were identified in the follow-up review.

Our Directors are of the view that our internal controls are adequate to ensure that all future owned properties will secure the requisite acceptance checks and complete the construction of necessary fire safety and environmental protection facilities. In particular, we have completed the construction of ancillary facilities for fire safety required for acceptance checks of No. 17 plant building at Guangxi Liuli and such acceptance checks were in process. We had not received any administrative penalties for failing to complete such processes during the Track Record Period and up to the Latest Practicable Date. Additionally, we actively monitors regulatory requirements for existing properties and any properties that it plans to construct in the future, ensuring that all necessary approvals and acceptance checks are obtained before such properties are put into use. On the basis that (i) we had established a well-defined system to track and update relevant regulations on a continuous basis; (ii) we promptly rectified any issues identified in the acceptance check process; and (iii) we maintain an internal approval procedure under which construction plans are reviewed by relevant departments to ensure full compliance, our Directors believe that these measures are sufficient to prevent similar non-compliances in the future. The Joint Sponsors concur the Directors’ view that such internal controls are adequate to ensure the our future compliance with applicable laws and regulations.

Furthermore, our Directors consider that the Company's internal controls are adequate to address any potential shortfall in social insurance and housing provident fund contributions.

According to our PRC Legal Advisor, as confirmed by the relevant authorities, it is unlikely that we would be required to make a collective payment for any historical shortfall, and we have not received any notice or demand to do so. On the basis that (i) we closely review applicable PRC regulations on a regular basis; and (ii) we communicate with our employees to ensure their awareness of relevant laws and regulations, our Directors believe that the Company adheres to all relevant laws and regulations in a material respect. The Joint Sponsors concur with our Directors' view that the measures currently in place are adequate in this regard.

LEGAL PROCEEDINGS AND COMPLIANCE

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

RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted and implemented comprehensive risk management policies in various aspects of our business operations and financial reporting. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department.

Legal and Compliance Risk Management

We provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations and include relevant policies against noncompliance in employee handbooks. We require our suppliers and distributors to commit in written agreement to abstain from noncompliance, suspicious transactions, fraud, corruption, or bribery, which expressly forbids our suppliers, distributors, and employees from making unauthorized payments, including bribes, kickbacks, or any other illicit benefits, to one another. In addition, we 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.

Anti-Bribery and Anti-Corruption

We strictly adhere to relevant anti-bribery and anti-corruption laws and regulations and have established the Anti-corruption, anti-money laundering and economic sanctions regime (反腐敗、反洗錢及經濟制裁制度). It outlines measures for identifying and reporting suspicious activities, managing customer risks, and maintaining a transparent and compliant business environment. We have established a comprehensive framework that encompasses several key areas. Annual training programs are designed to enhance awareness and operational skills, ensuring that all employees are well-informed and capable of identifying and preventing illicit activities.

Financial Reporting Risk Management

We have established an Audit Committee to review and monitor our financial reporting procedures, including, among others: (i) making recommendations to the Board on the appointment, reappointment and removal of the external auditor; (ii) monitoring and evaluating our internal audit, and coordinating the communication between the internal auditor and the external auditor; (iii) reviewing financial information of the Company and its disclosure; (iv) monitoring and considering the adequacy of our internal control, financial reporting and risk management systems; and (v) other responsibilities authorized by the Board or required under the relevant laws and regulations.

Internal Control

To ensure strict compliance of our business operations with applicable rules and regulations, we have designed and adopted a set of comprehensive internal control policies. The implementation of such policies is overseen by our internal control team, which is also responsible for (i) performing group-level risk assessments, (ii) providing advice on risk management practice and (iii) establishing authorization and approval protocols.

AWARDS AND RECOGNITIONS

Some of the significant awards and recognition we have received are set forth below:

<u>Award/Recognition</u>	<u>Award Year</u>	<u>Awarding Institution/Authority</u>
China Famous Consumer Products	2025	Ministry of Industry and Information Technology
Annual Jelly Good Food List	2024	Jiemian News
Superior Taste Award 1-Star Medal	2023	International Taste Institute
“Zhen Bu Chuo” Power Brand Award	2023; 2024	Weibo
Brand of the Year for Marketing Influence	2023	Baidu
Gold Award for Influencer KOL Marketing	2022	Top Digital
FA Authentic Quality Certification	2022	National Center for Food Quality Supervision, Inspection and Testing
Chair Enterprise of National Plum Innovation Alliance	2022	National Forestry and Grassland Administration
“溜溜LIUM” (“Liuliu LIUM”) China Well-Known Trademark	2015	State Administration for Market Regulation

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board consists of five executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The following table sets forth certain information regarding our Directors:

Name	Age	Position	Time of joining our Group	Date of appointment as Director	Major roles and duties	Relationship with Directors, Supervisors and other senior management
Mr. Yang Fan (楊帆)	56	Executive Director, chairman of the Board and chief executive officer	April 1999	September 4, 2009	Responsible for the overall business strategies and development of our Group	N/A
Mr. Ning Pengfei (寧鵬飛)	49	Executive Director, Board secretary and joint company secretary	May 2016	March 10, 2017	Responsible for the overall business operation and capital management of our Group	N/A
Ms. Hu Yan (胡燕)	49	Executive Director	May 2006	March 29, 2016	Responsible for the product research and development of our Group	N/A
Mr. Gou Bin (苟斌)	49	Executive Director and chief financial officer	December 2024	January 15, 2025	Responsible for the financial management of our Group	N/A
Mr. Mei Huixiang (梅惠祥)	36	Executive Director	October 2021	January 15, 2025	Responsible for the brand management of our Group	N/A
Mr. Xu Lianzheng (徐連政)	51	Non-executive Director	December 2019	January 15, 2025	Overseeing the general management of our Group	N/A
Mr. Liu Feng (劉峰)	60	Independent non-executive Director	January 2025	January 15, 2025	Supervising and providing independent opinion and judgement to our Board	N/A
Mr. Xiong Hui (熊輝)	54	Independent non-executive Director	January 2025	January 15, 2025	Supervising and providing independent opinion and judgement to our Board	N/A
Mr. Lu Jian (陸健)	57	Independent non-executive Director	March 2017	January 15, 2025	Supervising and providing independent opinion and judgement to our Board	N/A

Executive Directors

Mr. Yang Fan (楊帆), aged 56, is our founder, chairman of the Board, executive Director and chief executive officer. Mr. Yang is primarily responsible for the overall business strategies and development of our Group. Mr. Yang is a member of the Remuneration and Appraisal Committee. Mr. Yang is a director and/or general manager of certain of our subsidiaries, including Fujian Liuliu, Zhaoan Liuliu, Anhui LIUM, Liuliu Research Institute, Zhongnongan Testing, Anhui Green Plum, Liuliu Sales, Liuliu New Retail, Guangxi Liuliu, Guangxi LIUM, Plum Jelly Tech, Anhui Liuliu and Anhui Plum.

Mr. Yang has also been serving as an executive director of Jurun Investment since January 2015, an executive director of Anhui Facai Network E-commerce Co., Ltd.* (安徽發菜網電子商務有限公司) since January 2015 and a supervisor of Hefei Tianxun Information Technology Co., Ltd. (合肥天迅信息技術有限公司) since October 2024.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Since founding our Group, Mr. Yang has received numerous accolades, including the 12th China Industry Forum Top Ten Outstanding Young Entrepreneurs of China Industry* (第十二屆中國工業論壇中國工業十大傑出青年企業家), 2019 Outstanding Private Entrepreneurs* (2019年度優秀民營企業家) awarded by Wuhu Municipal Enterprise Confederation (蕪湖市企業聯合會), Pioneer in the Bakery and Confectionery Industry on the 40th Anniversary of China's Reform and Opening-Up* (中國改革開放40周年烘焙食品糖製品產業先鋒人物), Advanced Individuals in Science and Technology Innovation of Light Industry in the 13th Five-Year Plan* (「十三五」輕工業科技創新先進個人) awarded by China Light Industry Federation* (中國輕工業聯合會) in September 2021 and 2020 Outstanding Private Entrepreneurs in Anhui Province* (2020年度安徽省優秀民營企業家) awarded jointly by the CPC Anhui Province Committee* (中國共產黨安徽省委員會) and the People's Government of Anhui Province* (安徽省人民政府) in April 2021. Mr. Yang is also a member of the Anhui Province People's Congress (安徽省人民代表大會代表), and a member of Anhui Wuhu Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議安徽省蕪湖市委員會) since January 2018.

Mr. Yang was admitted to the Science and Innovation EMBA program of the University of Science and Technology of China in September 2022. He also graduated from the Anhui Class of the EMBA President Training Program of Peking University in May 2015.

Mr. Yang was previously a director of the following companies, which were established in the PRC and were deregistered with the relevant laws and regulations:

Company name	Position	Nature of business before deregistration	Date of deregistration	Reason of deregistration
Wuhu Kaixuan Investment Co., Ltd.* (蕪湖凱旋投資有限公司)	Executive director and general manager	No business has been commenced	January 15, 2016	No actual business has been commenced
Beijing Zhongmao Kaixuan Food Co., Ltd.* (北京中貿凱旋食品有限公司)	Executive director and general manager	Food trading	January 19, 2017	Cessation of business
Beijing Zhongankang Food Co., Ltd.* (北京中安康食品有限責任公司)	Executive director and general manager	Food trading	January 23, 2017	Cessation of business
Zhangzhou Sanyuanhui Food Co., Ltd.* (漳州三緣惠食品有限公司)	Executive director	Food production and processing	December 30, 2022	Business was merged into Zhaoan Liuliu
Wuhu Kailai Food Co., Ltd.* (蕪湖市凱萊食品有限公司)	Director	Food production and processing	December 3, 2015	Business was acquired by Anhui Liuliu

Mr. Yang confirmed that (i) the above companies were solvent immediately prior to their deregistration; (ii) there was no wrongful act on his part leading to the deregistration of the above companies and he was not aware of any actual or potential claim that had been or would be made against him as a result of such deregistration; and (iii) no misconduct or misfeasance had been involved in the deregistration of the above companies.

Mr. Ning Pengfei (寧鵬飛), aged 49, is our executive Director, Board secretary and one of the joint company secretaries of our Company. He is responsible for the overall business operation and capital management of our Group. He also serves as the general manager of Anhui Green Plum and as the supervisor of Plum Jelly Tech.

Prior to joining our Group, he served successively as a customer manager and deputy branch manager at Wuhu Branch of Bank of Communications* (交通銀行蕪湖分行) from July 1998 to August 2007. He worked as the branch manager of the Economic and Technological Development Zone Branch of Wuhu Yangzi Rural Commercial Bank* (蕪湖揚子農村商業銀行經濟技術開發區支行) from July 2007 to May 2012. He served as the vice president and board secretary at Wuhu Changxin Technology Co., Ltd* (蕪湖長信科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300088) from May 2012 to April 2016.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Ning obtained his bachelor's degree in monetary economics from Anhui College of Finance and Trade (安徽財貿學院) (currently known as Anhui University of Finance & Economics (安徽財經大學)) in June 1998.

Mr. Ning was previously a director of the following companies, which were established in the PRC and were deregistered with the relevant laws and regulations:

<u>Company name</u>	<u>Position</u>	<u>Nature of business before deregistration</u>	<u>Date of deregistration</u>	<u>Reason of deregistration</u>
Wuhu Xinyuan Property Services Co., Ltd.* (蕪湖馨園物業服務有限公司)	Executive director and general manager	Property management	January 22, 2019	Cessation of business
Anhui Baowu Trading Co., Ltd.* (安徽省寶武商貿有限公司)	Executive director and general manager	Trading	October 9, 2024	Cessation of business

Mr. Ning confirmed that (i) the above companies were solvent immediately prior to their deregistration; (ii) there was no wrongful act on his part leading to the deregistration of the above companies and she was not aware of any actual or potential claim that had been or would be made against her as a result of such deregistration; and (iii) no misconduct or misfeasance had been involved in the deregistration of the above companies.

Ms. Hu Yan (胡燕), aged 49, is our executive Director. She is responsible for the product research and development of our Group. Ms. Hu is a member of the Nomination Committee. She serves as a supervisor of Fujian Green Plum, Zhongnongan Testing, Anhui Liuliu and Anhui Green Plum. She also serves as a general manager of Liuliu Research Institute. Prior to joining our Group, she also worked at Anhui Liguang Science and Technology Co., Ltd.* (安徽麗光科技股份有限公司) and Wuhu Kailai Food Co., Ltd.* (蕪湖市凱萊食品有限公司).

Ms. Hu graduated from Anhui Normal University majoring in accounting in July 2003.

Ms. Hu was previously a director or supervisor of the following companies, which were established in the PRC and were deregistered with the relevant laws and regulations:

<u>Company name</u>	<u>Position</u>	<u>Nature of business before deregistration</u>	<u>Date of deregistration</u>	<u>Reason of deregistration</u>
Wuhu Kaixuan Investment Co., Ltd.* (蕪湖凱旋投資有限公司)	Supervisor	No business has been commenced	January 15, 2016	No actual business has been commenced
Wuhu Kailai Food Co., Ltd.* (蕪湖市凱萊食品有限公司)	Director	Food production and processing	December 3, 2015	Business was merged into Anhui Liuliu

Ms. Hu confirmed that (i) the above companies were solvent immediately prior to their deregistration; (ii) there was no wrongful act on her part leading to the deregistration of the above companies and she was not aware of any actual or potential claim that had been or would be made against her as a result of such deregistration; and (iii) no misconduct or misfeasance had been involved in the deregistration of the above companies.

Mr. Gou Bin (苟斌), aged 49, is our executive Director and chief financial officer. He is responsible for the financial management of our Group.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Prior to joining our Group, Mr. Gou was employed at Chongqing Shengli Construction Machinery Group Co., Ltd.* (重慶昇立建設機械集團有限公司) from June 1997 to January 2002. Mr. Gou served at Chongqing Tingjin Food Co., Ltd.* (重慶頂津食品有限公司) (which is a subsidiary of Tingyi (Cayman Islands) Holding Corp. (康師傅控股有限公司), “Tingyi”, a company listed on the Stock Exchange, stock code: 00322) from December 2001 to June 2020, with his last position being the head of finance and accounting department of the instant food business sector of Tingyi group. He also served as the head of financial support center of Shanghai Want Want Foods Group Co., Ltd.* (上海旺旺食品集團有限公司) (which is a subsidiary of Want Want China Holdings Limited, a company listed on the Stock Exchange, stock code: 00151) from June 2020 to November 2024.

Mr. Gou graduated from Chongqing Technology and Business University in January 2009 with his major in accounting.

Mr. Mei Huixiang (梅惠祥), aged 36, is our executive Director. He is responsible for the overall brand management of our Group.

Prior to joining our Group, Mr. Mei served at the instant noodles business department of Tingyi (Cayman Islands) Holding Corp. (a company listed on the Stock Exchange, stock code: 0322) as a brand manager from July 2011 to November 2016, and as a brand director from January 2020 to March 2021.

Mr. Mei obtained a bachelor’s degree in business administration from East China University of Science and Technology in July 2010.

Mr. Mei was previously a director or supervisor of the following companies, which were established in the PRC and were deregistered with the relevant laws and regulations:

Company name	Position	Nature of business before deregistration	Date of deregistration	Reason of deregistration
Shanghai Zhihuo Catering Management Co., Ltd.* (上海炙鑊餐飲管理有限公司)	Director	Food and beverage service	November 19, 2019	Cessation of business
Kunshan Yuyi Trading Co., Ltd.* (崑山昱奕貿易有限公司)	Supervisor	Trading	February 28, 2024	Cessation of business

Mr. Mei confirmed that (i) the above companies were solvent immediately prior to their deregistration; (ii) there was no wrongful act on his part leading to the deregistration of the above companies and he was not aware of any actual or potential claim that had been or would be made against him as a result of such deregistration; and (iii) no misconduct or misfeasance had been involved in the deregistration of the above companies.

Non-executive Director

Mr. Xu Lianzheng (徐連政), aged 51, is our non-executive Director. He is responsible for overseeing the general management of our Group. Mr. Xu is a member of the Audit Committee. Before being appointed as our non-executive Director, Mr. Xu served as our Supervisor from January 2020 to December 2024. Mr. Xu holds 3.05% equity interest in Shenzhen Junrong, one of our Pre-IPO Investors, as a limited partner. See “History, Development and Corporate Structure — Pre-IPO Investments — Information regarding our Pre-IPO Investors — Shenzhen Junrong”.

Prior to joining our Group, Mr. Xu co-founded Shanghai Junzhi Enterprise Management Co., Ltd.* (上海君智企業管理諮詢有限公司) in March 2015 and served as the president from then to July 2022. He also founded Shanghai Yingzhengtong Enterprise Management Consulting Co., Ltd.* (上海贏政通企業管理諮詢有限公司) in July 2022.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Xu obtained a bachelor's degree in mechanical design and manufacturing from Hefei University of Technology in July 1999.

Company name	Position	Nature of business before deregistration	Date of deregistration	Reason of deregistration
Wuxi Yingzhengtong Enterprise Management Consulting Co., Ltd.* (無錫贏政通企業管理諮詢有限公司)	Director	Business services and consulting on corporate/business strategy	October 11, 2023	Cessation of business
Shanghai Junquan Culture Communication Co., Ltd.* (上海君泉文化傳播有限公司)	Director	Cultural and artistic services, and marketing strategy planning	July 22, 2024	Cessation of business
Shenzhen Junzhi Industrial Partnership (Limited Partnership)* (深圳君智實業合夥企業(有限合夥))	General partner	Investment management	September 25, 2020	Investment exit
Shanghai Bojian Enterprise Management Partnership (Limited Partnership)* (上海博見企業管理合夥企業(有限合夥))	Partner	Business Management Consulting	December 1, 2022	Cessation of business
Beijing Junyou Media Planning Co., Ltd.* (北京君佑傳媒策劃有限公司)	Legal representative	Business services	October 30, 2018	Cessation of business
Guangzhou Chenghuajiang Flower Co., Ltd.* (廣州程花匠花卉有限公司)	Director	Flower planting and sales	November 11, 2022	Lack of future business prospects
Shanghai Daling Wallpaper Co., Ltd.* (上海搭令壁紙有限公司)	Supervisor	Paper and paper products business	February 4, 2024	Cessation of business

Mr. Xu confirmed that (i) the above companies or limited partnerships were solvent immediately prior to their deregistration; (ii) there was no wrongful act on his part leading to the deregistration of the above companies or limited partnerships and he was not aware of any actual or potential claim that had been or would be made against him as a result of such deregistration; and (iii) no misconduct or misfeasance had been involved in the deregistration of the above companies or limited partnerships.

Independent Non-executive Directors

Mr. Liu Feng (劉峰), aged 60, is an independent non-executive Director of our Company. Mr. Liu is also the chairperson of the Audit Committee and the Remuneration and Appraisal Committee.

Mr. Liu has served as a faculty member and professor in highly-respected universities for more than three decades and has extensive knowledge of and experience in accounting and finance. He began his teaching career at Xiamen University in July 1987 and served there until December 1999, with his final position being a professor of the Department of Accounting. From January 2000 to August 2010, he taught in the Department of Accounting at the School of Management, Sun Yat-sen University. Since September 2010, he has been teaching in the Department of Accounting at Xiamen University. He also currently serves as the editor-in-chief of Contemporary Accounting Review (當代會計評論).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Liu was the independent director of Fujian Aonong Biological Technology Group Incorporation Limited* (福建傲農生物科技集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603363) from October 2021 to December 2025, and Xiamen ITG Group Corp., Ltd.* (廈門國貿集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600755) from May 2020 to May 2026. Mr. Liu has been serving as an independent director of Ping An Bank Co., Ltd.* (平安銀行股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000001) since April 2023, and an independent non-executive director of China Jinmao Holdings Group Limited (a company listed on the Stock Exchange, stock code: 00817) since June 2025. He currently also serves as an independent director of Luckin Coffee Inc. (a company quoted on OTC Markets, stock code: LKNCY).

Mr. Liu obtained a bachelor's degree in accounting from the Xiamen University in July 1987 and a PhD degree in accounting from the Xiamen University in October 1994.

Mr. Liu possesses the accounting expertise required under Rule 3.10(2) of the Listing Rules. Mr. Liu has over 35 years of teaching experience in accounting at various universities, demonstrating extensive academic and practical expertise in the field. He has also served as an independent director of various listed companies, providing oversight and guidance on financial and accounting matters. In addition, he previously served as a member of the Accounting Standards Advisory Committee of the Ministry of Finance of the PRC and, since 2020, has been appointed as a member of both the first and second Accounting Professional Advisory Committees of the Shenzhen Stock Exchange. Mr. Liu currently serves as the China representative on the IFRS Advisory Council, which is an advisory body to the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB) and where he contributes to the development of international financial reporting standards.

Mr. Xiong Hui (熊輝), aged 54, is an independent non-executive Director of our Company. Mr. Xiong is also a member of the Remuneration and Appraisal Committee and the Nomination Committee.

Mr. Xiong has many years of academic experience and possesses extensive knowledge of computer science and engineering. Mr. Xiong has been serving as a distinguished guest professor (grand master chair professor) at University of Science and Technology of China since September 2016, a chair professor and the acting head of the thrust of artificial intelligence at The Hong Kong University of Science and Technology (Guangzhou) since July 2021 and an associate vice president for knowledge transfer thereof since April 2023. Mr. Xiong has been a professor at Rutgers, The State University of New Jersey since 2005, and has been a Distinguished Professor since April 2021.

Mr. Xiong has been serving as an independent director of Digital China Group Co., Ltd.* (神州數碼集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000034) since May 2022, and independent non-executive director of UBTECH ROBOTICS CORP LTD (a company listed on the Stock Exchange, stock code: 09880) since June 2025. From May 2019 to May 2025, Mr. Xiong was an independent director of Chase Science Co., Ltd.* (福建創識科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300941), and since May 2024 has served as an independent director of Guangdong Insight Brand Marketing Group Co., Ltd.* (廣東因賽品牌營銷集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300781), and in May 2026 has tendered his resignation as an independent director.

Mr. Xiong obtained a doctoral degree in computer science from the University of Minnesota, United States in August 2005, a master of science from the National University of Singapore in August 2000 and a bachelor's degree in automation from the University of Science and Technology of China in July 1995. Mr. Xiong is a fellow of the American Association for the Advancement of Science, the Institute of Electrical and Electronic Engineers, the International Association for the Advancement of Artificial Intelligence, and the Chinese Association for Artificial Intelligence.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Lu Jian (陸健), aged 57, is an independent non-executive Director of our Company. He is also the chairperson of the Nomination Committee and a member of the Audit Committee. Mr. Lu was our independent Director from March 2017 to February 2022, and re-joined our Company as independent non-executive Director in January 2025.

Mr. Lu has over 30 years of experience in fermentation engineering. He was a teaching assistant at Nanjing Agricultural University* (南京農業大學) from April 1992 to August 1993, and has served successively as lecturer, associate professor, and professor at Jiangnan University since September 1993. Since January 2018, he has served as the secretary general of the Beer Raw Material Professional Committee of the China Alcoholic Drinks Association* (中國酒業協會啤酒原料專業委員會). Since September 2018, he has also served as the head of the Food Biotechnology Research Institute at Jiangnan University (Rugao)* (江南大學(如皋)食品生物技術研究所). Mr. Lu has been serving as an independent director of Gdh Supertime Group Company Limited* (粵海永順泰集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 001338) since October 2023.

Mr. Lu obtained his bachelor's degree in July 1989, master's degree in December 1991 and his doctorate in June 2022 in fermentation engineering (發酵工程) from Wuxi University of Light Industry* (無錫輕工業學院) (which has been reformed into Jiangnan University in 2001).

SUPERVISORS

Our Supervisory Committee consists of three Supervisors. Our Supervisors are appointed for a term of three years and are eligible for re-election. The functions and duties of our Supervisory Committee include, but are not limited to supervising the Board and senior management and reviewing the financial performance of the Company. The following table sets forth certain information regarding our Supervisors:

Name	Age	Position	Time of joining our Group	Date of appointment as Supervisor	Major roles and duties	Relationship with Directors, Supervisors and other senior management
Mr. Hu Xiang (胡翔)	35	Supervisor	January 2025	January 15, 2025	Supervising the performance of duties of our Directors and members of the senior management of our Group	N/A
Mr. Li Bing (李兵)	34	Supervisor	January 2025	January 15, 2025	Supervising the performance of duties of our Directors and members of the senior management of our Group	N/A
Ms. Zhang Wenxia (張文霞)	40	Supervisor	November 2010	January 14, 2020	Supervising the performance of duties of our Directors and members of the senior management of our Group	N/A

Mr. Hu Xiang (胡翔), aged 35, was appointed as our Supervisor since January 2025. He is responsible for supervising the performance of duties of our Directors and members of the senior management of our Group.

Mr. Hu has been serving as the general manager at Shanghai Nuoxiang since August 2016. Mr. Hu and his father holds 20% and 40% interests respectively in Shanghai Nuoxiang, which is the general partner of Nuoxiang Jinhong and Nuoxiang Dongchen, one of our Pre-IPO Investors. See “History, Development and Corporate Structure — Pre-IPO Investments — Information regarding our Pre-IPO Investors — Nuoxiang Jinhong and Nuoxiang Dongchen”.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Hu obtained a bachelor's degree in finance from Hunan Agricultural University in June 2014.

Mr. Hu was a director of Shanghai Xingyue Network Technology Development Co., Ltd.* (上海興岳網絡科技發展有限公司), a company established in the PRC principally engaged in internet related business, which was deregistered on August 22, 2023 due to cessation of business. Mr. Hu confirmed that (i) the above company was solvent immediately prior to their deregistration; (ii) there was no wrongful act on his part leading to the deregistration of the above company and he was not aware of any actual or potential claim that had been or would be made against him as a result of such deregistration; and (iii) no misconduct or misfeasance had been involved in the deregistration of the above company.

Mr. Li Bing (李兵), aged 34, was appointed as our Supervisor since January 2025. Mr. Li is responsible for supervising the performance of duties of our Directors and members of the senior management of our Group.

Prior to joining our Group, Mr. Li served at Nanjing Zhuoyuan Asset Management Co., Ltd.* (南京卓遠資產管理有限公司) from April 2020 to June 2022, and an investment manager at Feixi County Chancheng Investment Holding (Group) Co., Ltd.* (肥西縣產城投資控股(集團)有限公司) from June 2022 to November 2024. Mr. Li has been serving as the supervisor of Xingnong Fund, one of our Pre-IPO Investors, since February 2025.

Mr. Li obtained a bachelor's degree in computer science and technology from Anhui University of Finance and Economics in July 2014.

Ms. Zhang Wenxia (張文霞), aged 40, was appointed as our Supervisor in January 2020. Ms. Zhang is responsible for supervising the performance of duties of our Directors and members of the senior management of our Group.

From January 2010 to August 2010, Ms. Zhang served as the head of the purchase department of Tianjin Cheng Tian Feng Co., Ltd.* (天津誠田豐金屬製品有限公司). Since she joined our Group in November 2010, Ms. Zhang served successively as a planner, workshop director and deputy factory manager of our Wuhu Plant from November 2010 to May 2019. She has served as the factory manager of our Anhui Plant since May 2019.

Ms. Zhang graduated from Huangshan College* (黃山學院) in July 2005 with a major in tourism service.

OTHER INFORMATION IN RELATION TO OUR DIRECTORS AND SUPERVISORS

Save as disclosed above and in “Statutory and General Information — C. Further Information about Our Directors, Supervisors and Substantial Shareholders”, each of our Directors and Supervisors has confirmed with respect to himself/herself that he/she (i) did not hold other long positions or short positions in the shares, underlying shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) as of the Latest Practicable Date; (ii) had no other relationship with any Directors, Supervisors, senior management, substantial Shareholders or Controlling Shareholders of our Company as of the Latest Practicable Date; (iii) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas; and (iv) there are no other matters concerning our Directors' and Supervisors' appointments that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table sets forth certain information regarding our senior management:

Name	Age	Position(s) in our Group	Date of joining our Group	Major roles and duties	Relationship with Directors, Supervisors and other senior management
Mr. Yang Fan (楊帆)	56	Executive Director, chairman of the Board and chief executive officer	April 1999	Responsible for the overall business strategies and development of our Group	N/A
Mr. Gou Bin (苟斌)	49	Executive Director and chief financial officer	December 2024	Responsible for the financial management of our Group	N/A
Mr. Ning Pengfei (寧鵬飛)	49	Executive Director, Board secretary and joint company secretary	May 2016	Responsible for the business operation and capital operation of our Group	N/A
Mr. Zhang Shuai (張帥)	49	Vice president of new retail department	April 2020	Responsible for overseeing the key accounts in our new retail business	N/A
Mr. Lu Jianlong (盧建龍)	43	Director of research and development	November 2024	Responsible for overseeing the research and development of our Group	N/A

Mr. Yang Fan (楊帆), aged 56, is our founder, chairman of the Board, executive Director and chief executive officer. See “— Board of Directors — Executive Directors” for his biographical details.

Mr. Gou Bin (苟斌), aged 49, is our executive Director and chief financial officer. See “— Board of Directors — Executive Directors” for his biographical details.

Mr. Ning Pengfei (寧鵬飛), aged 49, is our executive Director, Board secretary and one of the joint company secretaries of our Company. See “— Board of Directors — Executive Directors” for his biographical details.

Mr. Zhang Shuai (張帥), aged 49, has served as the vice president of new retail department of our Company since April 2023. Mr. Zhang is responsible for overseeing the key accounts in our new retail business.

Mr. Zhang joined our Group in April 2020, where he served as the North regional vice president from April 2020 to April 2023.

Mr. Zhang graduated from Beijing University of Posts and Telecommunications with a major in business administration through online learning in July 2022.

Mr. Lu Jianlong (盧建龍), aged 43, is the director of research and development of our Company. Mr. Lu is responsible for overseeing the research and development of our Group.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Lu served as a process quality control officer at Hangzhou Tingjin Food Co., Ltd. (杭州頂津食品有限公司), a subsidiary of Tingyi, from July 2006 to June 2008. Mr. Lu served as a research and development engineer at Hangzhou Boduo Industry and Trade Co., Ltd.* (杭州博多工貿有限公司) from June 2008 to May 2012, a research and development manager at Wenzhou Jiayuan Food Co., Ltd.* (溫州市佳源食品有限公司) from June 2012 to October 2015 and the general manager of the research and development center of Guangzhou Linghang Food Co., Ltd.* (廣州市領航食品有限公司) from October 2015 to November 2024.

Mr. Lu obtained a postgraduate diploma in corporate coaching and leadership development from Hong Kong University in September 2022 and a bachelor's degree in food science and engineering from Anhui Polytechnic College* (安徽工程科技學院) (currently known as Anhui Polytechnic University* (安徽工程大學)) in July 2006.

JOINT COMPANY SECRETARIES

Mr. Ning Pengfei (寧鵬飛), aged 49, is our executive Director, Board secretary and one of the joint company secretaries of our Company. See “— Board of Directors — Executive Directors” for his biographical details.

Ms. Au Wai Ching (區慧晶) is one of the joint company secretaries of our Company and was appointed on January 15, 2025.

Ms. Au joined SWCS Corporate Services Group (Hong Kong) Limited, a corporate service provider, in January 2016, and currently serves as a senior manager in corporate services. She is a Chartered Secretary, a Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She obtained a bachelor's degree in business administration and a master's degree in professional accounting and corporate governance from the City University of Hong Kong in July 2012 and July 2016, respectively.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

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 April 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he 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 independence at the time of his appointment.

DISCLOSURE UNDER RULE 8.10(2) OF THE LISTING RULES

As of the Latest Practicable Date, none of our Directors had interests in any business, which competes directly or indirectly with our business for the purpose of Rule 8.10(2) of the Listing Rules.

BOARD COMMITTEES

Our Company has established three board committees, namely the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, in accordance with the relevant PRC laws and regulations and corporate governance practices under the Listing Rules.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Audit Committee

The Audit Committee of our Company consists of three Directors, including Mr. Liu Feng, Mr. Xu Lianzheng and Mr. Lu Jian. Mr. Liu Feng is the chairperson of Audit Committee and is a director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary responsibilities of the Audit Committee are to review and monitor our financial reporting procedures, including (among other things): (i) making recommendations to the Board on the appointment, reappointment and removal of the external auditor; (ii) monitoring and evaluating our internal audit, and coordinating the communication between the internal auditor and the external auditor; (iii) reviewing financial information of the Company and its disclosure; (iv) monitoring and considering the adequacy of our internal control, financial reporting and risk management systems; and (v) other responsibilities authorized by the Board or required under the relevant laws and regulations.

Nomination Committee

The Nomination Committee of our Company consists of three directors, including Mr. Lu Jian, Mr. Xiong Hui and Ms. Hu Yan. Mr. Lu Jian is the chairperson of the Nomination Committee. The primary responsibilities of the Nomination Committee include (among other things): (i) to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board on an annual basis and make recommendations on any proposed changes to the Board to complement our Company's corporate strategy; (ii) to identify individuals and make recommendations to the Board regarding candidates to fill vacancies on the Board and/or in senior management; (iii) to assess the independence of independent non-executive Directors; and (iv) to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee of our Company consists of three Directors, including Mr. Liu Feng, Mr. Xiong Hui and Mr. Yang Fan. Mr. Liu Feng is the chairperson of the Remuneration and Appraisal Committee. The primary responsibilities of the Remuneration and Appraisal Committee include (among other things): (i) to make recommendations to the Board on our Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; (iii) to make recommendations to the Board on the remuneration of Directors and senior management of our Company; (iv) to make recommendations to the Board on the remuneration of non-executive Directors; (v) to oversee the implementation of remuneration system for Directors and senior management; and (vi) to consider and implement other matters, as defined or assigned by the Board or otherwise required by the Listing Rules from time to time.

CORPORATE GOVERNANCE

Our Company recognizes the importance of incorporating elements of good corporate governance in our management structure and internal control procedures so as to achieve effective accountability.

Pursuant to C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yang is currently the chairman of the Board and the chief executive officer of our Company. He is the founder of our Group and has been operating and managing our Group since its establishment. The Board believes that Mr. Yang has been valuable to the growth and business expansion of the Group. The Board is of the view that the vesting the roles of the chairman of the Board and chief executive officer on Mr. Yang is beneficial to the management and continued growth of our Group and therefore currently does not propose to separate the roles of chairman of the Board and chief executive officer.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

While this will constitute a deviation from Code Provision C.2.1 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) the Directors undertake to fulfill their fiduciary duties as Directors which require that they act for the benefit and in the best interest of the Company; (ii) there is sufficient check and balance in the Board as the decision to be made by the Board requires approval by at least a majority of the Directors; and (iii) the Board consists of three independent non-executive Directors which is in compliance with the Listing Rules.

Save as disclosed above, our Company will comply with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after Listing. Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code each financial year.

BOARD DIVERSITY POLICY

We have adopted a board diversity policy (the “**Board Diversity Policy**”) setting out the approach to achieve and maintain diversity on the Board in compliance with the Listing Rules, pursuant to which our Company seeks to achieve Board diversity through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and any other factors that the Board may consider relevant and applicable from time to time. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into consideration our own business model and specific needs from time to time.

Our Board has a balanced mix of knowledge and skills, including overall management and strategic development, human resources, accounting and financial management. We have three independent non-executive Directors from different industry backgrounds, including accounting, computer science and engineering and fermentation engineering. With regards to gender diversity on the Board, we recognize the particular importance of gender diversity. Our Board currently comprises one female Director and eight male Directors. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation to our Board and senior management levels.

We will continue to implement measures and steps to promote our Board Diversity Policy. The Nomination Committee will review the Board composition at least once annually taking into account the benefits of all relevant diversity aspects, and adhering to the Board Diversity Policy when making recommendation to the Board on appointment of new Directors. The Nomination Committee will also review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness. Our Company will disclose the implementation of the board diversity policy in our corporate governance report on an annual basis. We will continue to appoint Directors to the Board based on recommendations from the Nomination Committee, who will consider the Directors’ merits with reference to the Board Diversity Policy as a whole.

REMUNERATION

The compensation and remuneration of our Directors and Supervisors are determined by our Shareholders’ general meetings and the compensation and remuneration of members of the senior management are determined by the Board. We also reimburse them for expenses which are necessary and reasonably incurred in providing services to us or discharging their duties in relation to our operations. When reviewing and determining the specific remuneration packages for our Directors, Supervisors and members of the senior management, we take into consideration factors such as salaries paid by comparable companies, time commitment, level of responsibilities and desirability of performance-based remuneration. As required by PRC laws and regulations, we also make contributions for social insurance for our employees, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance, and housing provident fund.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Our Company offers our executive Directors, employees' representative Supervisors and senior management members, who are also our employees, compensation in the form of salaries, social insurance, housing provident fund and other benefits. Our independent non-executive Directors receive directors' fees. We do not offer any compensation to our non-executive Directors or external Supervisors.

In 2023, 2024 and 2025, the aggregate amount of remuneration (excluding equity-settled share-based payment expenses) paid or payable to our Directors amounted to approximately RMB2.3 million, RMB3.0 million and RMB5.1 million, respectively.

In 2023, 2024 and 2025, the aggregate amount of remuneration (excluding equity-settled share-based payment expenses) paid or payable to our Supervisors amounted to approximately RMB0.6 million, RMB0.7 million and RMB0.4 million, respectively.

In 2023, 2024 and 2025, there were one, one and three Directors among the five highest paid individuals, respectively. In 2023, 2024 and 2025, the total emoluments (excluding equity-settled share-based payment expenses) for the five highest paid employees (including Directors) amounted to approximately RMB5.4 million, RMB4.8 million and RMB5.6 million, respectively.

Under the arrangement currently in force, we estimate the total remuneration before taxation, to be accrued to our Directors and Supervisors for the year ending December 31, 2026 to be approximately RMB6.2 million.

No remuneration was paid by us to our Directors, Supervisors or the five highest paid individuals as inducement to join or upon joining us or as a compensation for loss of office during the Track Record Period. Furthermore, none of our Directors or Supervisors had waived or agreed to waive any remuneration during the same periods.

Save as disclosed above, no other payments have been paid or are payable, in 2023, 2024 and 2025, respectively, by us to our Directors or Supervisors.

PRE-IPO SHARE INCENTIVE PLAN

For more information, please see “History, Development and Corporate Structure — Pre-IPO Share Incentive Plan” and “Appendix VI — Statutory and General Information — D. Pre-IPO Share Incentive Plan”.

COMPLIANCE ADVISOR

Our Company has appointed Guoyuan Capital (Hong Kong) Limited as our compliance advisor pursuant to Rules 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, we shall consult the compliance advisor timely under the following circumstances and, if necessary, seek its advice: (a) before the publication of any regulatory announcement, circular or financial report; (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases; (c) where our Company proposes to use the proceeds of the Global Offering in a manner that is different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecasts, estimates or other information in this prospectus; and (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of our H Shares or any other matters in accordance with Rule 13.10 of the Listing Rules. The term of appointment of the compliance advisor will commence on the Listing Date and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Yang, Ms. Li (who is Mr. Yang's spouse), Jurun Investment, Kaixuan Star and Kailai Star will directly own approximately 32.44%, 3.73%, 31.21%, 4.57% and 3.05% of the total issued share capital of our Company. As of the Latest Practicable Date, (i) Jurun Investment was owned as to 90% by Mr. Yang and 10% by Ms. Li; (ii) Kaixuan Star was owned as to approximately 1.39% by Mr. Yang and approximately 5.56% by Ms. Li, and Mr. Yang was the general partner of Kaixuan Star; and (iii) Kailai Star was held as to approximately 1.00% by Mr. Yang as general partner, approximately 41.67% by Liuliu Star and approximately 12.50% by Liuliu LIUM. Liuliu Star was held as to approximately 14.90% by Mr. Yang as general partner, approximately 36.00% by Liuliu Orchard and approximately 15.00% by Liuliu Ren. Mr. Yang, as general partner, held approximately 24.67% of Liuliu LIUM, 23.33% of Liuliu Orchard, and 12.67% of Liuliu Ren. Accordingly, Mr. Yang, Ms. Li, Jurun Investment, Kaixuan Star, Kailai Star and Liuliu Star are a group of Controlling Shareholders upon the Listing. See "History, Development and Corporate Structure" and "Substantial Shareholders".

BIOGRAPHIES OF MR. YANG AND MS. LI

For biography of Mr. Yang, see "Directors, Supervisors and Senior Management — Board of Directors — Executive Directors".

Ms. Li, the spouse of Mr. Yang, has been actively involved in the general management and financial affairs of the Company since its establishment in 2009. She previously served as the manager of Anhui Liuliumei. In July 2014, she obtained a diploma in accounting from Anhui Normal University* (安徽師範大學), and in May 2017, she was awarded a Board Secretary Qualification Certificate by the Shanghai Stock Exchange. In preparation for the Listing, the Board resolved to reconstitute its composition with a view to enhancing corporate governance, strengthening the Board's collective skill set and diversity of backgrounds and experience, and supporting the Company's strategic development in its next phase of growth. Accordingly, as agreed among the Shareholders, Ms. Li resigned from her position as a director of the Company on January 15, 2025.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after Listing.

Management independence

Our daily operational and management decisions are made by our Board and our senior management. Our Board consists of nine Directors, namely five executive Directors, one non-executive Director and three independent non-executive Directors. Mr. Yang is an executive Director and the chairman of the Board.

Our Directors consider that we are capable of maintaining management independence for the following reasons:

- (a) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) our daily management and operations are carried out independently by our executive Directors and senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Company. See "Directors, Supervisors and Senior Management";

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (c) we have three independent non-executive Directors, who are not associated with our Controlling Shareholders or any of their associates and, individually or collectively, possess the requisite knowledge and experience as independent directors of listed companies and will be able to provide professional and experienced advice to our Company and protect the interests of our Company and our Shareholders as a whole;
- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting. Hence, no Director will be able to influence our Board in making decisions on matters in which he or she is, or may be interested; and
- (e) we will establish corporate governance measures to manage potential conflicts of interest, if any, between our Group and our Controlling Shareholders, which would support our independent management. See “— Corporate Governance Measures”.

Operational independence

We do not rely on our Controlling Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their close associates. We have independent access to suppliers and customers, and we also possess all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our business.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and their close associates.

Financial independence

We have an independent financial system and make financial decisions according to our Group’s own business needs. We have independent internal control and accounting systems and an independent finance department in charge of our treasury function. As of the Latest Practicable Date, there were no outstanding loans, or advances and balances of a non-trade nature due to or from our Controlling Shareholders.

Mr. Yang and his spouse, Ms. Li, being our Controlling Shareholders, had been providing guarantees (the “**CS Guarantees**”) as security for certain of our Group’s banks loans (collectively, the “**Guaranteed Loans**”). To the best knowledge of our Directors, it is a common market practice in the PRC for banks to require personal guarantees from the de facto controllers of private enterprises before extending loans or facilities. As of April 30, 2026, we had a total outstanding Guaranteed Loans with principal amount of approximately RMB224.0 million, which we had obtained bank consents (“**Release Consents**”) to release all the CS Guarantees and replace them with other security or guarantee to be provided by the Group upon Listing.

We are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective associates. From January 1, 2026, to April 30, 2026, we secured loans without any guarantees from Controlling Shareholders or their respective associates or obtained consents for release of such guarantees from Controlling Shareholders, on comparable terms, including interest and repayment schedules, with an aggregate outstanding principal amount of RMB61.0 million. Moreover, we have consistently pursued alternative fundraising and received a series of Pre-IPO Investments, including our Series D Pre-IPO Investments of RMB75 million.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Following the Listing, we expect to pursue further fundraising activities in both onshore and offshore markets to the extent as our Directors consider necessary and, depending on factors such as market conditions, business needs, and financial position, while ensuring compliance with applicable regulatory requirements. Given our proven ability to secure independent financing and our established relationships with financial institutions, we believe that after the Listing, we will continue obtaining financing on terms comparable to our existing loans without requiring guarantees from our Controlling Shareholders or their close associates.

Taking into consideration (i) the expected release of all CS Guarantees upon Listing; (ii) our Group's demonstrated ability to obtain independent financing on comparable commercial terms; and (iii) we have sufficient cash or cash equivalents as buffer relative to the unreleased portion of the CS Guarantees (if any), our Directors are of the view that we are financially independent from our Controlling Shareholders or their close associates. We will not rely on our Controlling Shareholders or their close associates for financing upon Listing and have sufficient access to independent financing to meet our financial needs.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of our Controlling Shareholders confirmed that as of the Latest Practicable Date, apart from the business of our Company, it/he/she did not have any interest in other business, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests:

- (a) where a Shareholders' meeting is held for considering proposed transactions in which our Controlling Shareholders have a material interest, our Controlling Shareholders shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (b) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (c) in the event that our independent non-executive Directors are requested to review any conflict of interest between our Group and our Controlling Shareholders, our Controlling Shareholders shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in the annual reports or by way of announcements;
- (d) our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company's cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules;
- (e) any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent shareholders' approval requirements (if applicable) under the Listing Rules; and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (f) we have appointed Guoyuan Capital (Hong Kong) Limited as our compliance advisor, 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.

Based on the above, our Directors are satisfied that the above corporate governance measures are sufficient to manage the potential conflicts of interest between our Group and our Controlling Shareholders and/or other Directors to protect minority Shareholders' rights after Listing.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the completion of the Global Offering.

IMMEDIATELY BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, our registered capital and issued share capital was RMB67,347,108, divided into 67,347,108 Domestic Unlisted Shares with a nominal value of RMB1.0 each.

UPON THE COMPLETION OF THE GLOBAL OFFERING

Immediately following completion of the Global Offering and conversion of Domestic Unlisted Shares into H Shares, assuming that the Over-allotment Option is not exercised, our share capital is as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of issued share capital (%)</u>
H Shares to be converted from Domestic Unlisted Shares	67,347,108	85.45
H Shares to be issued under the Global Offering	11,464,100	14.55
Total	<u>78,811,208</u>	<u>100.00</u>

Immediately following completion of the Global Offering and conversion of Domestic Unlisted Shares into H Shares, assuming that the Over-allotment Option is exercised in full, our share capital is as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of issued share capital (%)</u>
H Shares to be converted from Domestic Unlisted Shares	67,347,108	83.63
H Shares to be issued under the Global Offering	13,183,700	16.37
Total	<u>80,530,808</u>	<u>100.00</u>

The above tables assume the Global Offering becomes unconditional and is completed.

SHARE CLASSES AND RANKING

Upon completion of the Global Offering, the Shares will consist of Domestic Unlisted Shares and H Shares. The H Shares in issue following the completion of the Global Offering and the Domestic Unlisted Shares are ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong stock exchanges connectivity mechanism (Shanghai-Hong Kong Stock Connect) and the Shenzhen-Hong Kong stock exchanges connectivity mechanism (Shenzhen-Hong Kong Stock Connect) and other persons entitled to hold our Company's H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC. Domestic Unlisted Shares may only be subscribed for by, and traded between, legal persons of the PRC, certain qualified foreign institution investors and qualified foreign strategic investors. H Shares may only be subscribed for and traded in Hong Kong dollars.

SHARE CAPITAL

Domestic Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF DOMESTIC UNLISTED SHARES INTO H SHARES

According to the regulations by the securities regulatory authorities of the State Council and our Articles of Association, the Domestic Unlisted Shares may be converted into overseas listed foreign shares (H Shares), and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been approved by the securities regulatory authorities of the State Council. In addition, such conversion, trading and listing shall complete any requisite internal approval process and comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Domestic Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, such conversion, listing and trading will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange. We may apply for the listing of all or any portion of the Domestic Shares on the Stock Exchange as H Shares to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any listing of additional Shares after our Listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for listing at the time of our Listing in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the Listing and trading of such converted Shares on an overseas stock exchange. Any application for listing of the converted shares on the Stock Exchange after the Listing is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

Our Company has applied for H-share full circulation to convert 67,347,108 Domestic Unlisted Shares on a one-for-one basis into H Shares as per the instructions of the relevant Shareholders.

TRANSFER OF SHARES PRIOR TO THE GLOBAL OFFERING

Pursuant to the PRC Company Law, the Shares issued prior to the Global Offering shall not be transferred within 12 months from the Listing Date.

For details of the lock-up undertaking given by the Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules, see “Underwriting — Lock Up Arrangement — Undertakings to the Stock Exchange pursuant to the Listing Rules — (B) Undertakings by Each of Our Controlling Shareholders”.

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Notice of Centralised Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, our Company is required to register the Domestic Shares with the China Securities Depository and Clearing Corporation Limited within 15 business days upon listing and provide a written report to the CSRC regarding the centralised registration and deposit of the Domestic Shares as well as the offering and listing of the H Shares.

SHARE CAPITAL

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

For details of circumstances under which our Shareholders' general meeting and class Shareholders' meeting are required, see "Summary of Articles of Association — Shareholders and General Meetings".

SHAREHOLDERS' APPROVAL FOR THE GLOBAL OFFERING

Approval from holders of the Shares is required for our Company to issue H Shares and seek the listing of H Shares on the Stock Exchange. Our Company has obtained such approval at the Shareholders' general meeting held on March 27, 2025.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering and assuming the Over-allotment Option is not exercised, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	As at the Latest Practicable Date			Immediately following the completion of the Global Offering and the conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised)		
		Class of Shares	Number of Shares	Shareholding percentage (Approximate %)	Class of Shares	Number of Shares	Shareholding percentage (Approximate %)
Mr. Yang ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Beneficial owner, interest held by controlled corporations, interest of spouse	Domestic Unlisted Shares	59,108,359	87.77%	H Shares	59,108,359	75.00%
Ms. Li ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Beneficial owner, interest held by controlled corporations, interest of spouse	Domestic Unlisted Shares	59,108,359	87.77%	H Shares	59,108,359	75.00%
Jurun Investment ⁽²⁾	Beneficial owner	Domestic Unlisted Shares	24,600,000	36.53%	H Shares	24,600,000	31.21%
Kaixuan Star ⁽³⁾	Beneficial owner	Domestic Unlisted Shares	3,600,000	5.35%	H Shares	3,600,000	4.57%
Kailai Star ⁽⁴⁾	Beneficial owner	Domestic Unlisted Shares	2,400,000	3.56%	H Shares	2,400,000	3.05%
Liuliu Star ⁽⁴⁾	Interest held by controlled corporations	Domestic Unlisted Shares	2,400,000	3.56%	H Shares	2,400,000	3.05%
Liuliu LIUM ⁽⁴⁾	Interest held by controlled corporations	Domestic Unlisted Shares	2,400,000	3.56%	H Shares	2,400,000	3.05%
Liuliu Orchard ⁽⁴⁾	Interest held by controlled corporations	Domestic Unlisted Shares	2,400,000	3.56%	H Shares	2,400,000	3.05%
Liuliu Ren ⁽⁴⁾	Interest held by controlled corporations	Domestic Unlisted Shares	2,400,000	3.56%	H Shares	2,400,000	3.05%

Notes:

(L) All the interests stated are long positions.

(1) Mr. Yang and Ms. Li are spouses. Accordingly, Mr. Yang and Ms. Li are deemed to be interested in the Shares held by each other under the SFO.

(2) Jurun Investment is owned as to 90% by Mr. Yang and 10% by Ms. Li. By virtue of the SFO, Mr. Yang and Ms. Li are deemed to be interested in the Shares held by Jurun Investment.

(3) Kaixuan Star is owned as to approximately 1.39% by Mr. Yang and approximately 5.56% by Ms. Li, and Mr. Yang is the general partner of Kaixuan Star. By virtue of the SFO, each of Mr. Yang and Ms. Li is deemed to be interested in the Shares held by Kaixuan Star.

(4) Kailai Star, our Pre-IPO Share Incentive Platform, is owned as to approximately 1.00% by Mr. Yang as general partner, approximately 41.67% by Liuliu Star and approximately 12.50% by Liuliu LIUM. Liuliu Star was held as to approximately 14.90% by Mr. Yang as general partner, approximately 36.00% by Liuliu Orchard and approximately 15.00% by Liuliu Ren. Mr. Yang, as general partner, held approximately 24.67% of Liuliu LIUM, 23.33% of Liuliu Orchard, and 12.67% of Liuliu Ren. By virtue of the SFO, each of Mr. Yang, Ms. Li, Liuliu Star, Liuliu LIUM, Liuliu Orchard and Liuliu Ren is deemed to be interested in the Shares held by Kailai Star.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), have interests and/or short positions in Shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

CORNERSTONE INVESTORS

THE CORNERSTONE INVESTMENTS

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, subject to certain conditions, to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) as may be purchased at the Offer Price with an aggregate amount of approximately HK\$147.6 million (calculated based on the exchange rate prescribed in the Cornerstone Investment Agreement and an Offer Price of HK\$43.58 per Offer Share, and exclusive of brokerage, SFC transaction levy, AFRC transaction levy, and Stock Exchange trading fee) (the “**Cornerstone Investment**”).

Based on the Offer Price of HK\$43.58 per Offer Share, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 3,387,100 H Shares, representing approximately (i) 29.55% of the H Shares offered pursuant to the Global Offering (assuming the Over-allotment Option is not exercised), (ii) 4.30% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), and (iii) 4.21% of our total issued share capital immediately upon completion of the Global Offering and the full exercise of the Over-allotment Option.

The Company is of the view that the Cornerstone Investment signifies our Cornerstone Investors’ confidence in the Company and its business prospects, while also contributing to raising the Company’s public profile. The Company became acquainted with each of the Cornerstone Investors through the business network of the Group.

Among the Cornerstone Investors, Fanchang Revitalization (as defined below) is a close associate of the existing Shareholders. As at the Latest Practicable Date, Huaan Fund and Xingnong Fund held approximately 1.80% and 1.57% of the total issued share capital of our Company, respectively, and will hold approximately 1.53% and 1.34%, respectively, upon Listing. Huaan Fund is owned as to 25% by Fanchang Chungu (as defined below) as a limited partner, and Fanchang Chungu is ultimately wholly owned by the Fanchang District Finance Bureau (as defined below). Xingnong Fund is wholly owned by Fanchang Chungu. We have applied to, and the Stock Exchange has granted, a waiver from strict compliance with the Listing Rules in respect of the cornerstone investment made by Fanchang Revitalization. For details, please refer to “Waivers from Strict Compliance with the Listing Rules” in this prospectus.

The Cornerstone Investment will form part of the International Offering, and, unless otherwise approved by the Stock Exchange, the Cornerstone Investors and their respective close associates 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 fully paid H Shares in issue following the completion of the Global Offering and will be listed on the Stock Exchange. Such Offer Shares will be counted toward the public float of the Company under Rule 19A.13A(1) of the Listing Rules.

Immediately following the completion of the Global Offering, (i) none of the Cornerstone Investors will become a substantial shareholder of the Company; (ii) none of the Cornerstone Investors will have any Board representation in the Company solely by virtue of their cornerstone investment; and (iii) the equity interests in the Company beneficially owned by the three largest public Shareholders will be less than 50% for the purpose of Rule 8.08(3) of the Listing Rules.

CORNERSTONE INVESTORS

To the best knowledge of the Company, (i) each of the Cornerstone Investors is an Independent Third Party; (ii) none of the Cornerstone Investors is accustomed to taking instructions from the Company, the Directors, the chief executive, the Supervisors, the Controlling Shareholders, substantial Shareholders, existing Shareholders, any of their subsidiaries, or their respective close associates in relation to the acquisition, disposal, voting, or other disposition of H Shares registered in its name or otherwise held by it; and (iii) none of the subscriptions for the relevant Offer Shares by the Cornerstone Investors is financed by the Company, the Directors, the chief executive, the Supervisors, the Controlling Shareholders, substantial Shareholders, existing Shareholders, any of their subsidiaries, or their respective close associates for the purpose of subscribing for the Offer Shares.

To the best knowledge of the Company and as confirmed by each of the Cornerstone Investors, they made their own independent decisions to enter into the Cornerstone Investment Agreements, and their subscriptions under the Cornerstone Investment would be financed by their own internal resources. None of the Cornerstone Investors or their shareholder(s) are listed on any stock exchanges. The Cornerstone Investors have also confirmed that all necessary approvals have been obtained with respect to the Cornerstone Investment and that no specific approval from any stock exchange (if relevant) or their shareholders is required for the Cornerstone Investment. 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 Shareholders. Other than the Cornerstone Investment Agreements, as confirmed by each of the Cornerstone Investors, there are no side agreements or arrangements between us and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors under the Cornerstone Investment may be affected by 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, as described in the paragraphs headed “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” in this prospectus. The number of Offer Shares to be acquired by each Cornerstone Investor may be reduced on a pro rata basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offering, after taking into account the requirements under Appendix F1 to the Listing Rules as well as the discretion of the Overall Coordinators (for themselves and on behalf of the International Underwriters) to exercise the Over-allotment Option. Further, the Cornerstone Investors have agreed that in the event (1) that the requirements under Rule 8.08(3) of the Listing Rules, which stipulates that no more than 50% of the Shares in public hands can be beneficially owned by the three largest public shareholders of the Company, or (2) that the minimum allocation to investors in the placing tranche (other than Cornerstone Investors) under paragraph 3.2 of Practice Note 18 to the Listing Rules, may not be complied with on the Listing Date, the number of the H Shares to be subscribed for by the Cornerstone Investors may be adjusted to ensure compliance with such rules. Details of the actual number of Offer Shares to be allocated to each of the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by the Company on or around June 8, 2026.

CORNERSTONE INVESTORS

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange. The Cornerstone Investors have agreed that our Company, the Joint Sponsors and the Overall Coordinators may in their sole discretion defer the delivery of all or part of the Offer Shares it will subscribe to on a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. Where delayed delivery takes place, (i) there would be delayed delivery of Offer Shares to some of the Cornerstone Investors based on commercial negotiations with the Cornerstone Investors, (ii) the delayed delivery date should be no later than three business days following the last day on which the Over-allotment Option may be exercised, (iii) no extra payment will be made to the relevant Cornerstone Investors for the purpose of the delayed delivery arrangement, and (iv) each of the Cornerstone Investors has agreed that it shall nevertheless pay for the relevant Offer Shares in full before the Listing. As such, there will not be any deferred settlement in payment by the Cornerstone Investors.

THE CORNERSTONE INVESTORS

The table below sets out details of the Cornerstone Investment:

Based on the Offer Price of HK\$43.58:

Cornerstone Investor	Investment amount (in thousands)	Number of Offer Shares to be acquired ⁽¹⁾	Assuming the Over-Allotment Option is not exercised ⁽⁵⁾		Assuming the Over-Allotment Option is fully exercised ⁽⁵⁾	
			Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
Fanchang	HK\$70,164 ⁽²⁾	1,610,000	14.04%	2.04%	12.21%	2.00%
Revitalization						
Top New	US\$10,000 ⁽³⁾	1,777,100 ⁽⁴⁾	15.50%	2.26%	13.50%	2.21%
		<u>3,387,100</u>	<u>29.55%</u>	<u>4.30%</u>	<u>25.71%</u>	<u>4.21%</u>

Notes:

- (1) Rounded down to the nearest whole board lot of 100 H Shares.
- (2) Exclusive of brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee.
- (3) Being the maximum investment amount (inclusive of brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee) for such number of Offer Shares as may be purchased at the Offer Price, rounded down to nearest whole board lot of 100 H Shares.
- (4) Calculated based on the exchange rate prescribed in the Cornerstone Investment Agreement based on an Offer Price of HK\$43.58 per Offer Share.
- (5) Assuming no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the date of exercise of Over-allotment Option.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Investment.

Fanchang Revitalization

Wuhu Fanchang District Rural Revitalization Development Group (Hong Kong) Limited (“**Fanchang Revitalization**”) is a limited liability company incorporated in Hong Kong. As at the Latest Practicable Date, Fanchang Revitalization was wholly owned by Wuhu Fanchang District Rural Revitalization Development Group Co., Ltd.* (蕪湖市繁昌區鄉村振興發展集團有限公司) (“**Fanchang Revitalization Group**”). Fanchang Revitalization Group is a limited liability company established in the PRC and is owned as to approximately (i) 23.08% by Wuhu Fanchang Chungu Industry Investment Fund Co., Ltd. (“**Fanchang Chungu**”), and (ii) 76.92% by the Finance Bureau of Fanchang District, Wuhu City (the State-owned Assets Supervision and Administration Commission of the People’s Government of Fanchang District, Wuhu City) (the “**Fanchang District Finance Bureau**”). Fanchang Chungu is ultimately wholly owned by the Fanchang District Finance Bureau.

Top New

Top New Development Limited is an investment holding company incorporated under the laws of Hong Kong. It is ultimately controlled by Mr. Jiang Nanchun, who is an Independent Third Party and the founder and chairman of Focus Media Information Technology Co., Ltd. (分眾傳媒信息技術股份有限公司) (“**Focus Media**”), a company listed on the Shenzhen Stock Exchange (stock code: 002027.SZ). After the Track Record Period and up to the Latest Practicable Date, the Company had business relationship with a subsidiary of Focus Media for distributing advertisements.

CLOSING CONDITIONS

The subscription obligation of each of the Cornerstone Investors under the respective 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 agreements 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);
- (c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by each of the Cornerstone Investors) as well as other applicable waivers and approvals (including waivers and approvals related to the subscription of the H Shares by each of the Cornerstone Investors), and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on 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 in the Cornerstone Investment Agreements 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, undertakings, acknowledgments and confirmations of the Cornerstone Investor under the Cornerstone Investment Agreement are (as of the date of the respective Cornerstone Investment Agreement) and will be (as of the Closing (as defined in the respective Cornerstone Investment Agreement) and the delayed delivery date (as applicable)) true, accurate and complete in all respects and not misleading and that there is no breach of such Cornerstone Investment Agreement on the part of the Cornerstone Investor.

CORNERSTONE INVESTORS

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of nine months from and including the Listing Date (the “**Lock-up Period**”), dispose of any of the Offer Shares they have subscribed for pursuant to the relevant Cornerstone Investment Agreement, save for in 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.

FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with our consolidated financial statements included in “Appendix I — Accountants’ Report,” together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in “Risk Factors” and “Forward-Looking Statements” and elsewhere in this prospectus.

OVERVIEW

We are a fruit snack company with a particular focus on the plum-based products. We have built a diverse plum-based products portfolio ranging from classic products crafted with traditional techniques to products fused with complex flavors, catering to a wide range of taste profiles.

During the Track Record Period, we achieved strong growth. Our revenue increased by 22.2% from RMB1,322.0 million in 2023 to RMB1,616.0 million in 2024, and further increased by 5.9% to RMB1,710.7 million in 2025. Our gross profit increased by 10.0% from RMB529.7 million in 2023 to RMB582.5 million in 2024, and further increased by 4.5% to RMB608.7 million in 2025. We recorded a net profit of RMB99.2 million, RMB147.7 million and RMB182.1 million in 2023, 2024 and 2025, respectively.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board. The historical financial information has been prepared under the historical cost convention except for financial assets at fair value through other comprehensive income and financial liabilities at fair value through profit or loss which have been measured at fair value.

The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information, are disclosed in Note 3 to the Accountants’ Report included in Appendix I to this prospectus.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Consumer Demand for Plum-Based Products

Our results of operations are significantly influenced by evolving consumer preferences and tastes. Driven by increasing consumption level Chinese consumers are increasingly prioritizing food safety and natural ingredients, while demonstrating a stronger willingness to pay a premium for high-quality plum-based products made with natural ingredients. Consumer preferences may shift due to a variety of factors, including emerging health trend, shift in consumption concepts and diversification of consumption scenarios. Our product innovation capabilities and deep market insights have enabled us to deliver various fruit snacks with natural ingredients, garnering popularity since their market introduction.

FINANCIAL INFORMATION

Product Offering Expansion Driven by Continued R&D Efforts

Our revenue growth depends on our ability to develop and expand product offerings that accommodate shifting consumer tastes and different consumption scenarios. Our product innovation capabilities in developing commercially successful plum-based products are demonstrated by our plum jelly launch. Positioned as a functional and preservative-free snacking alternative to traditional options, the plum jelly's revenue contribution grew rapidly from RMB311.1 million in 2023 to RMB410.4 million in 2024, and further increased to RMB465.9 million in 2025. We aim to further diversify our portfolio by fully exploring the value of plums in other product categories and identifying new consumption scenarios for plum-based foods.

Expansion and Maintenance of Sales and Distribution Networks

Our multi-faceted sales network integrates online self-operated stores, supermarkets, membership stores, snack stores and a distributorship network, encompassing both online and offline scenarios. We plan to expand our presence in emerging direct sales channels, including membership stores and national snack chains. We reach end consumers directly through our self-operated online stores and sales to retailers. We established our self-operated stores on leading e-commerce platforms and social media platforms. These customers possess extensive end consumer bases and robust purchasing power, and we strategically sell products to them to further amplify our market presence. Revenue from supermarkets and membership stores increased by 56.2% from RMB170.9 million in 2023 to RMB266.9 million in 2024, and further increased by 50.8% to RMB402.6 million in 2025. Our revenue from snack stores increased by 311.6% from RMB133.8 million in 2023 to RMB550.8 million in 2024 and further increased by 17.7% to RMB648.5 million in 2025.

We also collaborate with a wide array of distributors, including wholesale distributors, distributors with visit sales capabilities and county-level distributors. By harnessing the complementary strengths of these distributor types, we have cultivated a highly adaptive distribution network, which not only amplifies our market reach but also enhances operational efficiency by aligning our resources with the unique demands of different segments. As of December 31, 2025, we engaged a total of 1,439 distributors.

Production Expansion and Supply Chain Management

We have established production bases next to major plum sourcing regions including Anhui, Fujian and Guangxi. The overall utilization rate of our production plants was 79.1%, 83.2% and 75.1% in 2023, 2024 and 2025, respectively. We engage OEM suppliers to produce plum jelly as a supplement to our own capacity. Our ability to further increase our production capacity is critical to supporting our stable and continuous business growth. In addition to refine and optimize our production process, we plan to establish specialized production plants and expand our production lines to increase our production capacity. See "Future Plans and Use of Proceeds." In addition, we are exposed to fluctuations in the prices of key raw materials, including green plums, imported prunes and sugar, which may have impact on our cost of sales. We closely monitor the supply and cost trends of the raw materials and maintain strong connections with our upstream plum suppliers and overseas prune suppliers, fostering long-term and stable partnerships. We strive to enhance our supply chain management capabilities to boost operational and managerial efficiencies, ultimately leading to improved financial performance.

FINANCIAL INFORMATION

Effectiveness of Branding and Marketing Activities

Our comprehensive, multi-dimensional approach includes leveraging products, cultural initiatives, festivals, KOLs and celebrities. In 2023, 2024 and 2025, our selling and distribution expenses were RMB309.4 million, RMB310.2 million and RMB271.7 million, respectively. We believe that effective marketing and branding activities can increase consumer demand for our products, thereby boosting our short-term revenue. In addition, these efforts will help transform consumers into loyal supporters of our brands, ensuring sustainable profitability in the long term.

Seasonality

Our business operations exhibit seasonal patterns in both procurement and sales activities. We conduct significant procurement of plums during the spring harvest season to support our production and sales requirements for the subsequent year. On the other hand, our business and results of operation are subject to seasonal fluctuations primarily due to impact of public holidays such as the Chinese New Year and the stocking and sales cycles of customers before or around holidays. We launch product bundles for certain festivals and holidays to boost sales and typically experience sales peaks before Chinese New Year. These seasonal fluctuations may render our results of operations in certain given periods not indicative of our results of operations for the full year.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

For our material accounting policies, estimates, assumptions and judgments, that are important to understanding our financial condition and results of operations, see Note 2.3 and Note 3 to the Accountants' Report in Appendix I to this Prospectus.

PRINCIPAL COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table summarizes our results of operations for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Revenue	1,322,042	1,616,018	1,710,731
Cost of sales	<u>(792,331)</u>	<u>(1,033,553)</u>	<u>(1,102,031)</u>
Gross profit	529,711	582,465	608,700
Other income and gains, net	27,962	39,572	34,966
Selling and distribution expenses	(309,395)	(310,170)	(271,720)
Administrative expenses	(88,691)	(100,180)	(112,085)
Research and development expenses	(33,612)	(18,948)	(27,885)
Finance costs	(7,966)	(7,773)	(13,221)
Fair value (loss)/gain on financial liabilities at fair value through profit or loss ("FVTPL")	(6,026)	(1,625)	5,300
Impairment losses on trade receivables and other receivables, net	(719)	(2,143)	(2,481)
Other expenses	(661)	(791)	(2,399)
Profit before tax	110,603	180,407	219,175
Income tax expense	<u>(11,372)</u>	<u>(32,688)</u>	<u>(37,087)</u>
Profit for the year	<u>99,231</u>	<u>147,719</u>	<u>182,088</u>
Attributable to:			
Owners of the Company	<u>99,231</u>	<u>147,719</u>	<u>182,088</u>

FINANCIAL INFORMATION

Revenue

Revenue by Product Category

The following table sets forth a breakdown of our revenue by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(RMB in thousands, except for percentages)</i>					
Dried plum snacks	838,110	63.4	973,531	60.3	829,895	48.5
Prune-based products	155,985	11.8	223,561	13.8	380,210	22.2
Plum jelly	311,069	23.5	410,358	25.4	465,879	27.3
Others ⁽¹⁾	16,878	1.3	8,568	0.5	34,747	2.0
Total	1,322,042	100.0	1,616,018	100.0	1,710,731	100.0

Note:

- (1) Others mainly represent plum gummy, plum-based seasoning products, plum tea concentrate and other fruit-based products.

The table below sets forth a breakdown of our sales volume and average selling price per kg by major product category for the years indicated:

		Year ended December 31,		
		2023	2024	2025
Dried plum snacks	kilotons	23.2	29.9	23.6
	RMB/kg	36.2	32.6	35.2
Prune-based products	kilotons	4.0	5.6	9.0
	RMB/kg	38.7	39.7	42.1
Plum jelly	kilotons	12.1	21.8	24.7
	RMB/kg	25.7	18.8	18.8

During the Track Record Period, the sales volume of plum jelly and prune-based products increased steadily due to our expanding promotion efforts and new product launches. We introduced various packaging sizes and combinations tailored to the targeted consumers' preferences. Our target consumers for membership stores and chain snack stores differ from those of supermarkets. Membership stores primarily serve premium consumers who seek higher-quality, curated and customized product offerings. By contrast, chain snack stores attract consumers who prioritize variety and novelty, with a focus on diversified snack options across flavors and package sizes. Supermarkets, in comparison, generally cater to mass-market consumers seeking standardized, broad-based assortments for routine purchases. Additionally, in 2024, we offer customized products with lower per-unit prices for distributors targeting the lower-tier cities, expanding our market presence. We expanded our production capacity for plum jelly in 2024, allowing us to implement more competitive pricing strategies to appeal to a broader range of consumers. The average selling price of our prune-based products increased gradually during the Track Record Period, primarily due to the launch of prune-based products tailored for certain membership stores, reflecting premium positioning.

FINANCIAL INFORMATION

Revenue by Sales Channel

The table below sets forth a breakdown of our revenue by sales channel for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Online self-operated stores	135,582	10.3	139,226	8.6	128,945	7.5
Supermarkets and membership stores ⁽¹⁾	170,919	12.9	266,914	16.5	402,554	23.5
Snack stores	133,827	10.1	550,813	34.1	648,451	38.0
Distributorship	881,714	66.7	659,065	40.8	530,781	31.0
Total	<u>1,322,042</u>	<u>100.0</u>	<u>1,616,018</u>	<u>100.0</u>	<u>1,710,731</u>	<u>100.0</u>

Note:

- (1) Supermarkets and membership stores primarily include national and regional supermarkets operating both online and offline, as well as membership stores with whom we began cooperation in late 2024.

During the Track Record Period, revenue from supermarkets and membership stores increased by 56.2% from RMB170.9 million in 2023 to RMB266.9 million in 2024, and further increased by 50.8% to RMB402.6 million in 2025. This was primarily driven by (i) our introduction of premium products for membership stores, such as Chilean pitted prunes; and (ii) our commencement of business with certain prominent and fast-growing membership stores in late 2024.

Revenue from snack stores increased significantly by 311.7% from RMB133.8 million in 2023 to RMB550.8 million in 2024 and further grew by 17.7% to RMB648.5 million in 2025. This was primarily driven by (i) the continued expansion of large-scale snack store chains; (ii) our expanded presence and increased cooperation with leading nationwide snack store chains; (iii) our launch of customized product formats, such as family-sized packages and variety packs; and (iv) our implementation of co-branding initiatives and targeted marketing campaigns, as well as our enhanced use of digital marketing and live commerce platforms.

Revenue from distributorship decreased by 25.2% at RMB881.7 million in 2023 to RMB659.1 million in 2024, further decreased by 19.5% to RMB530.8 million in 2025. This decline was primarily due to our strategic shift to focus on the sales to supermarkets, membership stores and snack stores.

Cost of sales

The following table sets forth a breakdown of our cost of sales by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except percentages)</i>						
Raw material costs	575,546	72.8	771,381	74.6	807,413	73.2
Labor costs	103,126	13.0	141,018	13.6	151,312	13.7
Outsourced processing costs	39,843	5.0	31,977	3.1	38,195	3.5
Utilities expenses	32,835	4.1	44,273	4.3	51,623	4.7
Depreciation and amortization	30,463	3.8	30,636	3.0	36,223	3.3
Others ⁽¹⁾	10,518	1.3	14,268	1.4	17,265	1.6
Total	<u>792,331</u>	<u>100.0</u>	<u>1,033,553</u>	<u>100.0</u>	<u>1,102,031</u>	<u>100.0</u>

Note:

- (1) Others primarily include testing fees, maintenance costs and low-value consumables.

FINANCIAL INFORMATION

Our cost of sales generally increased in line with the revenue growth during the Track Record Period. Our raw material costs, which accounted for 72.8%, 74.6% and 73.2% in 2023, 2024 and 2025, respectively, are mainly affected by the prices of green plums, prunes and auxiliary raw materials, which are subject to weather and market conditions. See “Industry Overview — Raw Material Price Analysis.”

Sensitivity analysis

The following sensitivity analysis illustrates the impact of hypothetical fluctuation in our cost of raw materials on our profit before tax during the Track Record Period:

Hypothetical changes in the cost of raw materials	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
± 2%	11,511	15,428	16,148
± 5%	28,777	38,569	40,371
± 10%	57,555	77,138	80,741

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Gross profit</i>	<i>Gross margin (%)</i>	<i>Gross profit</i>	<i>Gross margin (%)</i>	<i>Gross profit</i>	<i>Gross margin (%)</i>
	<i>(RMB in thousands, except percentages)</i>					
Dried plum snacks	316,378	37.7	312,639	32.1	277,007	33.4
Prune-based products	54,733	35.1	72,332	32.4	112,956	29.7
Plum jelly	153,030	49.2	196,107	47.8	211,450	45.4
Others ⁽¹⁾	5,570	33.0	1,387	16.2	7,287	21.0
Total	529,711	40.1	582,465	36.0	608,700	35.6

Note:

(1) Others mainly represent plum gummy, plum-based seasoning products, plum tea and other dried-fruit products.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our gross profit and gross profit margin by sales channel for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Gross profit</i>	<i>Gross profit margin (%)</i>	<i>Gross profit</i>	<i>Gross profit margin (%)</i>	<i>Gross profit</i>	<i>Gross profit margin (%)</i>
	<i>(RMB in thousands, except percentages)</i>					
Online self-operated stores	68,050	50.2	65,420	47.0	53,545	41.5
Supermarkets and membership stores ⁽¹⁾	77,051	45.1	105,118	39.4	131,959	32.8
Snack stores	54,266	40.5	191,685	34.8	228,529	35.2
Distributorship	330,344	37.5	220,242	33.4	194,667	36.7
Total	529,711	40.1	582,465	36.0	608,700	35.6

Note:

- (1) Supermarkets and membership stores primarily include national and regional supermarkets operating both online and offline, as well as membership stores with whom we began cooperation in late 2024.

We recognize promotional discounts as deduction of revenue for both our retailer customers and distributors. In particular, gross profit margin of the sales to online self-operated stores decreased from 47.0% in 2024 to 41.5% in 2025, primarily due to our expanded promotional activities in relation to the competitive pricing strategies of the products sold through online platforms to enhance our brand recognition.

Other Income and Gains

The table below sets forth a breakdown of our other income and gains by nature for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Other income			
Government grants and subsidies			
Related to income	18,780	33,326	22,611
Related to assets	729	487	1,049
Proceeds related to scraps and raw materials, net	6,357	3,933	5,691
Bank interest income	665	547	479
Others	312	514	4,470
Total other income, net	26,843	38,807	34,300
Gains			
Gains on disposal of items of property, plant and equipment	14	12	26
Compensation	1,105	753	640
Total gains	1,119	765	666
Total other income and gains, net	27,962	39,572	34,966

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A significant portion of government grants we received during the Track Record Period were from the local governments of Jinghu District and Fanchang District in Wuhu City in recognition of our contribution to the local economy, as well as our investment in production capacity expansion. In particular, we had an increase in the government grants and subsidies related to income in 2024, primarily in relation to certain subsidies for our business operations that were timely fulfilled and disbursed, and such government grants and subsidies decreased in 2025 due to a reduction in income-related government grants and subsidies. We have obtained approval documents issued by competent authorities or signed relevant agreements with competent authorities for these government grants.

Selling and Distribution Expenses

The table below sets forth a breakdown of our selling expenses by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<i>(RMB in thousands, except percentages)</i>						
Employee compensation expenses	75,316	24.3	80,346	25.9	73,425	27.0
Marketing expenses	77,097	24.9	60,747	19.6	58,410	21.5
Advertising expenses	74,215	24.0	79,022	25.5	55,594	20.5
Transportation expenses	53,744	17.4	64,607	20.8	60,536	22.3
Travel expenses	15,051	4.9	14,180	4.6	10,094	3.7
Depreciation and amortization	6,795	2.2	6,933	2.2	5,774	2.1
Others ⁽¹⁾	7,177	2.3	4,335	1.4	7,887	2.9
Total	309,395	100.0	310,170	100.0	271,720	100.0

Note:

(1) Others primarily represent entertainment fees, rental fees and office utilities expenses.

During the Track Record Period, our selling and distribution expenses as a percentage of revenue decreased from 23.4% in 2023 to 19.2% in 2024 and further decreased to 15.9% in 2025. Such trend throughout the Track Record Period was primarily because (i) we optimized our sales and marketing efficiency, resulting in the decreased employee compensation expenses; (ii) we deployed more effective advertising approaches targeting certain channels and customer bases, leading to the decreases in advertising expenses; and (iii) we expanded our sales to retail channels, and some of which, such as most snack stores, generally required less marketing effort.

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Administrative Expenses

The table below sets forth a breakdown of our administrative expenses by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<i>(RMB in thousands, except percentages)</i>						
Employee compensation expenses	51,420	58.0	54,425	54.4	62,519	55.7
Depreciation and amortization	16,325	18.4	16,327	16.3	14,958	13.3
Taxes and surcharges	10,066	11.3	11,163	11.1	11,834	10.6
Consulting fees	1,715	1.9	2,113	2.1	1,905	1.7
Travel expenses	4,786	5.4	5,819	5.8	5,913	5.3
Business development expenses	1,949	2.2	1,652	1.6	1,181	1.1
Listing expenses	–	–	5,794	5.8	12,678	11.3
Others ⁽¹⁾	2,430	2.7	2,887	2.9	1,097	1.0
Total	88,691	100.0	100,180	100.0	112,085	100.0

Note:

(1) Others primarily represent rental fees and bank charges.

Research and Development Expenses

The table below sets forth a breakdown of our research and development expenses by nature for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<i>(RMB in thousands, except percentages)</i>						
Direct costs	22,012	65.5	9,531	50.2	16,540	59.3
Employee compensation expenses	8,281	24.6	7,475	39.5	8,514	30.5
Depreciation and amortization	1,710	5.1	1,323	7.0	1,974	7.1
R&D outsource	1,264	3.8	337	1.8	617	2.2
Others ⁽¹⁾	345	1.0	282	1.5	240	0.9
Total	33,612	100.0	18,948	100.0	27,885	100.0

Note:

(1) Others primarily represent utilities expenses.

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Finance Costs

The table below sets forth a breakdown of our finance costs by nature for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Interest on bank loans	7,817	7,652	13,080
Interest on lease liabilities	149	121	141
Total	7,966	7,773	13,221

Fair Value (Loss)/Gain on Financial Liabilities at Fair Value Through Profit or Loss

Certain independent investors subscribed or acquired our ordinary shares with preferential rights that are designated as financial liabilities at FVTPL and were subsequently measured at fair value.

We had fair value losses on financial liabilities at fair value through profit or loss of RMB6.0 million, RMB1.6 million and fair value gain on financial liabilities at fair value through profit or loss of RMB5.3 million in 2023, 2024 and 2025, respectively, primarily representing changes in fair value of the equity interests with preferential rights held by our investors. See Note 24 to the Accountants' Report included in Appendix I to this prospectus.

Income Tax Expense

Our income tax comprises current and deferred tax. We recorded income tax expense of RMB11.4 million, RMB32.7 million and RMB37.1 million in 2023, 2024 and 2025, respectively. In 2023, 2024 and 2025, our Company and its subsidiaries established in the PRC are subject to the PRC corporate income tax rate of 25.0%, except that some of the subsidiaries and their projects were entitled to preferential tax treatments.

Certain of our subsidiaries are qualified as small and micro enterprises and were entitled to preferential corporate income tax rates of 2.5% to 5% in 2022 and 5% in 2023 and 2024, respectively. One of our subsidiaries, Liuliumei Research Institute, was recognized as a High and New Technology Enterprise in 2022 and was entitled to a preferential corporate income tax rate of 15% during each period of the Track Record Period. This qualification is subject to review by the relevant tax authority in the PRC for every three years. Certain subsidiaries were granted tax exemptions in accordance with the policy of "The notice of preferential tax policy for preliminary processing of agriculture products." In addition, enterprises engaging in research and development activities are entitled to claim as deduction 200% as tax deductible expenses when determining their taxable profits for the year (the "Super Deduction") according to relevant laws and regulations. Our management have made best estimate for the Super Deduction to be claimed in ascertaining the assessable profits during the Track Record Period. As of the Latest Practicable Date, we did not have any material dispute with any tax authority.

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YEAR-ON-YEAR COMPARISON OF RESULTS OF OPERATIONS

Results of Operations in 2025 compared with 2024

The following discussion compares our consolidated results of operations in 2025 with 2024.

Revenue

Our revenue increased by 5.9% from RMB1,616.0 million in 2024 to RMB1,710.7 million in 2025. This increase was primarily due to the increased sales of our prune-based products and plum jelly.

In particular:

- Revenue from dried plum snacks decreased by 14.8% from RMB973.5 million to RMB829.9 million in 2025, respectively. The decrease was caused by our strategic shift to developing and promoting our other product categories.
- Revenue from prune-based products increased by 70.0% from RMB223.6 million in 2024 to RMB380.2 million in 2025. The increase was primarily due to a surging market demand for our newly launched pitted prune-based products and our customized prune-based products for certain membership stores.
- Revenue from plum jelly increased by 13.5% from RMB410.4 million in 2024 to RMB465.9 million in 2025. The increase was primarily driven by the growing market demand for fruit-based jelly and newly launched seasonal-themed products and electrolyte-infused slushy jelly.
- Revenue from other products surged by 305.5% from RMB8.6 million in 2024 to RMB34.7 million in 2025, primarily in relation to the increased sales of our newly launched product categories, such as plum gummy.

In terms of sales channels, revenue from snack stores increased by 17.7% from RMB550.8 million in 2024 to RMB648.5 million in 2025, while revenue from supermarkets and membership stores increased by 50.8% from RMB266.9 million in 2024 to RMB402.6 million in 2025. Such increases were primarily due to our strategic shift in sales focus from distributorship to more direct cooperation with supermarkets, membership stores and snack stores, resulting in increased sales of products tailored for these channels.

Cost of Sales

Our cost of sales increased by 6.6% from RMB1,033.6 million in 2024 to RMB1,102.0 million in 2025, in line with our revenue growth during the same period.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 4.5% from RMB582.5 million in 2024 to RMB608.7 million in 2025. Our gross profit margin remained relatively stable at 36.0% in 2024 and 35.6% in 2025. The gross profit margin for dried plum snacks remained relatively stable at 32.1% in 2024 and 33.4% in 2025. The gross profit margin for prune-based products decreased from 32.4% in 2024 to 29.7% in 2025, primarily due to increased raw material costs and the ramp-up of the production line for our prune-based products in 2025. The gross profit margin for plum jelly decreased from 47.8% in 2024 to 45.4% in 2025, primarily attributable to (i) the increased raw material costs, such as konjac, and (ii) higher unit production costs during the ramp-up phase of the new production line. Gross profit margin for other products increased from 16.2% in 2024 to 21.0% in 2025.

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In addition, there were movements in gross profit margins across sales channels. In particular, our gross profit margin from sales to supermarkets and membership stores decreased from 39.4% in 2024 to 32.8% in 2025, mainly because we increased the sales of customized prune-based products for a membership store, which had lower profit margins. Our gross profit margin from sales to snack stores increased from 34.8% in 2024 to 35.2% in 2025, as we introduced certain customized dried plum snacks with higher margins for national snack chains. Our gross profit margin from sales to online self-operated stores decreased from 47.0% in the 2024 to 41.5% in 2025, primarily because the increased promotion expenditure on e-commerce platforms to enhance the market exposure of our new products. Our gross profit margin from distributorship increased from 33.4% in 2024 to 36.7% in 2025, as we reduced the discounts for distributors who failed to meet the sales targets while shifting to retail channels.

Other Income and Gains

Our other income and gains decreased by 11.6% from RMB39.6 million in 2024 to RMB35.0 million in 2025 primarily due to a reduction in income-related government grants and subsidies.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 12.4% from RMB310.2 million in 2024 to RMB271.7 million in 2025. This decrease was primarily due to (i) a decrease in employee compensation and travel expenses, mainly driven by our strategic shift in sales channels, as the direct sales to snack stores, supermarkets and membership stores typically rely on their in-house sales expertise and require fewer sales personnel; and (ii) a decrease in advertising expense, as we deployed more efficient advertising strategy tailored to specific products and specific consumer groups.

Administrative Expenses

Our administrative expenses increased by 11.9% from RMB100.2 million in 2024 to RMB112.1 million in 2025, primarily due to the an increase in listing expenses and increase in employee compensation expenses for talent recruitment.

Research and Development Expenses

Our research and development expenses increased by 47.6% from RMB18.9 million in 2024 to RMB27.9 million in 2025, primarily due to the increased direct costs for new product development projects, including new dried plum products and prune-based products.

Finance Costs

Our finance costs increased by 69.2% from RMB7.8 million in 2024 to RMB13.2 million in 2025, primarily due to an increase in interest on bank loans caused by our increased bank loans for raw material and equipment purchases.

Fair Value (Loss)/Gain on Financial Liabilities at Fair Value Through Profit or Loss

Our fair value loss on financial liabilities at fair value through profit or loss increased from RMB1.6 million in 2024 to fair value gain on financial liabilities at fair value through profit or loss of RMB5.3 million in 2025. This change from loss to profit was primarily due to the fully settled redemption of liabilities of Series A Shares in January 2025.

Income Tax Expense

Our income tax expense increased from RMB32.7 million in 2024 to RMB37.1 million in 2025, primarily due to the increase of our profit before tax during this period.

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Profit for the Year

As a result, our profit for the year increased by 23.3% from RMB147.7 million in 2024 to RMB182.1 million in 2025.

Results of Operations in 2024 compared with 2023

The following discussion compares our consolidated results of operations in 2024 with 2023.

Revenue

Our revenue increased by 22.2% from RMB1,322.0 million in 2023 to RMB1,616.0 million in 2024. The increase was primarily due to (i) increased consumer demand for our dried plum snacks, prune-based products and plum jelly, and (ii) the successful expansion of our retail channels as we expanded sales with snack stores, national and regional supermarkets and renowned membership stores which possess extensive consumer bases and robust purchasing power.

In particular:

- Revenue from dried plum snacks increased by 16.2% from RMB838.1 million in 2023 to RMB973.5 million in 2024. The increase was primarily driven by an increase in sales volume, which grew from 23,168 tons in 2023 to 29,894 tons in 2024. Such growth reflects the rising popularity of our dried plum snacks and enhanced brand recognition among consumers, driven by our continuous efforts to launch new products and upgrade existing ones as well as successful marketing activities.
- Revenue from prune-based products increased by 43.3% from RMB156.0 million in 2023 to RMB223.6 million in 2024. The increase was primarily due to the growth of sales volume from 4,028 tons in 2023 to 5,634 tons in 2024, influenced by consumer preferences for snacks with natural ingredients.
- Revenue from plum jelly increased by 31.9% from RMB311.1 million in 2023 to RMB410.4 million in 2024. The increase was primarily driven by robust consumer demand for our new products, with the sales volume of our plum jelly increasing significantly from 12,104 tons in 2023 to 21,784 tons in 2024, reflecting the successful outcomes of our product development efforts in introducing new flavors.
- Revenue from other products amounted to RMB16.9 million in 2023 and RMB8.6 million in 2024, primarily in relation to our trial sales of certain products.

We had continuously achieved substantial revenue growth from retailer customers, including national snack chains, as well as membership stores which we started to cooperate with in the late 2024. Revenue from snack stores increased by 311.6% from RMB133.8 million in 2023 to RMB550.8 million in 2024, while revenue from supermarkets and membership stores increased by 56.2% from RMB170.9 million in 2023 to RMB266.9 million in 2024. Such increases were primarily due to (i) the increase in number of supermarkets that we cooperated with from 41 as of December 31, 2023 to 113 as of December 31, 2024 and the increase in number of snack stores that we cooperated with from 48 as of December 31, 2023 to 94 as of December 31, 2024; and (ii) the improving sales performance with our existing retailer customers, as we capitalized on their extensive networks to establish direct consumer connections and achieve nationwide sales growth.

Cost of Sales

Our cost of sales increased by 30.5% from RMB792.3 million in 2023 to RMB1,033.6 million in 2024, primarily due to the increase in raw material costs and labor costs, as a result of the growing total production volume in line with our business expansion.

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Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 10.0% from RMB529.7 million in 2023 to RMB582.5 million in 2024. Our gross profit margin decreased from 40.1% in 2023 to 36.0% in 2024. We had a general decrease in the gross profit margin of our major product categories including dried plum snacks, prune-based products and plum jelly, primarily due to (i) an increase in the raw material costs affected by the fluctuations in market prices of key raw materials, and (ii) that we proactively offered more favorable prices to increase our market penetration in the broad snack industry, appealing to a broader range of consumers.

In terms of sales channel, our gross profit margins change across different channels. Specifically, our gross profit margin from sales to supermarkets and membership stores declined from 45.1% in 2023 to 39.4% in 2024. Similarly, our gross profit margin from sales to snack stores decreased from 40.5% in 2023 to 34.8% in 2024. This reduction is primarily due to our adoption of a pricing strategy that offers lower prices to these customers, coupled with a reduction in expenditures in relation to marketing activities in cooperation with these customers. With enhanced pricing transparency, our customers have been able to leverage their geographic coverage and direct consumer reach, while enabling us to achieve improved sales efficiency.

Other Income and Gains

Our other income and gains increased from RMB28.0 million in 2023 to RMB39.6 million in 2024. The increase was primarily due to the increase in government grants and subsidies related to income in relation to our local operations.

Selling and Distribution Expenses

Our selling and distribution expenses amounted to RMB309.4 million in 2023 and RM310.2 million in 2024. The slight increase was primarily attributable to (i) an increase in transportation expenses, in line with our sales growth, (ii) an increase in the advertising expenses for celebrity endorsements to expand our consumer base, and (iii) an increase in employee compensation expenses as we expanded our sales team to support our business expansion. This was partially offset by a decrease in the marketing expenses as we expanded our sales with retailer customers who required fewer marketing activities.

Administrative Expenses

Our administrative expenses increased by 13.0% from RMB88.7 million in 2023 to RMB100.2 million in 2024. The increase was primarily due to (i) the expansion of our administrative team as our business scaled up, and (ii) the listing expenses incurred in 2024.

Research and Development Expenses

Our research and development expenses decreased by 43.8% from RMB33.6 million in 2023 to RMB18.9 million in 2024. The decrease was primarily due to the conclusion of certain R&D projects initiated in previous periods, which resulted in the launch of new products such as Premium Plums and plum jelly products featuring new flavors.

Finance Costs

Our finance costs decreased from RMB8.0 million in 2023 to RMB7.8 million in 2024. The decrease was primarily due to the decrease in interest on bank loans, attributable to (i) our repayment of existing loans and securing new loans at lower interest rates, and (ii) our reduced financing needs resulting from increased cash flow generated by our expanded sales.

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Fair Value (Loss)/Gain on Financial Liabilities at Fair Value Through Profit or Loss

Our fair value loss on financial liabilities at fair value through profit or loss decreased from RMB6.0 million in 2023 to RMB1.6 million in 2024. The decrease was primarily due to (i) the changes in the fair value of equity interests with preferential rights held by our investors, (ii) payment for repurchase of shares issued to an investor, (iii) termination of preferential rights granted to certain investors, and (iv) issuance of shares to a new investor.

Income Tax Expense

Our income tax expense increased from RMB11.4 million in 2023 to RMB32.7 million in 2024, primarily due to the increase of our profit before tax in 2024.

Profit for the Year

As a result, our profit for the year increased by 48.9% from RMB99.2 million in 2023 to RMB147.7 million in 2024.

DESCRIPTION OF CERTAIN COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-current assets			
Property, plant and equipment	563,492	592,238	688,491
Right-of-use assets	90,897	86,494	85,668
Other intangible assets	2,856	2,385	1,836
Prepayments, other receivables and other assets	12,291	32,133	66,903
Deferred tax assets	46,100	21,612	14,344
Total non-current assets	715,636	734,862	857,242
Current assets			
Inventories	425,934	523,701	673,368
Trade and bills receivables	80,526	162,928	220,996
Prepayments, other receivables and other assets	69,330	115,236	115,646
Income tax recoverable	129	6,501	11,730
Financial assets at fair value through other comprehensive income (“FVOCI”)	983	30	—
Pledged bank deposits	34,732	49,662	77,187
Cash and cash equivalents	67,392	78,047	33,904
Total current assets	679,026	936,105	1,132,831

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	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Current liabilities			
Financial liabilities at FVTPL	262,535	171,109	—
Trade and bills payables	184,957	290,909	346,129
Other payables and accruals	280,979	258,675	258,884
Interest-bearing bank borrowings	180,197	321,333	475,393
Income tax payable	7,420	6,478	20,932
Lease liabilities	1,965	784	2,360
Total current liabilities	918,053	1,049,288	1,103,698
Net Current (Liabilities)/Assets	(239,027)	(113,183)	29,133
Total Assets less Current Liabilities	476,609	621,679	886,375
Non-current liabilities			
Financial liabilities at FVTPL	206,142	—	—
Lease liabilities	1,930	1,146	606
Deferred income	3,072	2,585	4,142
Total non-current liabilities	211,144	3,731	4,748
Net assets	265,465	617,948	881,627
Equity			
Equity attributable to owners of the Company			
Share capital	75,665	75,665	67,347
Reserves	189,800	542,283	814,280
Total equity	265,465	617,948	881,627

Property, Plant and Equipment

The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Buildings	368,786	352,314	349,927
Plant and machinery	144,811	170,679	205,599
Furniture and fixtures	13,310	9,417	4,933
Motor vehicles	901	1,908	3,621
Building improvement	4,166	2,858	1,633
Electronic equipment	2,156	2,266	2,535
Construction in progress	29,362	52,796	120,243
Total	563,492	592,238	688,491

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Our property, plant and equipment increased from RMB563.5 million as of December 31, 2023 to RMB592.2 million as of December 31, 2024, primarily due to an increase in construction in progress in relation to Liuliu Orchard exhibition hall, the production lines of dried plum snacks and the equipment for the plum jelly production facilities. Our property, plant and equipment further increased from RMB592.2 million as of December 31, 2024 to RMB688.5 million as of December 31, 2025, primarily due to (i) an increase in plant and machinery and (ii) construction in progress in relation to certain production facilities for prune-based products and plum jelly in response to the surging market demand.

Right-of-use Assets

Our right-of-use assets primarily consist of (i) leasehold land and (ii) offices. Our right-of-use assets decreased from RMB90.9 million as of December 31, 2023 to RMB86.5 million as of December 31, 2024, primarily due to amortization to the leasehold land and office premises. Our right-of-use assets remained relatively stable at RMB86.5 million as of December 31, 2024 and RMB85.7 million as of December 31, 2025.

Other Intangible Assets

Our other intangible assets primarily consist of (i) software for daily operations, and (ii) licenses, including the emission permit. Our other intangible assets decreased from RMB2.9 million as of December 31, 2023 to RMB2.4 million as of December 31, 2024, and further decreased to RMB1.8 million as of December 31, 2025, primarily due to amortization of the software and licenses.

Prepayments, Other Receivables and Other Assets

The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current			
Prepayments to suppliers	27,363	35,274	32,558
Value-added tax recoverable	16,147	15,286	27,481
Advertising endorsement fee	7,556	10,595	1,537
Deposits	5,200	16,363	7,422
Receivables from employees	5,430	4,633	4,728
Other receivables	7,969	32,328	40,058
Deferred listing expense	—	1,412	3,115
Impairment allowance	(335)	(655)	(1,253)
	69,330	115,236	115,646
Non-current			
Prepayments for non-current assets	12,291	32,133	66,903
	12,291	32,133	66,903
Total	81,621	147,369	182,549

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Our current portion of our prepayments, other receivables and other assets increased from RMB69.3 million as of December 31, 2023 to RMB115.2 million as of December 31, 2024, primarily due to (i) an increase in prepayment to suppliers for raw materials, (ii) an increase in deposits for participation in land auctions and (iii) an increase in other receivables in relation to government grants and subsidies. The current portion of our prepayments, other receivables and other assets remained relatively stable at RMB115.2 million as of December 31, 2024 and RMB115.6 million as of December 31, 2025. This stability was primarily attributable to an increase in value-added tax recoverable, resulting from a higher balance of input VAT that had not yet been offset against output VAT as at the period end. Such increase was partially offset by a decrease in advertising endorsement fees due to the amortization of such fees over the term of our endorsement arrangement, which expired at the end of 2025, and a decrease in deposits primarily due to the offset of a land deposit against the land premium.

The non-current portion of our prepayments, other receivables and other assets decreased, representing the prepayment for land in relation to the expansion and upgrading of our production facilities, as well as the construction of our R&D and sales and marketing centers, amounted to RMB12.3 million, RMB32.1 million and RMB66.9 million in 2023, 2024 and 2025, respectively.

The following table sets forth a breakdown of our other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Receivables from e-commerce platforms	5,728	16,202	21,935
Government grant receivables	–	13,628	15,244
Others	2,241	2,498	2,879
Total	7,969	32,328	40,058

The fluctuation in our receivables from e-commerce platforms during the Track Record Period was primarily attributable to variations in the timing of settlements made by the e-commerce platforms.

As of April 30, 2026, RMB86.8 million, or 47.2% of our prepayments, other receivables and other assets as of December 31, 2025 had been settled.

Inventories

Our inventories primarily consist of (i) work-in-progress which mainly includes plums in flavoring process, (ii) raw materials, primarily including packaging materials and ingredients for plum jelly such as locust bean gum and konjac, and (iii) finished goods and goods in transit. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Work-in-progress	306,122	338,019	546,342
Raw materials	52,305	77,472	66,664
Finished goods and goods in transit	67,507	108,210	60,362
Total	425,934	523,701	673,368

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Our inventories increased from RMB425.9 million as of December 31, 2023 to RMB523.7 million as of December 31, 2024, primarily due to (i) our proactive increase in inventory reserves based on overall market demand forecasts, and (ii) an increase in goods in transit as our customers stocked up in anticipation of surging sales before the Chinese New Year, which occurred earlier in 2025 compared to the previous year. Our inventories increased from RMB523.7 million as of December 31, 2024 to RMB673.4 million as of December 31, 2025, primarily due to an increase in work-in-progress, as we conducted preliminary processing for raw materials in preparation for further processing, thereby meeting the expanding production needs in anticipation of the growing market demand in Chinese New Year promotion in February 2026.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	378,666	474,716	612,830
One to two years	47,268	48,985	60,538
Total	425,934	523,701	673,368

During the Track Record Period, our inventory aged one to two years were primarily plums in favoring process. We believe there is no impairment issue for our inventories as of December 31, 2025. Our provision policy for inventories is based on estimates of the realizable value with reference to the ageing and condition of the inventories, together with the economic circumstances on the marketability of such inventories. Under our internal policies, we shall make full provision for expired finished goods and raw materials or work-in-progress that are no longer expected to be used. During the Track Record Period, a significant portion of our inventories comprises our work-in-progress mainly including plums in flavoring process. We have implemented management protocols for raw materials and work-in-progress at different production stages, covering plum specifications, sugaring and salting processes and storage durations. For the production of dried plum snacks, we place plums into salting and sugaring vats for a period of no shorter than 90 days, creating an environment that inhibits microbial growth and preserves the plums' quality. We conduct daily inspections with full coverage of all vats during the sugaring and salting processes. Plums are naturally sun-dried in enclosed sunrooms to minimize contamination and ensure consistent sensory quality and color. Prior to each subsequent production stage, we conduct sample quality inspections on every batch of work-in-progress. We package and store our work-in-progress in temperature- and humidity-controlled clean areas. Storage periods are defined by product category, with strict usage deadlines to maintain quality. We also periodically review our inventories aging list, which involves comparison of the carrying amount of our inventories with their respective net realizable value.

The following table sets forth our inventory turnover days and the turnover days of certain types of inventories for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days ⁽¹⁾	181.7	167.7	198.2

Note:

- (1) Inventory turnover days for a period equal the average of the gross value of the opening and closing inventory balance divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period, which is 365 days for each year.

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Our inventory turnover days were 186.5 days, 181.7 days, 167.7 days and 198.2 days for the years ended December 31, 2023, 2024 and 2025. We have relatively long inventory turnover days, primarily because we maintain a sufficient volume of work-in-progress, which consists mainly of plums in flavoring process with an extended storage period. The increase in the inventory turnover days from 2024 to 2025 aligned with our production schedule in preparation for promotional events during the Chinese New Year, which occurred in February 2026, a month later than the Chinese New Year in the previous year. Our Directors are of the view that there is no material impairment issue for our inventories, considering that (i) most of our inventories consist of work-in-progress held as part of our normal production process, and that (ii) we have established robust policies to manage such inventories.

As of April 30, 2026, RMB455.2 million, or 66.8% of our inventories as of December 31, 2025, had been consumed or sold.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables	84,013	168,283	228,395
Impairment	(5,499)	(7,322)	(9,205)
Trade receivables, net	78,514	160,961	219,190
Bills receivable	2,012	1,967	1,806
Trade and bills receivables	80,526	162,928	220,996

Our trade and bills receivables increased from RMB80.5 million as of December 31, 2023 to RMB162.9 million as of December 31, 2024, primarily because our customers normally stock up in anticipation of surging sales before the Chinese New Year, which occurred earlier in 2025 compared to the previous year. Our trade and bills receivables increased from RMB162.9 million as of December 31, 2024 to RMB221.0 million as of December 31, 2025, primarily due to the increased sales to membership stores and snack stores to whom we provide credit terms.

We generally grant a credit period of one month to our retailer customers, and may extend up to 30 to 60 days for major retailer customers. The increase in trade receivables aged between three to six months from 2024 to 2025 was primarily attributable to the conversion of certain key account customers from distributor-mediated arrangements to direct sales channels, which resulted in the extended payment terms customarily imposed by such institutional retail counterparties being reflected directly on the our own receivables aging schedule. The following table sets forth an aging analysis of our trade receivables, based on the invoice date and net of provisions, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within three months	44,481	127,960	172,586
Three to six months	5,875	4,359	32,322
Six to twelve months	7,832	7,807	9,478
Over one year	20,326	20,835	4,804
Total	78,514	160,961	219,190

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Our trade receivables aged within three months increased from RMB44.5 million as of December 31, 2023 to RMB128.0 million as of December 31, 2024. The fluctuations were primarily influenced by our customers' mass procurement in preparation of the Chinese New Year, which varies in timing each year. Our trade receivables aged within three months further increased from RMB128.0 million as of December 31, 2024 to RMB172.6 million as of December 31, 2025, which was in line with our growing sales to direct sales customers.

Our trade receivables aged over one year remained relatively stable at RMB20.3 million as of December 31, 2023 and RMB20.8 million as of December 31, 2024. The relatively high amount of our trade receivables aged over one year as of December 31, 2024 is primarily attributable to certain historical payments that remain unsettled with two renowned retail groups. Our trade receivables aged over one year decreased from RMB20.8 million as of December 31, 2024 to RMB4.8 million as of December 31, 2025, primarily due to our optimized management and increased settlement of trade receivables from certain customers. We believe there is no recoverability issue for our trade receivables, and we have sufficient provisions, taking into account (i) our robust credit risk management system, which includes credit evaluations and tailored credit policies, under which credit terms are only granted to direct sales customers with exceptionally strong credit profiles (e.g. large-scale supermarket groups) while no credit sales are offered to distributors; and (ii) stringent internal measures such as monthly reconciliation of trade receivables, issuance of invoices based on settlement confirmations, and ongoing monitoring and management by the financial department that enhance the collection and management of trade receivables.

The following table sets forth the turnover days of our trade and bills receivables for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and bills receivables turnover days ⁽¹⁾	23.4	28.9	42.7

Note:

- (1) Trade and bills receivables turnover days for a period equal the average of opening and closing balance of trade and bills receivables for the relevant period divided by revenue for the relevant period and multiplied by the number of days in the relevant period, which is 365 days for each year.

Our trade and bills receivables turnover days increased from 28.9 days in 2024 to 42.7 days in 2025, primarily due to the increased sales to certain major retail customers, to whom we typically granted longer credit terms.

As of April 30, 2026, RMB196.5 million, or 86.0% of our trade receivables as of December 31, 2025 had been settled.

Trade and Bills Payables

The following table sets forth a breakdown of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade payables	128,792	213,148	239,060
Bills payable	56,165	77,761	107,069
Total	184,957	290,909	346,129

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Our trade and bills payables increased from RMB185.0 million as of December 31, 2023 to RMB290.9 million as of December 31, 2024, primarily due to the procurement of raw materials as our business operations expanded and the strong market performance of certain new products. Our trade and bills payables increased from RMB290.9 million as of December 31, 2024 to RMB346.1 million as of December 31, 2025, primarily due to the increased purchase of auxiliary materials to meet our expanded production.

The following table sets forth the turnover days of our trade and bills payables for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and bills payables turnover days ⁽¹⁾	87.0	84.0	105.5

Note:

- (1) Trade and bills payables turnover days for a period equal the average of opening and closing balance of trade and bills payables for the relevant period divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period, which is 365 days for each year.

The increase in our trade and bills payables turnover days from 84.0 days as of December 31, 2024 to 105.5 days as of December 31, 2025 was primarily due to our increased procurement of raw materials and packaging materials in line with our production schedule, which led to more trade payables and higher trade payables turnover days.

As of April 30, 2026, RMB210.7 million, or 88.1% of our trade payables as of December 31, 2025 had been settled.

Other Payables and Accruals

The following table sets forth the breakdown of other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Contract liabilities	122,252	73,226	83,809
Payables for purchase of property, plant and equipment	43,367	37,710	63,811
Payroll payables	30,505	37,121	20,047
Other tax payables	25,579	27,564	27,137
Deposits	21,589	21,402	16,594
Accrued expenses	19,100	37,740	16,719
Due to related parties	28	28	—
Other payables	18,559	23,884	30,767
Total	280,979	258,675	258,884

Our other payables and accruals decreased from RMB281.0 million as of December 31, 2023 to RMB258.7 million as of December 31, 2024. Our other payables and accruals remained relatively stable at RMB258.7 million as of December 31, 2024 and RMB258.9 million as of December 31, 2025, as the increase in contract liabilities, primarily due to advance payments received from distributors following the launch of our prune promotion campaign, and the increase in payables for the purchase of property, plant and equipment, primarily in connection with our plum production

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line under construction, were largely offset by the decrease in payroll payables as a result of changes in our year-end bonus incentive scheme, and the decrease in accrued expenses primarily due to lower accrued logistics and selling expenses.

As of April 30, 2026, RMB188.7 million, or 72.9% of our other payables and accruals as of December 31, 2025 had been settled.

As of April 30, 2026, RMB70.5 million, or 84.1% of our contract liabilities as of December 31, 2025, were recognized as revenue.

Financial Assets at Fair Value Through Other Comprehensive Income

The financial assets at FVOCI which are bills receivable from certain prestigious banks, are held by us for collecting the expected cash flows and exploring opportunities for sale. Our financial assets at fair value through other comprehensive income were RMB1.0 million, RMB30 thousand and nil as of December 31, 2023, 2024 and 2025, respectively.

Financial Liabilities at FVTPL

Our fair value losses of financial liabilities at fair value through profit or loss primarily arose from our repurchase rights and other embedded derivatives associated with special rights granted to shareholders. See Note 24 to the Accountants' Report in Appendix I to this prospectus. Our financial liabilities at FVTPL decreased from RMB468.7 million as of December 31, 2023 to RMB171.1 million as of December 31, 2024, primarily due to the termination of special rights granted to investor. Our financial liabilities at FVTPL decreased from RMB171.1 million as of December 31, 2024 to nil as of December 31, 2025, primarily due to the fully settled redemption of liabilities of Series A Shares in January 2025.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity has been and is expected to continue to be cash generated from operations, capital investment from shareholders together with available credit facilities and bank borrowings.

Net Current Liabilities/Assets

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	April 30,
	<i>(RMB in thousands)</i>			2026
	<i>(Unaudited)</i>			
Current assets				
Inventories	425,934	523,701	673,368	628,028
Trade and bills receivables	80,526	162,928	220,996	233,351
Prepayments, other receivables and other assets	69,330	115,236	115,646	127,901
Income tax recoverable	129	6,501	11,730	1,446
Financial assets at fair value through other comprehensive income ("FVOCI")	983	30	–	162
Pledged bank deposits	34,732	49,662	77,187	64,706
Cash and cash equivalents	67,392	78,047	33,904	35,224
Total current assets	679,026	936,105	1,132,831	1,090,818

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	As of December 31,			As of
	2023	2024	2025	April 30,
	(RMB in thousands)			2026
				(Unaudited)
Current liabilities				
Financial liabilities at FVTPL	262,535	171,109	—	—
Trade and bills payables	184,957	290,909	346,129	314,732
Other payables and accruals	280,979	258,675	258,884	211,822
Interest-bearing bank borrowings	180,197	321,333	475,393	516,066
Income tax payable	7,420	6,478	20,932	24,979
Lease liabilities	1,965	784	2,360	1,776
Total current liabilities	918,053	1,049,288	1,103,698	1,069,375
Net current (liabilities)/assets	(239,027)	(113,183)	29,133	21,443

Our net current assets decreased from RMB29.1 million as of December 31, 2025 to RMB21.4 million as of April 30, 2026, primarily due to (i) an increase in interest-bearing bank borrowings; (ii) an increase in prepayments, other receivables and other assets, (iii) a decrease in trade and bills receivables; and (iv) a decrease in income tax recoverable, partially offset by (i) an increase in cash and cash equivalent and (ii) a decrease in other payables and accruals.

Compared to net current liabilities of RMB113.2 million as of December 31, 2024, we recorded net current assets of RMB29.1 million as of December 31, 2025, primarily due to (i) an increase in inventories, (ii) an increase in pledged bank deposits, and (iii) a decrease in financial liabilities at FVTPL due to our settlement of certain financial liabilities, partially offset by (i) a decrease in cash and cash equivalents, (ii) an increase in trade and bills payables, and (iii) an increase in interest-bearing bank borrowings, which were mainly attributable to the purchase of raw materials and production equipment.

Our net current liabilities decreased from RMB239.0 million as of December 31, 2023 to RMB113.2 million as of December 31, 2024, primarily due to (i) an increase in inventories, (ii) a decrease in financial liabilities at FVTPL and (iii) an increase in trade and bills receivables, partially offset by (i) an increase in trade and bills payables and (ii) an increase in interest-bearing bank borrowings.

Cash Flow

The table below sets forth selected cash flow statement information from our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows from operating activities	126,903	84,374	74,475
Net cash flows used in investing activities	(80,634)	(110,117)	(165,953)
Net cash flows (used in)/from financing activities	(53,328)	36,398	47,335
Net increase/(decrease) in cash and cash equivalents	(7,059)	10,655	(44,143)
Cash and cash equivalents at beginning of the year	74,451	67,392	78,047
Cash and cash equivalents at end of the year	67,392	78,047	33,904

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Net Cash Flows from Operating Activities

In 2025, we had net cash flows generated from operating activities of RMB74.5 million, primarily reflecting profit before tax of RMB219.2 million, by non-cash and other items to arrive at an operating profit before changes in working capital of RMB306.3 million. Our movements in working capital primarily reflect (i) an increase in inventories of RMB151.0 million as a result of upfront procurement of raw materials, such as plums and prunes, during the harvest season and related preliminary processing in anticipation of increased sales and to ensure production efficiency ahead of our peak sales season, and (ii) an increase in trade and bills receivables of RMB60.0 million, primarily due to a decrease in contract liabilities driven by our shifting sales strategy to focus on sales to emerging retail channels and a decrease in payroll payables driven by changes to our salary structure, partially offset by an increase in trade and bills payables of RMB53.7 million, which resulted from an increase in purchase of auxiliary materials to meet expanded production. We have implemented measures to improve our operating cash flow, including enhancing inventory turnover through improved sales forecasting and optimized production and procurement planning and negotiating more flexible procurement and payment arrangements with suppliers to better align cash outflows with sales collections.

In 2024, we had net cash flows generated from operating activities of RMB84.4 million, primarily reflecting profit before tax of RMB180.4 million, by non-cash and other items to arrive at an operating profit before changes in working capital of RMB253.2 million. Our movements in working capital primarily reflect (i) an increased in inventories of RMB98.4 million, (ii) an increase in trade and bills receivables of RMB84.2 million and (iii) an increase in prepayments, other receivables and other assets of RMB46.2 million, partially offset by an increase in trade and bills payables of RMB106.6 million.

In 2023, we had net cash flows generated from operating activities of RMB126.9 million, primarily reflecting profit before tax of RMB110.6 million, by non-cash and other items to arrive at an operating profit before changes in working capital of RMB181.4 million. Our movements in working capital primarily reflect (i) an increased in inventories of RMB64.1 million and (ii) a decrease in trade and bills payables of RMB8.1 million, partially offset by (i) an increase in other payables and accruals of RMB16.8 million and (ii) a decrease in prepayments, other receivables and other assets of RMB8.7 million.

Net Cash Flows Used in Investing Activities

In 2025, we had net cash flows used in investing activities of RMB166.0 million. This was mainly attributable to (i) purchase of items of property, plant and equipment of RMB125.3 million and (ii) prepayment of leasehold land of RMB43.2 million, partially offset by receipt of government grants for non-current assets of RMB2.6 million.

In 2024, we had net cash flows used in investing activities of RMB110.1 million. This was mainly attributable to purchase of items of property, plant and equipment of RMB110.3 million, partially offset by proceeds from disposal of items of property, plant and equipment of RMB0.2 million.

In 2023, we had net cash flows used in investing activities of RMB80.6 million. This was mainly attributable to (i) purchase of items of property, plant and equipment of RMB80.2 million, (ii) purchase of other intangible assets of RMB0.3 million and (iii) purchase of leasehold land of RMB0.2 million.

Net Cash Flows (Used in)/From Financing Activities

In 2025, we had net cash flows from financing activities of RMB47.3 million. This was mainly attributable to (i) new bank loans of RMB570.8 million and (ii) investments from investors of RMB35.0 million, partially offset by (i) repayment of bank loans of RMB416.8 million, (ii) payment for repurchase of shares issued to an investor of RMB125.8 million and (iii) interest paid of RMB13.2 million.

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In 2024, we had net cash flows from financing activities of RMB36.4 million. This was mainly attributable to (i) new bank loans of RMB368.8 million and (ii) investment from a new investor of RMB40.0 million, partially offset by (i) repayment of bank loans of RMB227.8 million, (ii) payment for repurchase of shares issued to an investor of RMB135.0 million and (iii) interest paid of RMB7.7 million.

In 2023, we had net cash flows used in financing activities of RMB53.3 million. This was mainly attributable to (i) repayment of bank loans of RMB351.8 million and (ii) interest paid of RMB8.2 million, partially offset by new bank loans of RMB308.4 million.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	April 30,
	(RMB in thousands)			2026
				(Unaudited)
Current				
Interest-bearing bank borrowings	180,197	321,333	475,393	516,066
Lease liabilities	1,965	784	2,360	1,776
Non-Current				
Lease liabilities	1,930	1,146	606	452
Total	184,092	323,263	478,359	518,294

Our interest-bearing bank borrowings were primarily unsecured bank loans, with effective interest rates ranging from 1.80% to 4.57% per annum. As of December 31, 2023, 2024, 2025 and April 30, 2026, our interest-bearing bank borrowings were RMB180.2 million, RMB321.3 million, RMB475.4 million and RMB516.1 million. As of April 30, 2026, we had unutilized banking facilities of RMB92.8 million.

Our bank borrowings agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. As of the Latest Practicable Date, the agreements relating to our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. During the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining credit facilities, withdrawal of facilities or requests for early repayment. In addition, our Directors confirm that there was no material restrictive covenant on any of our outstanding debt and there was no material default in payments of our liabilities and/or breach of covenants during the Track Record Period and up to the Latest Practicable Date. For details, see Note 23 to the Accountants' Report in Appendix I to this prospectus.

As of December 31, 2025, we have agreed with banks to irrevocably discharge the controlling shareholder and his spouse from all loan guarantee obligations of RMB250,170,000 in respect of our bank borrowings and accrued interest thereon upon the commencement of trading of our shares on the Stock Exchange, and we shall provide other alternative assets as guarantee.

As of December 31, 2023, 2024 and 2025, our current and non-current lease liabilities were RMB3.9 million, RMB1.9 million and RMB3.0 million, respectively, primarily representing our outstanding payment in relation to leases of equipment and properties.

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Save as disclosed in the table above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of April 30, 2026.

Our Directors confirm that there has not been any material change in our indebtedness since April 30, 2026 up to the date of this prospectus.

CAPITAL COMMITMENTS

Our capital commitments are related to contracted, but not provided for purchase of property, plant and equipment.

The following table sets forth details of our capital commitments as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Contracted, but not provided for purchase of property, plant and equipment	46,129	34,285	77,816
Total	46,129	34,285	77,816

CAPITAL EXPENDITURES

Our capital expenditures primarily consist of (i) purchase of items of property, plant and equipment, and (ii) purchase of other intangible assets.

The table below outlines our capital expenditures for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Purchase of items of property, plant and equipment	80,232	110,259	125,301
Purchase of other intangible assets	270	32	132
Prepayment of leasehold land	—	—	43,200
Total	80,502	110,291	168,633

For details on our major capital expenditure projects, see “Business — Our Production — Our Production Expansion Plan.”

CONTINGENT LIABILITIES

As of December 31, 2025, we were not subject to any material contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2025, we did not have any outstanding off-balance sheet arrangements.

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MATERIAL RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 33 to the Accountants' Report in Appendix I to this prospectus.

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions set out in Note 33 to the Accountants' Report in Appendix I to this prospectus was conducted in the ordinary course of business on an arm's length basis and on normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth a summary of our key financial ratios for the years indicated:

	Year ended/as of December 31,		
	2023	2024	2025
		(%)	
Gross profit margin	40.1	36.0	35.6
Current ratio ⁽¹⁾	74.0	89.2	102.6
Quick ratio ⁽²⁾	27.6	39.3	41.6
Gearing ratio ⁽³⁾	67.9	52.0	53.9

Notes:

- (1) Current ratio is calculated based on current assets divided by current liabilities and multiplied by 100%.
- (2) Quick ratio is calculated based on current assets less inventories divided by current liabilities and multiplied by 100%.
- (3) Gearing ratio is calculated based on interest-bearing bank borrowings divided by total equity and multiplied by 100%.

FINANCIAL RISK MANAGEMENT

See Note 36 to the Accountants' Report in Appendix I to this Prospectus.

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. On May 10, 2026, we declared dividends of RMB67.3 million to our shareholders based on their equity interests in our Company as of March 31, 2026, which was fully paid on May 12, 2026. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. We may distribute dividends by way of cash or by other means that our Shareholders consider appropriate. Distribution of dividends is subject to the discretion of our Shareholders and our Shareholders may authorize our Board to make distribution plan. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, Shareholders' interests and any other conditions that our Board may deem relevant. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into in the future.

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WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us including our cash and cash equivalents on hand, unutilized banking facilities and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had distributable reserves of RMB485.8 million available for distribution to our shareholders.

LISTING EXPENSES

Listing expenses consist of professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We expect to incur listing expenses of approximately HK\$59.5 million (based on the Offer Price of HK\$43.58 per Offer Share and assuming the Over-allotment Option is not exercised), which accounts for approximately 11.9% of the gross proceeds from the Global Offering. We estimate the listing expenses to consist of approximately HK\$20.0 million in underwriting fees and HK\$39.5 million in non-underwriting fees. Among of the total listing expenses, approximately HK\$26.3 million will be directly attributable to the issue of our Shares, which will be deducted from equity upon the completion of the Global Offering, and the remaining HK\$33.2 million will be expensed in our consolidated statements of comprehensive income. Our Directors do not expect such expenses to materially impact our results of operations in 2025. We did not recognize any listing expenses in 2023. We recognized listing expenses of RMB5.8 million and RMB18.5 million in 2024 and 2025, respectively, in our consolidated statements of profit or loss and other comprehensive income.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

See Appendix II to this prospectus for details on our unaudited pro forma adjusted consolidated net tangible assets.

NO MATERIAL ADVERSE CHANGE

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, mortgages, contingent liabilities, guarantees or prospects since December 31, 2025, the end of the period reported on the Accountants' Report in Appendix I to this prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business — Our Growth Strategies” for a detailed discussion of our future plans.

USE OF PROCEEDS

Assuming an Offer Price of HK\$43.58 per Offer Share, we estimate that we will receive net proceeds of approximately HK\$440.1 million from the Global Offering after deducting the underwriting commissions and other estimated expenses paid and payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- Approximately 61.0% of the net proceeds, or approximately HK\$268.5 million, will be used to expand our production capacity over the next three years. The overall size of the fruit snack market by retail sales value in China has been rapidly expanding, increasing from RMB37.8 billion in 2020 to RMB52.0 billion in 2024, at a CAGR of 8.3%. The market size is expected to further reach RMB78.0 billion in 2029, growing at a CAGR of 8.6% from 2025 to 2029, according to Frost & Sullivan. In particular, according to the same source, the market size of China’s green-plum-based fruit snacks industry by retail sales value is projected to reach RMB17.0 billion in 2029, growing from RMB10.4 billion in 2025 with a CAGR of 13.0%. We intend to capitalize on market opportunities by expanding our production capacity and establishing new production plants, scheduled for completion by 2027. The production volume at our Anhui Plant decreased during the Track Record Period, mainly because we increased our sales focus on plum jelly and prune-based products in response to market demand and consumer preferences, and adjusted our production schedule accordingly to prioritize these two product categories. As our Anhui Plant is principally configured for the production of dried plum snacks, this adjustment correspondingly resulted in a decrease in its production utilization rate. We believe production expansion for dried plum snacks over the next three years is justified and consistent with our growth strategy. The production utilization rate of our Wuhu Plant was relatively low during the Track Record Period, as it serves as the production capacity reserve for newly launched products. Nevertheless, the overall production utilization rate of our dried plum snacks remained relatively high at 80.6%, 85.2% and 74.2% in each of the years during the Track Record Period, which demonstrates sustained demand for our core dried plum snack offerings. Looking forward, we expect dried plum products to remain the cornerstone of our portfolio and the primary anchor of our revenue and brand identity. We view the recent moderation in sales and production volumes as a transitional effect of our strategic repositioning rather than a structural decline in underlying demand. As the market pioneer in the plum-based snacks, we have played a crucial role in shaping consumer awareness and preference for dried plum snacks. We believe our sustained investment in marketing and our ongoing efforts to promote the value of green plums position us not only to capture existing demand but also to cultivate and broaden the overall consumer base for the category. In addition, we plan to launch new dried plum snack products, which show growth potential within China’s broader fruit snack market. It is therefore prudent to expand capacity in advance to secure sufficient supply, enhance production flexibility across product categories and support our planned scale-up to better support stable and efficient production as our product portfolio and sales channels continue to grow. In particular:
 - (i) Approximately 25.0% of the net proceeds, or approximately HK\$110.0 million, will be used to establish a production facility for our plum products in Fujian Province, dedicated to the production of dried plum snacks on our currently owned land. We plan to construct the factory buildings, purchase production line machinery and equipment, and procure necessary manufacturing systems tailored to each facility’s specific requirements.

FUTURE PLANS AND USE OF PROCEEDS

- (ii) Approximately 18.0% of the net proceeds, or approximately HK\$79.3 million, will be used to expand our production capacity. We plan to expand our facilities in the existing production base — Plum Jelly Plant — in Wuhu, Anhui Province to meet the increasing consumer demand for plum jelly products. We plan to purchase production line machinery and equipment, and procure necessary manufacturing systems.
- (iii) Approximately 10.0% of the net proceeds, or approximately HK\$44.0 million, will be used to establish a new warehouse and logistic facility for which we have identified a suitable site. To support our store expansion and ensure that we provide fresh and high-quality green-plum nectar, we plan to purchase warehouse racking system and cold storage facilities. We also intend to invest in automated and intelligent warehousing equipment and systems to manage product receiving and dispatching, inventory management, product information tracking, and delivery routes, enhancing our warehouse operating efficiency.
- (iv) Approximately 8.0% of the net proceeds, or approximately HK\$35.2 million, will be used to establish a new production plant in Fanchang District, Wuhu City, Anhui Province for product ingredients such as fruit nectar. We have identified a suitable site in our currently owned land. This plant addresses our need for increased ingredient production capacity as our product categories grow, ensuring continuous and efficient manufacturing processes.

The following table set forth the anticipated timeline for establishing facilities and expanding our production capacities by 2029, and the total expected expenditure for each project. We plan to fund these projects by the net proceeds from the Global Offering and cash generated from our operations. These projections are indicative and may be adjusted in light of actual business needs and prevailing market conditions:

Planned Facilities	Year ending December 31,			Total
	2026	2027	2028	
	<i>(RMB in thousands, except for percentages)</i>			
Processing facility for plum products	9,000.0	95,280.0	–	104,280
Purchase production line machinery and equipment, and procure necessary manufacturing system for plum jelly	28,680.0	37,284.0	20,076.0	86,040.0
Warehouse and logistic facility	46,000	23,100	–	69,100.0
Production plant for product ingredients	20,000.0	35,000	–	35,000

- Approximately 21.0% of the net proceeds, or approximately HK\$92.4 million, will be used to enhance our brand recognition, expand our sales network and explore international markets over the next year. In particular:
 - (i) Approximately 15.0% of the net proceeds, or approximately HK\$66.0 million, will be used for brand marketing and promotion. To cultivate our brand image that appeals to various consumer demographics, we plan to deepen our engagement with customers through a variety of online and offline marketing activities, including festival campaigns, and endorsements by KOLs and celebrities. We also plan to continue our strategic collaborations with popular brands among young consumers to launch co-branded products.

FUTURE PLANS AND USE OF PROCEEDS

- (ii) Approximately 6.0% of the net proceeds, or approximately HK\$26.4 million, will be used to expand our sales network and explore international markets. We plan to reinforce our partnerships with KA customers, launching customized products and co-branded products that meet evolving consumer preferences and amplify our brand exposure.

Beyond the domestic market, we aspire to extend our reach in international markets. Leveraging our overseas business department established in 2024, we will target markets with significant Asian communities or consumers with dietary preferences for plum-based products. We will concentrate our expansion on the Southeast Asian market, with a particular focus on Thailand, Malaysia, Singapore, Vietnam and Indonesia, leveraging established mainstream retail channels. With a dedicated regional team already in place, we plan to secure distribution partners in Singapore, Malaysia and Indonesia. We plan to cooperate with a leading local commercial and retail group in Thailand, leveraging its extensive store network. To build brand awareness and drive trial, we will phase in targeted offline marketing initiatives, including consumer promotions, point-of-sale activations and outdoor advertising that are designed to introduce and celebrate China's green-plum heritage.

- Approximately 8.0% of the net proceeds, or approximately HK\$35.2 million, will be used to recruit R&D personnel and advance our R&D initiatives. We plan to recruit R&D personnel over the next three years to facilitate our strategy to enrich product offerings. Specifically, we plan to hire experts in areas such as food flavor development, green plum beverages, functional foods, organic products, nutrition and zero-additive preservation technologies. This includes an estimated annual addition of 20 R&D professionals focused on plum-based food and beverage innovation.

Additionally, we intend to establish a research institute in Shanghai and invest in advanced R&D equipment and testing instruments. These efforts aim to enhance our capabilities in health-focused food processing, meet the growing demand for green and organic products, and strengthen our core competitiveness. We also aim to further diversify our portfolio by fully exploring the value of plums in other product categories such as confectioneries, beverages, condiments and other product offerings, and identifying new consumption scenarios for plum-based products.

- Approximately 10.0% of the net proceeds, or approximately HK\$44.0 million, will be used for working capital and general corporate purposes.

The additional net proceeds that we would receive if the Over-allotment Option is exercised in full would be HK\$74.9 million (assuming an Offer Price of HK\$43.58 per Offer Share).

To the extent that the net proceeds from the Global Offering (including the net proceeds from the exercise of the Over-allotment Option) are either more or less than expected, we may adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes, we will only deposit those 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). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

UNDERWRITING

HONG KONG UNDERWRITERS

CLSA Limited
Guoyuan Securities Brokerage (Hong Kong) Limited
Zhongtai International Securities Limited
Soochow Securities International Brokerage Limited
CEB International Capital Corporation Limited
Huafu International Securities Limited
Orient Securities (Hong Kong) Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 1,146,500 Hong Kong Offer Shares and the International Offering of initially 10,317,600 International Offer Shares, subject to, in each case, reallocation on the basis as described in the section headed “Structure of the Global Offering” as well as the Over-allotment Option (applicable only to the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

We have entered into the Hong Kong Underwriting Agreement with, among others, the Hong Kong Underwriters on Thursday, June 4, 2026. Pursuant to the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price on, and subject to, the terms and conditions set out in this prospectus, the Hong Kong Underwriting Agreement and on the designated website at www.eipo.com.hk.

Subject to: (a) the Listing Committee granting listing of, and permission to deal in, our H Shares in issue and to be issued pursuant to the Global Offering (including additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and the listing and permission not having been revoked; and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally (but not jointly) to subscribe for, or procure subscribers for, their respective applicable proportions of the Hong Kong Offer Shares being offered but which are not taken up under the Hong Kong Public Offering, on the terms and conditions set out in this prospectus, the Hong Kong Underwriting Agreement and on the designated website at www.eipo.com.hk.

The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been entered into, becoming unconditional and not having been terminated.

UNDERWRITING

Grounds for Termination

The Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters), shall be entitled, in their sole and absolute discretion, by notice to us, terminate the Hong Kong Underwriting Agreement with immediate effect if, any of the following events shall occur prior to 8:00 a.m. on the Listing Date:

- (1) there develops, occurs, exists or comes into force:
 - (a) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Authority in or affecting Hong Kong, the Cayman Islands, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore, or other jurisdictions relevant to the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or
 - (b) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi 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 the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or
 - (c) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or
 - (d) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or

UNDERWRITING

- (e) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (f) the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (g) the commencement by any Authority or other regulatory or political body or organization of any public action or investigation against a Group Company or a director or a senior management member of any Group Company or announcing an intention to take any such action; or
- (h) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any Group Company or any of the Controlling Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of this Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (i) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (j) any non-compliance of the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or
- (k) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Controlling Shareholder or any Director or senior management members as named in the Prospectus; or
- (l) any contravention by any Group Company or any Director of the Listing Rules or applicable Laws; or
- (m) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in the Prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- i. has or will or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders’ equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company or the Group as a whole;
- ii. has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or

UNDERWRITING

- iii. makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of this Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents; or
 - iv. has or will or may have the effect of making any part of this Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (2) there has come to the notice of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:
- (a) any statement contained in any of the Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by, for, or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the “**Global Offering Documents**”) was, when it was issued, or has become untrue, incorrect, inaccurate or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or
 - (b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any Global Offering Document; or
 - (c) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by the Company or the Controlling Shareholders in this Agreement or the International Underwriting Agreement; or
 - (d) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties pursuant to the indemnities in this Agreement; or
 - (e) any breach of any of the obligations or undertakings imposed upon the Company or any member of the Controlling Shareholders or any cornerstone investor (as applicable) to this Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or
 - (f) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect; or
 - (g) that the Chairman of the Board, any Director or any member of senior management of the Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office; or
 - (h) any Director or any member of senior management of the Company named in the Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or
 - (i) the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

UNDERWRITING

- (j) that the approval by the Listing Committee of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) 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; or
- (k) any person has withdrawn its consent to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (l) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (m) any person has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents or to the issue of any of the Offering Documents; or
- (n) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (o) (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 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
- (p) that (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise.

Lock Up Arrangement

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that we will not exercise our power to issue further H Shares, or securities convertible into H Shares (whether or not of a class already listed), or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of H Shares or securities will be completed within six months from the Listing Date) except the Offer Shares to be issued pursuant to the Global Offering (including any additional H Shares which may be issued pursuant to exercise of the Over-allotment Option), or under any of the circumstances provided under Rule 10.08 of the Listing Rules.

UNDERWRITING

(B) Undertakings by each of our Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company that, except pursuant to the Global Offering, it/he/she will not and will procure that the relevant registered holder(s) will not (without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirements of the Listing Rules):

- (i) in the period commencing on the date by reference to which disclosure of the shareholding in our Company is made in this prospectus and ending on, and including, the date which is six months from the Listing Date (the “**First Six-month Period**”), directly or indirectly dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of our Company in respect of which the shareholder is shown in this prospectus to be the beneficial owner(s); or
- (ii) in the period of six months immediately following the expiry of the First Six-month Period (the “**Second Six-month Period**”), directly or indirectly, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities referred to in (i) above if, immediately following the disposal or upon the exercise or enforcement of the options, rights, interests or encumbrances, the shareholder would cease to be our Controlling Shareholders.

Note (2) to Rule 10.07(2) of the Listing Rules provides that Rule 10.07 does not prevent a member of Controlling Shareholders from using the H 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.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has further undertaken to the Stock Exchange and our Company that, within the period commencing on the date by reference to which disclosure of the shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he/she will and will procure that the relevant registered holder(s) will:

- (i) when it/he/she pledges or charges any securities of our Company 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)) for a *bona fide* commercial loan, immediately inform us of such pledge or charge together with the number of securities so pledged or charged; and
- (ii) when it/he/she receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged securities of our Company will be disposed of, immediately inform our Company 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 subject to the then requirements of the Listing Rules disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

UNDERWRITING

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertaking by our Company in respect of itself

Pursuant to the Hong Kong Underwriting Agreement, Our Company has undertaken to each of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers 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, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) 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, assign, mortgage, charge, pledge, hypothecate, 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 agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or any other securities of our Company 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 share capital or other securities of our Company, as applicable), or deposit any share capital or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or
- ii. enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other securities of our Company, 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 any other securities of our Company); or
- iii. enter into any transaction with the same economic effect as any transaction described in paragraph (i) or (ii) above; or
- iv. offer to or agree to do any of the foregoing specified in paragraph (i), (ii) or (iii) 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 securities will be completed within the First Six Month Period). Our Company further agrees that, in the event our Company is allowed to enter into any of the transactions described in paragraph (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**”), it 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.

UNDERWRITING

Our Company has undertaken to each of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that it will, and our Controlling Shareholders undertake to procure that our Company will, comply with the minimum public float requirements (the “**Minimum Public Float Requirement**”) and the minimum free float requirements (the “**Minimum Free Float Requirement**”) specified in the Listing Rules, and it will not (i) effect any purchase of the Shares, or agree to do so, which may reduce the holdings of the Shares held by the public (as defined in Rule 8.24 of the Listing Rules) to below the Minimum Public Float Requirement or any waiver granted and not revoked by the Stock Exchange prior to the expiration of the Second Six Month Period without first having obtained the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters); or (ii) enter into any agreement, arrangement or transaction which shall cause or have the effect of causing the portion of the Shares that are held by the public and that are available for trading and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable Laws or otherwise) on the Listing Date to fall below the Minimum Free Float Requirement under Rule 19A.13C of the Listing Rules.

(B) Undertaking by our Controlling Shareholders in respect of themselves

Pursuant to the Hong Kong Underwriting Agreement, each of our Controlling Shareholders has undertaken to each of our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- i. it/he/she will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him/her and the companies controlled by it/him/her will not, at any time during the First Six Month Period, (i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, 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 other securities of our Company or any interest therein (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 any such other securities, as applicable or any interest in any of the foregoing), or deposit any Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of our Company or any interest therein (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 any such other securities, as applicable or any interest in any of the foregoing), or (iii) enter into any transaction with the same economic effect as any transaction specified in paragraph (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in paragraph (i), (ii) or (iii) above, in each case, whether any of the transactions specified in paragraph (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of our Company or in cash or otherwise, and whether or not the transactions will be completed within the First Six Month Period; and

UNDERWRITING

- ii. it/he/she will not, during the Second Six Month Period, enter into any of the transactions specified paragraph (i), (ii) or (iii) above or offer to or agree to contract to or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or Encumbrance pursuant to such transaction, it will cease to be a Controlling Shareholder of our Company or a member of a group of our Controlling Shareholders of our Company or would together with the other Controlling Shareholders cease to be “Controlling Shareholders” of our Company; and
- iii. until the expiry of the Second Six Month Period, in the event that it enters into any of the transactions specified in paragraph (i), (ii) or (iii) or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, it/he/she will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of our Company.

International Offering

International Underwriting Agreement

In connection with the International Offering, we expect to enter into the International Underwriting Agreement with, among others, the Overall Coordinators and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions, severally (but not jointly) agree to purchase or procure purchasers for the International Offer Shares initially offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on grounds similar to those contained in the Hong Kong Underwriting Agreement. Please see the section headed “Structure of the Global Offering — The International Offering” for further details.

Over-allotment Option

Our Company intends to grant to the International Underwriters the Over-allotment Option, exercisable in whole or in part, at the sole and absolute discretion of the Overall Coordinators on behalf of the International Underwriters from the Listing Date until 30 days from the last day permitted for the making of applications under the Hong Kong Public Offering, pursuant to which our Company may be required to allot and issue up to an aggregate of 1,719,600 additional H Shares, representing approximately 15.0% of the number of Offer Shares initially available under the Global Offering at the Offer Price to cover over-allocations in the International Offering, if any. Please see the section headed “Structure of the Global Offering — Over-allotment Option” for further details.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors shall be reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Commission and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission of 2.5% 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.

UNDERWRITING

The Underwriters and the Capital Market Intermediaries may receive a discretionary incentive fee of up to 1.5% 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 “**Discretionary Fees**”). As of the date of this Prospectus, the allocation of a portion of the Fixed Fees remains subject to the Company’s discretion. Accordingly, the unallocated portion of the Fixed Fees will be regarded as discretionary fees for the purpose of the Listing Rules. The ratio of the fixed fee and discretionary fee (as classified under and for the purpose of Rule 3A.34 of the Listing Rules) payable by the Company to all syndicate members is expected to be approximately 37.5:62.5 (assuming the Discretionary Fees will be paid in full).

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 to the International Underwriters.

The sponsor’s fees payable to the Sponsor are HK\$6.3 million in aggregate.

The aggregate commissions and fees (exclusive of any Discretionary Fees), together with the Stock Exchange listing fee, the SFC transaction levy, the AFRC transaction levy, the Stock Exchange trading fee, the brokerage fee, the legal and other professional fees, printing and other fees and expenses relating to the Global Offering, are estimated to be about HK\$59.2 million (on the assumption that the Over-allotment Option will be exercised in full and based on an Offer Price of HK\$43.58) and will be paid by our Company.

Indemnity

Our Company has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer, including losses incurred arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company of the Hong Kong Underwriting Agreement.

Hong Kong Underwriters’ Interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, directly or indirectly, in any H Shares or any securities of any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any H Shares or any securities of any member of our Group.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

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 the ordinary course of their business activities, the Syndicate Members and their affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. These investment and trading activities may involve or relate to assets, securities and/or instruments of our Company, and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our loans and other debt.

UNDERWRITING

In relation to our H Shares, the activities of the Syndicate Members and their affiliates may include acting as agent for buyers and sellers of our H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of our H Shares (whose financing may be secured by our H Shares) in the Global Offering, proprietary trading in our H Shares, and entering into over-the-counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including our H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of our H Shares, which may have a negative impact on the trading price of our H Shares. All such activities may take place in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in our H Shares, in baskets of securities or indices including our H Shares, in units of funds that may purchase our H Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Syndicate Members or their affiliates of any listed securities having our H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock 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 our H Shares in most cases.

All these activities may occur both during and after the end of the stabilizing period described in the section headed “Structure of the Global Offering”. Such activities may affect the market price or value of our H Shares, the liquidity or trading volume in our H Shares and the volatility of the price of our H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members and their affiliates will be subject to certain restrictions, including the following:

- (a) the Syndicate Members and their affiliates (other than the Stabilizing Manager 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
- (b) the Syndicate Members and their affiliates must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Some of the Syndicate Members or their affiliates have provided from time to time, and are expected to provide to our Group investment banking and other services in the future for which the Syndicate Members or their affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. CITIC Securities (Hong Kong) Limited and Guoyuan Capital (Hong Kong) Limited are the Joint Sponsors, and CLSA Limited and Guoyuan Securities Brokerage (Hong Kong) Limited are the Overall Coordinators, of the Global Offering.

The listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange as described in this prospectus.

The Global Offering consists of (subject to reallocation and the Over-allotment Option as described below):

- (a) the Hong Kong Public Offering of initially 1,146,500 H Shares as described below under the subsection headed “— The Hong Kong Public Offering”; and
- (b) the International Offering of initially 10,317,600 H Shares outside the United States (including to professional and institutional investors in Hong Kong) in offshore transactions in reliance on Regulation S, as described below under the subsection headed “— The International Offering”.

Investor may either:

- (a) apply for the Hong Kong Offer Shares under the Hong Kong Public Offering; or
- (b) apply for or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering,

but may not do both.

The Offer Shares will represent 14.55% of the total H Shares in issue share capital of our Company immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised). If the Over-allotment Option is exercised in full, the Offer Shares will represent 16.37% of the enlarged number of H Shares in issue (including Offer Shares issued pursuant to the full exercise of the Over-allotment Option) immediately following the completion of the Global Offering and allotment and issue of Offer Shares pursuant to the Over-allotment Option.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

We are initially offering 1,146,500 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately (i) 10% of the total number of Offer Shares initially available under the Global Offering and (ii) 1.45% of the total H Shares in issue immediately following the completion of the Global Offering (subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering and assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

STRUCTURE OF THE GLOBAL OFFERING

Completion of the Hong Kong Public Offering is subject to the conditions set out in the sub-section headed “Conditions of the Global 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. The allocation of Hong Kong Offer Shares 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.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: Pool A and Pool B (with any odd lots being allocated to pool A).

- **Pool A:** The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with a total price of HK\$5 million or less (excluding the brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee).
- **Pool B:** The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with a total price of more than HK\$5 million and up to the total value of Pool B (excluding the brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee).

For the purpose of the immediately preceding paragraph only, the “price” for the Hong Kong Offer Shares means the price payable on application. See the subsection headed “— Pricing — Price Payable on Application” below.

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If Hong Kong Offer Shares in one pool (but not both pools) are undersubscribed, the unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong 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 573,200 Hong Kong Offer Shares (being approximately 50% of the Offer Shares initially made available under the Hong Kong Public Offer) will be rejected.

Reallocation

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 Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators 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, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate. In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

STRUCTURE OF THE GLOBAL OFFERING

In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 573,100 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 1,719,600 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before exercise of the Over-allotment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering. Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Friday, June 12, 2026. Where the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this Prospectus and the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by that applicant that it/he/she and any person(s) for whose benefit the applicant 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 International Offer Shares under the International Offering, and that applicant's application under the International Offering is liable to be rejected if either or both of the undertaking and confirmation are breached or untrue (as the case may be).

THE INTERNATIONAL OFFERING

Number of H Shares Initially Offered

The International Offering will consist of an offering of initially 10,317,600 H Shares at the Offer Price for subscription or sale under the International Offering, representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the number of H Shares initially offered under the International Offering will represent 13.09% of the total H Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

STRUCTURE OF THE GLOBAL OFFERING

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 the Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Allocation of Offer Shares under the International Offering will be effected in accordance with the “book-building” process described in the section headed “— Pricing — Determining the Offer Price” and based on a number of factors, including the level and timing of demand, 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 H Shares, and/or hold or sell its H Shares, after the Listing. This basis of allocation is intended to result in a distribution of the Offer Shares which is likely to lead to the establishment of a solid and stable professional and institutional shareholder base to the benefit of our Group and our Shareholders as a whole.

The Overall Coordinators (on behalf of the Underwriters) may require any investor who has been offered (or has indicated an interest for) Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering as described in the subsection headed “— The Hong Kong Public Offering — Reallocation”, and the exercise of the Over-allotment Option in whole or in part as described in the subsection headed “— Over-allotment Option” below.

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 H 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 about, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price will be HK\$43.58 per Offer Share unless otherwise announced.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of the Company, reduce the number of Offer Shares offered under the Global Offering and/or the Offer Price 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 to be published on the websites of the Company and the Stock Exchange at www.liuliumei.com and www.hkexnews.hk, respectively, an announcement to cancel and relaunch the Global Offering at the revised number of Offer Shares and/or the revised Offer Price and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental prospectus or a new prospectus (as appropriate)). Upon issue of such announcement or supplemental prospectus (as appropriate), the number of Offer

STRUCTURE OF THE GLOBAL OFFERING

Shares offered in the Global Offering and/or the revised Offer Price will be final and conclusive, and the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, will be fixed. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement or supplemental prospectus or new prospectus (as appropriate) of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such announcement or cancellation and relaunch of offer, the number of Offer Shares and/or the Offer Price will not be reduced.

The Hong Kong Offer Shares and the International Offer Shares may, in certain circumstances, be reallocated as between the Hong Kong Public Offering and International Offering at the discretion of the Overall Coordinators. The level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering, the basis of allocations of the Hong Kong Offer Shares and the results of applications in the Hong Kong Public Offering are expected to be announced on Friday, June 12, 2026 through a variety of channels described in the paragraph headed “How to Apply for the Hong Kong Offer Shares — Publication of Results” in this prospectus.

OVER-ALLOCATION

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover the over-allocation through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed to by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be fully paid prior to Listing, accordingly there will be no delayed settlement of payment of the Offer Shares. Additional Offer Shares may be issued by the exercise of the Over-allotment Option in full or in part, or the Stabilizing Manager (or any person acting for it) may purchase H Shares in the secondary market at prices that do not exceed the Offer Price, or a combination of these means may be used, to return to such investor the Offer Shares subject to delayed delivery arrangements.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, we may grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators in their sole and absolute discretion on behalf of the International Underwriters.

Pursuant to the Over-allotment Option (if granted), the International Underwriters have the right, exercisable by the Overall Coordinators (in their sole and absolute discretion on behalf of the International Underwriters) at any time from the Listing Date until 30 days from the last day for the making of applications under the Hong Kong Public Offering (being the last day for the exercise of the Over-allotment Option, which is Friday, July 10, 2026), to require us to allot and issue up to 1,719,600 additional Offer Shares representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering.

If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 2.14% of the enlarged total number of H Shares in issue immediately following completion of the Global Offering and the exercise of the Over-allotment Option. We will make an announcement if the Over-allotment Option is exercised.

STRUCTURE OF THE GLOBAL OFFERING

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 a decline in the market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permitted to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected cannot exceed the offer price of shares.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), 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 our H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or its affiliates or any person acting for it) to conduct any stabilizing action. Such stabilizing actions, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or its affiliates or any person acting for it) and in what the Stabilizing Manager reasonably regards as being in the best interest of our Company, (b) may be discontinued at any time and (c) is required to end within 30 days of the last day for making applications under the Hong Kong Public Offering.

Stabilizing actions permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) include (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of our H Shares, (b) selling or agreeing to sell our H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of our H Shares, (c) subscribing, or agreeing to subscribe, for our H Shares pursuant to the Over-allotment Option in order to close out any position established under (a) or (b), (d) purchasing, or agreeing to purchase, our H Shares for the sole purpose of preventing or minimizing any reduction in the market price of our H Shares, (e) selling or agreeing to sell our H 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) or (e).

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- (a) the Stabilizing Manager (or its affiliates or any person acting for it) may, in connection with the stabilizing action, maintain a long position in our H Shares;
- (b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or its affiliates or any person acting for it) will maintain such a long position;
- (c) liquidation of any long position by the Stabilizing Manager (or its affiliates or any person acting for it) and selling in the open market may have an adverse impact on the market price of our H Shares;
- (d) no stabilizing action can be taken to support the price of our H Shares for longer than the stabilizing period, which will begin on the Listing Date and is expected to expire on Friday, July 10, 2026 (being the 30th day after the last day for making applications under the Hong Kong Public Offering). After this date, when no further stabilizing action may be taken, demand for our H Shares, and therefore the price of our H Shares, could fall;
- (e) stabilizing activities by the Stabilizing Manager (or any person acting for it) may stabilize, maintain or otherwise affect the market price of our Shares. This means the price of our Shares may be higher than the price that otherwise might exist in the open market;
- (f) the price of our H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

STRUCTURE OF THE GLOBAL OFFERING

- (g) stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, acquiring the Offer Shares.

We will make an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) within seven days of the expiration of the stabilizing period.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of applications for the Hong Kong Offer Shares will be conditional on:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, our H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such approval and permission not subsequently having been withdrawn or revoked prior to the Listing Date;
- (b) the execution and delivery of the International Underwriting Agreement;
- (c) our Company having submitted to HKSCC all requisite documents to enable the Offer Shares to be admitted to trade on the Stock Exchange; and
- (d) the obligations of the underwriters under both the Hong Kong Underwriting Agreement and the International Underwriting Agreement having become unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than Monday, June 15, 2026.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among others, the other becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived before the dates and times specified, the Global Offering will not proceed and will lapse, and the Stock Exchange will be notified immediately. We will publish a notice of the lapse of the Hong Kong Public Offering on the website of the Stock Exchange at www.hkexnews.hk and the website of our Company at www.liuliumei.com on the next business day following the lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the subsection headed "How to Apply for the Hong Kong Offer Shares — Despatch/Collection of H Share Certificates and Refund of Application Monies". In the meantime, the application monies will be held in separate accounts with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares are expected to be issued on Friday, June 12, 2026, but they will only become valid evidence of title at 8:00 a.m. on Monday, June 15, 2026, provided the Global Offering has become unconditional in all respects at or before that time.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, June 15, 2026, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m. on that date.

Our H Shares will be traded in board lots of 100 H Shares each and the stock code of our H Shares will be 6658.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

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. We will not provide printed copies of this prospectus in relation to the Hong Kong Public Offering.

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.liuliumei.com. You may download and print from these website addresses if you want a printed copy of this prospectus.

The contents of the electronic version of the prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (WUMP) Ordinance.

APPLICATION FOR HONG KONG OFFER SHARES

1 WHO CAN APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Offer Shares.

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address (for the **White Form eIPO** service only);
- are outside the United States (within the meaning of Regulation S), and are a person described in paragraph (h)(3) of Rule 902 of Regulation S; and
- are not a legal or natural Chinese Mainland person (except qualified domestic institutional investors).

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;
- are a director, supervisor or chief executive officer of ours and/or any of our subsidiaries; or
- are a close associate of any of the above persons.

2 APPLICATION CHANNELS

The Hong Kong Public Offering period will begin at 9:00 a.m. on Friday, June 5, 2026 and end at 12:00 noon on Wednesday, June 10, 2026 (Hong Kong time).

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO Service	www.eipo.com.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Friday, June 5, 2026 to 11:30 a.m. on Wednesday, June 10, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Wednesday, June 10, 2026, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is an HKSCC Participant will submit electronic application instruction on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H 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 **White Form eIPO** 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 **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** 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 **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** 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.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

For those applying through **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.

Only one application may be made for the benefit of any person. If you are suspected of making more than one application through the **White Form eIPO** service or any other channel, all of your applications are liable to be rejected.

3 INFORMATION REQUIRED TO APPLY

You **must** provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
<ul style="list-style-type: none">• Full name(s)² as shown on your identity document• Identity document's issuing country or jurisdiction• Identity document type, with order of priority:<ul style="list-style-type: none">i. HKID card; orii. National identification document; oriii. Passport; and• Identity document number	<ul style="list-style-type: none">• Full name(s)² as shown on your identity document• Identity document's issuing country or jurisdiction• Identity document type, with order of priority:<ul style="list-style-type: none">i. LEI registration document; orii. Certificate of incorporation; oriii. Business Registration Certificate; oriv. Other equivalent document; and• Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong 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.
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. 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 Hong Kong Offer Shares. 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 applicants on FINI is capped at 4 in accordance with market practice.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

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 **HKSCC EIPO** channel, and making an application under a power of attorney, we and the 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.

4 PERMITTED NUMBER OF HONG KONG OFFER SHARES FOR APPLICATION

Board lot size : 100 H Shares

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\$43.58 per Share.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to prefund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for. 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 final 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.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

If you are applying through the **White Form eIPO** 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 HK\$	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application HK\$	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application HK\$	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application HK\$
100	4,401.96	1,500	66,029.25	8,000	352,156.03	90,000	3,961,755.38
200	8,803.90	2,000	88,039.00	9,000	396,175.54	100,000	4,401,950.44
300	13,205.85	2,500	110,048.76	10,000	440,195.04	150,000	6,602,925.65
400	17,607.80	3,000	132,058.52	20,000	880,390.09	200,000	8,803,900.85
500	22,009.75	3,500	154,068.27	30,000	1,320,585.13	250,000	11,004,876.08
600	26,411.71	4,000	176,078.02	40,000	1,760,780.17	300,000	13,205,851.29
700	30,813.65	4,500	198,087.76	50,000	2,200,975.21	350,000	15,406,826.50
800	35,215.60	5,000	220,097.52	60,000	2,641,170.26	400,000	17,607,801.72
900	39,617.56	6,000	264,117.02	70,000	3,081,365.31	450,000	19,808,776.94
1,000	44,019.51	7,000	308,136.54	80,000	3,521,560.34	573,200 ⁽¹⁾	25,231,979.86

Notes:

- (1) Maximum number of Hong Kong Offer Share you may apply for.
- (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) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

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

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 “— *Application 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 **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

6 TERMS AND CONDITIONS OF AN APPLICATION

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (a) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators (or its agents or nominees), 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;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (b) 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 **White Form eIPO** Service Provider (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;
- (c) (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;
- (d) 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;
- (e) confirm that you have read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations, except those contained in any supplement to this prospectus;
- (f) agree that none of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the H Share Registrar, HKSCC, any of our or their affiliates or any of their respective directors, officers, employees, agents or advisors, or any other persons or parties involved in the Global Offering is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- (g) agree to disclose the details of your application and your personal data and any other any personal data which may be required about you and the person(s) for whose benefit you have made the application to us, our H Share Registrar, receiving bank(s), the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, 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 “— *Personal Data — Purposes*” and “— *Personal Data — Transfer of personal data*” in this section;
- (h) 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;
- (i) agree that subject to Section 44A(6) of the Companies (WUMP) 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 H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— *Publication of Results*” in this section;
- (j) confirm that you are aware of the situations specified in the paragraph headed “— *Circumstances in which You Will Not Be Allocated Hong Kong Offer Shares*” in this section;
- (k) 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;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (l) agree to comply with the Companies Ordinance, Companies (WUMP) Ordinance, the Articles of Association and the PRC Company Law, and that neither we nor the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters will breach any law inside and/or outside Hong Kong 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;
- (m) 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 H Shares registered in your name or otherwise held by you;
- (n) warrant that the information you have provided is true and accurate;
- (o) confirm that you understand that we, our Directors and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (p) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;
- (q) 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;
- (r) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (s) undertake and confirm that you or the person(s) for whose benefit you have made 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 International Offer Shares nor have participated in the International Offering;
- (t) confirm that you are aware of the restrictions on the Global Offering set out in this prospectus;
- (u) (if you are making the application 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 through the **White Form eIPO** service or by any one as your agent or by any other person;
- (v) (if you are making the application as an agent for the benefit of another person) warrant that: (i) 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 application instructions to HKSCC; and (ii) you have due authority to give electronic application instructions on behalf of that other person as its agent; and

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- (w) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all these laws and none of us nor any of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters will breach any of these laws 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.

PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

<u>Platform</u>	<u>Date/Time</u>
Applying through White Form eIPO service or HKSCC EIPO channel:	
Website	The designated results of allocation at <u>www.iporesults.com.hk</u> (alternatively: <u>www.eipo.com.hk/eIPOAllotment</u>) with a “search by ID” function. The full list of (i) wholly or partially successful applicants using the White Form eIPO service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the “Allotment Results” page of the designated results of allocation at <u>www.iporesults.com.hk</u> (alternatively: <u>www.eipo.com.hk/eIPOAllotment</u>)
	24 hours, from 11:00 p.m. Friday, June 12, 2026 to 12:00 midnight, Thursday, June 18, 2026 (Hong Kong time)
	The Stock Exchange’s website at <u>www.hkexnews.hk</u> and our website at <u>www.liuliumei.com</u> which will provide links to the above mentioned websites of the H Share Registrar.
	No later than 11:00 p.m. on Friday, June 12, 2026 (Hong Kong time).
Telephone	+ 852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar
	Between 9:00 a.m. and 6:00 p.m., on Monday, June 15, 2026, Tuesday, June 16, 2026, Wednesday, June 17, 2026 and Thursday, June 18, 2026 (Hong Kong time)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Thursday, June 11, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Thursday, June 11, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

Allocation Announcement

We expect to announce the results of the level of indications of interest in the International 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.liuliumei.com by no later than 11:00 p.m. on Friday, June 12, 2026 (Hong Kong time).

CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which no Hong Kong Offer Shares will 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 (WUMP) Ordinance.

2. If we or our agents exercise discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and our/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 our H 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 “— Application 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; or
- we or the Overall Coordinators believe that by accepting your application, we or they would violate applicable securities or other laws, rules or regulations.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

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 International 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 Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the H 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.

DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allocated to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificate will be deposited into CCASS as described below).

We will not issue: (i) the temporary document of title in respect of our H Shares; or (ii) the receipt for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Monday, June 15, 2026 (Hong Kong 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 H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

The following sets out the relevant procedures and time:

	White Form eIPO Service	HKSCC EIPO channel
Despatch/collection of H Share certificate¹		
For application of 500,000 Hong Kong Offer Shares or more	<p>Collection in person from our H Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.</p> <p>Time: from 9:00 a.m. to 1:00 p.m. on Monday, June 15, 2026 (Hong Kong time)</p> <p>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.</p> <p>Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.</p> <p>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.</p>	<p>H 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.</p> <p>No action by you is required.</p>
For application of less than 500,000 Hong Kong Offer Shares	<p>Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.</p> <p>Time: Friday, June 12, 2026</p>	
Refund mechanism for surplus application monies paid by you		
Date	Monday, June 15, 2026	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	Any refund will be despatched to the bank account in the form of White Form e-Refund payment instructions	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 dispatched to the address as specified in your application instructions by ordinary post at your own risk	

¹ Except in the event of any Bad Weather Signals (as defined below) in force in Hong Kong in the morning on the business day before the Listing Date rendering it impossible for the relevant share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H 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 “— Bad Weather Arrangements” in this section.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Wednesday, June 10, 2026 if, there is (are):

- a tropical cyclone warning signal number 8 or above;
- a “black” rainstorm warning; and/or
- an “extreme conditions” announcement issued after a super typhoon (“**Extreme Conditions**”),

(collectively, “**Severe Weather Signals**”)

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, June 10, 2026.

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 any of those warnings in Hong Kong 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.liuliumei.com of the revised timetable.

If any of those warnings is hoisted on Friday, June 12, 2026, the H 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 Monday, June 15, 2026.

If any of those warnings is hoisted on Monday, June 15, 2026:

- for application of 500,000 Hong Kong Offer Shares or more, the physical Share certificate(s) and/or refund cheque (if applicable) will be available for collection in person from the H Share Registrar’s office after any of those warnings is lowered or cancelled (e.g. in the afternoon of Monday, June 15, 2026 or on Tuesday, June 16, 2025).

If any of those warnings is hoisted on Friday, June 12, 2026:

- for application of less than 500,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) and/or refund cheque (if applicable) will be made by ordinary post when the post office re-opens after any of those warnings is lowered or cancelled (e.g. in the afternoon of Friday, June 12, 2026, or on Monday, June 15, 2026).

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.

ADMISSION OF OUR H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, our H Shares and we comply with the stock admission requirements of HKSCC, our H 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 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 the HKSCC Operational Procedures in effect from time to time.

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

All necessary arrangements have been made enabling the H 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.

PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the H Share Registrar and the receiving bank(s) 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.

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 ours and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

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 us or our agents and the H 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 H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for the Hong Kong Offer Shares being rejected, or in the delay or the inability of us or the H 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 H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform us and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

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 **White Form** e-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 the Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of our H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating our register of members;
- verifying identities of the applicants for and holders of our H Shares and identifying any duplicate applications for our H Shares;
- facilitating Hong Kong Offer Shares balloting;

HOW TO APPLY FOR THE HONG KONG OFFER SHARES

- establishing benefit entitlements of holders of our H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from us and our subsidiaries;
- compiling statistical information and profiles of the holder of our H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable us and the H Share Registrar to discharge our or their obligations to applicants and holders of our H Shares and/or regulators and/or any other purposes to which the applicants and holders of the H Shares may from time to time agree.

Transfer of personal data

Personal data held by us and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential, but we and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our appointed agents such as financial advisors and receiving bank(s);
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar 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 us or the H 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 the Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or stockbrokers, etc.

Retention of personal data

We and the H 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).

Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether we or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. We and the H 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 us and the H Share Registrar, at our and 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 secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF LIULIUMEI CO., LTD., CITIC SECURITIES (HONG KONG) LIMITED AND GUOYUAN CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Liuliumei Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-81, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-81 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 5 June 2026 (the “**Prospectus**”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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 set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors 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* as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.



Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting 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 set out in note 2.1 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 purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025, and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange 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-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
5 June 2026

I. HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	1,322,042	1,616,018	1,710,731
Cost of sales		<u>(792,331)</u>	<u>(1,033,553)</u>	<u>(1,102,031)</u>
Gross profit		529,711	582,465	608,700
Other income and gains, net	6	27,962	39,572	34,966
Selling and distribution expenses		(309,395)	(310,170)	(271,720)
Administrative expenses		(88,691)	(100,180)	(112,085)
Research and development expenses		(33,612)	(18,948)	(27,885)
Finance costs	8	(7,966)	(7,773)	(13,221)
Fair value (loss)/gain on financial liabilities at fair value through profit or loss (“FVTPL”)		(6,026)	(1,625)	5,300
Impairment losses on trade receivables and other receivables, net		(719)	(2,143)	(2,481)
Other expenses		<u>(661)</u>	<u>(791)</u>	<u>(2,399)</u>
PROFIT BEFORE TAX	7	110,603	180,407	219,175
Income tax expense	11	<u>(11,372)</u>	<u>(32,688)</u>	<u>(37,087)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>99,231</u>	<u>147,719</u>	<u>182,088</u>
Attributable to:				
Owners of the Company		<u>99,231</u>	<u>147,719</u>	<u>182,088</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY				
Basic and diluted (RMB)	13	<u>1.31</u>	<u>1.95</u>	<u>2.69</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Notes</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS				
Property, plant and equipment	14	563,492	592,238	688,491
Right-of-use assets	15	90,897	86,494	85,668
Other intangible assets	16	2,856	2,385	1,836
Prepayments, other receivables and other assets	19	12,291	32,133	66,903
Deferred tax assets	25	<u>46,100</u>	<u>21,612</u>	<u>14,344</u>
Total non-current assets		<u>715,636</u>	<u>734,862</u>	<u>857,242</u>
CURRENT ASSETS				
Inventories	17	425,934	523,701	673,368
Trade and bills receivables	18	80,526	162,928	220,996
Prepayments, other receivables and other assets	19	69,330	115,236	115,646
Income tax recoverable		129	6,501	11,730
Financial assets at fair value through other comprehensive income ("FVOCI")		983	30	–
Pledged bank deposits	20	34,732	49,662	77,187
Cash and cash equivalents	20	<u>67,392</u>	<u>78,047</u>	<u>33,904</u>
Total current assets		<u>679,026</u>	<u>936,105</u>	<u>1,132,831</u>
CURRENT LIABILITIES				
Financial liabilities at FVTPL	24	262,535	171,109	–
Trade and bills payables	21	184,957	290,909	346,129
Other payables and accruals	22	280,979	258,675	258,884
Interest-bearing bank borrowings	23	180,197	321,333	475,393
Income tax payable		7,420	6,478	20,932
Lease liabilities	15	<u>1,965</u>	<u>784</u>	<u>2,360</u>
Total current liabilities		<u>918,053</u>	<u>1,049,288</u>	<u>1,103,698</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(239,027)</u>	<u>(113,183)</u>	<u>29,133</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		476,609	621,679	886,375

		As at 31 December		
		2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Financial liabilities at FVTPL	24	206,142	–	–
Lease liabilities	15	1,930	1,146	606
Deferred income		3,072	2,585	4,142
Total non-current liabilities		211,144	3,731	4,748
Net assets		265,465	617,948	881,627
EQUITY				
Equity attributable to owners of the Company				
Share capital	26	75,665	75,665	67,347
Reserves	27	189,800	542,283	814,280
Total equity		265,465	617,948	881,627

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Share capital <i>(note 26)</i> RMB'000	Capital reserve <i>(note 27)</i> RMB'000	Statutory reserve <i>(note 27)</i> RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2023	75,665	21,015	12,408	56,809	165,897
Profit and total comprehensive income for the year	–	–	–	99,231	99,231
Equity-settled share-based payment expenses <i>(note 28)</i>	–	337	–	–	337
At 31 December 2023	<u>75,665</u>	<u>21,352*</u>	<u>12,408*</u>	<u>156,040*</u>	<u>265,465</u>

Year ended 31 December 2024

	Share capital <i>(note 26)</i> RMB'000	Capital reserve <i>(note 27)</i> RMB'000	Statutory reserve <i>(note 27)</i> RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2024	75,665	21,352	12,408	156,040	265,465
Profit and total comprehensive income for the year	–	–	–	147,719	147,719
Derecognition of redemption liabilities due to cancellation of redemption rights <i>(note 24)</i>	–	204,193	–	–	204,193
Equity-settled share-based payment expenses <i>(note 28)</i>	–	571	–	–	571
At 31 December 2024	<u>75,665</u>	<u>226,116*</u>	<u>12,408*</u>	<u>303,759*</u>	<u>617,948</u>

Year ended 31 December 2025

	Share capital <i>(note 26)</i> RMB'000	Capital reserve <i>(note 27)</i> RMB'000	Statutory reserve <i>(note 27)</i> RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2025	75,665	226,116	12,408	303,759	617,948
Profit and total comprehensive income for the year	–	–	–	182,088	182,088
Equity-settled share-based payment expenses <i>(note 28)</i>	–	6,591	–	–	6,591
Issue of Series D1 Shares and Series D2 Shares <i>(note 26)</i>	2,270	72,730	–	–	75,000
Transfer of Series D1 and Series D2 Shares to capital reserve upon issuance of shares with preferential right	–	(75,000)	–	–	(75,000)
Derecognition of redemption liabilities due to cancellation of redemption rights <i>(note 24)</i>	–	75,000	–	–	75,000
Capital reduction of Series A Shares <i>(note 26)</i>	(10,588)	(250,221)	–	–	(260,809)
Derecognition of redemption liabilities due to capital reduction of Series A Shares <i>(note 24)</i>	–	260,809	–	–	260,809
At 31 December 2025	<u>67,347</u>	<u>316,025*</u>	<u>12,408*</u>	<u>485,847*</u>	<u>881,627</u>

* These reserve accounts comprise the reserves of RMB189,800,000, RMB542,283,000 and RMB814,280,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
		2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax:		110,603	180,407	219,175
Adjustments for:				
Finance costs	8	7,966	7,773	13,221
Interest income	6	(665)	(547)	(479)
Fair value loss/(gain) on financial liabilities at FVTPL	7	6,026	1,625	(5,300)
Depreciation of property, plant and equipment	14	51,255	55,852	63,530
Depreciation of right-of-use assets	15(a)	3,939	4,403	4,557
Amortisation of other intangible assets	16	629	503	681
Impairment losses on trade receivables, net	18	705	1,823	1,883
Impairment of other receivables, net	19	14	320	598
Gain on disposal of items of property, plant and equipment	7	(14)	(12)	(26)
Equity-settled share-based payment expenses	28	337	571	6,591
Foreign exchange loss, net	7	146	309	1,564
Write-down of inventories to net realisable value	7	1,165	638	1,360
Government grants	6	(729)	(487)	(1,049)
		181,377	253,178	306,306
Increase in inventories		(64,073)	(98,405)	(151,027)
Increase in trade and bills receivables		(3,518)	(84,225)	(59,951)
Decrease/(increase) in prepayments, other receivables and other assets		8,652	(46,226)	(1,008)
Decrease/(increase) in pledge bank deposits		2,259	(14,930)	(27,525)
(Decrease)/increase in trade and bills payables		(8,135)	106,596	53,686
Increase/(decrease) in other payables and accruals		16,755	(16,647)	(25,892)
Cash generated from operations		133,317	99,341	94,589

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest received		665	547	479
Income tax paid		<u>(7,079)</u>	<u>(15,514)</u>	<u>(20,594)</u>
Net cash flows from operating activities		<u>126,903</u>	<u>84,374</u>	<u>74,474</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of items of property, plant and equipment		(80,232)	(110,259)	(125,301)
Proceeds from disposal of items of property, plant and equipment		18	174	75
Purchase of other intangible assets		(270)	(32)	(132)
Purchase of leasehold land		(150)	–	–
Prepayment of leasehold land		–	–	(43,200)
Receipt of government grants for non-current assets		<u>–</u>	<u>–</u>	<u>2,606</u>
Net cash flows used in investing activities		<u>(80,634)</u>	<u>(110,117)</u>	<u>(165,952)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Investments from investors		–	40,000	35,000
Payment for repurchase of shares issued to an investor	24	–	(135,000)	(125,809)
New bank loans		308,400	368,840	570,820
Repayment of bank loans		(351,750)	(227,760)	(416,810)
Interest paid		(8,235)	(7,717)	(13,171)
Principle portion of lease payments		<u>(1,743)</u>	<u>(1,965)</u>	<u>(2,695)</u>
Net cash flows (used in)/from financing activities		<u>(53,328)</u>	<u>36,398</u>	<u>47,335</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS				
		<u>(7,059)</u>	<u>10,655</u>	<u>(44,143)</u>
Cash and cash equivalents at beginning of year		<u>74,451</u>	<u>67,392</u>	<u>78,047</u>

		Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
<i>Notes</i>				
CASH AND CASH EQUIVALENTS				
AT END OF YEAR		67,392	78,047	33,904
ANALYSIS OF BALANCES OF				
CASH AND CASH				
EQUIVALENTS				
Cash and bank balances	20	102,124	127,709	111,091
Less: Pledged bank deposits	20	(34,732)	(49,662)	(77,187)
Cash and cash equivalents as stated in				
the consolidated statements of				
financial position and consolidated				
statements of cash flows		67,392	78,047	33,904

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS				
Investments in subsidiaries	37	290,326	341,729	341,729
Property, plant and equipment	14	278,710	276,447	285,383
Right-of-use assets		22,370	21,739	22,194
Other intangible assets		2,791	2,352	1,495
Prepayments, other receivables and other assets	19	2,246	6,218	46,685
Deferred tax assets		<u>3,476</u>	<u>2,071</u>	<u>–</u>
Total non-current assets		<u>599,919</u>	<u>650,556</u>	<u>697,486</u>
CURRENT ASSETS				
Inventories	17	122,298	151,449	216,716
Trade and bills receivables	18	57,860	84,032	84,966
Prepayments, other receivables and other assets	19	390,279	380,155	248,950
Financial assets at FVOCI		319	–	–
Pledged bank deposits	20	28,707	37,448	62,741
Cash and cash equivalents	20	<u>48,361</u>	<u>46,603</u>	<u>6,881</u>
Total current assets		<u>647,824</u>	<u>699,687</u>	<u>620,254</u>
CURRENT LIABILITIES				
Financial liabilities at FVTPL	24	262,535	171,109	–
Trade and bills payables	21	102,721	159,876	200,738
Other payables and accruals	22	530,276	596,623	502,400
Interest-bearing bank borrowings	23	122,601	174,172	256,212
Income tax payable		1,707	3,546	2,710
Lease liabilities		<u>–</u>	<u>–</u>	<u>465</u>
Total current liabilities		<u>1,019,840</u>	<u>1,105,326</u>	<u>962,525</u>
NET CURRENT LIABILITIES		<u>(372,016)</u>	<u>(405,639)</u>	<u>(342,271)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>227,903</u>	<u>244,917</u>	<u>355,215</u>

		As at 31 December		
		2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Financial liabilities at FVTPL	24	206,142	—	—
Deferred income		1,585	1,138	2,694
Deferred tax liabilities		—	—	149
Total non-current liabilities		207,727	1,138	2,843
Net assets		20,176	243,779	352,372
EQUITY				
Share capital	26	75,665	75,665	67,347
Reserves	27	(55,489)	168,114	285,025
Total equity		20,176	243,779	352,372

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China ("PRC"). The registered office of the Company is located at Economic Development Zone, Fanchang County, Wuhu City, Anhui Province, PRC.

During the Relevant Periods, the Company and its subsidiaries (together, the "Group") were involved in the manufacture and sale of consumer goods in the PRC. The ultimate controlling shareholder of the Group is Mr. Yang Fan.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name*	Date of registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Fujian Qingmei Town Co., Ltd. (福建青梅小鎮 有限公司)***	26 September 2016 PRC/Chinese mainland	RMB100,000,000	100%	–	Procurement and preliminary processing of agricultural products
Anhui Liuliumei New Retail Co., Ltd. (Formerly known as Anhui Liuliu Orchard New Retail Marketing Co., Ltd.) (安 徽溜溜梅新零售有限公司 (曾用名：安徽溜溜果園新 零售營銷有限公司))***	23 August 2018 PRC/Chinese mainland	RMB10,000,000	100%	–	Sale of food
Anhui Liuliumei Sales Co., Ltd. (Formerly known as Anhui Liuliu Orchard Sales Co., Ltd.) (安徽溜溜 梅銷售有限公司 (曾用名： 安徽溜溜果園銷售有限公 司))***	2 July 2018 PRC/Chinese mainland	RMB10,000,000	100%	–	Sale of food
Fujian Liuliu Orchard Food Co., Ltd. (福建溜溜果園食 品有限公司)**	25 May 2009 PRC/Chinese mainland	RMB15,000,000	100%	–	Processing of agricultural products
Fujian Liuliumei Agricultural Technology Co., Ltd. (福建溜溜梅農業 科技有限公司)***	17 December 2014 PRC/Chinese mainland	RMB10,000,000	100%	–	Procurement and preliminary processing of agricultural products
Anhui Liuliu Plum Research Institute Co., Ltd. (安徽溜溜梅研究院有限 公司)**	28 November 2016 PRC/Chinese mainland	RMB10,000,000	100%	–	Research and development of new products

Name*	Date of registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Anhui Liuliumei Agriculture Co., Ltd. (Formerly known as Anhui Liuliumei Agricultural Technology Co., Ltd.) (安徽溜溜梅農業有限公司 (曾用名：安徽溜溜梅農業科技有限公司))**	11 March 2015 PRC/Chinese mainland	RMB10,000,000	100%	–	Procurement and preliminary processing of agricultural products
Qingmei Town Development Co., Ltd. (青梅小鎮發展有限公司)***	29 December 2016 PRC/Chinese mainland	RMB20,000,000	100%	–	Promotion of plum culture
Zhaoran Liuliu Orchard Food Co., Ltd. (詔安溜溜果園食品有限公司)**	27 September 2010 PRC/Chinese mainland	RMB22,000,000	100%	–	Processing of agricultural products
Anhui Liuliumei Food Co., Ltd. (Formerly known as Anhui Liuliu Orchard Ecommerce Co., Ltd.) (安徽溜溜食品有限公司 (曾用名：安徽溜溜果園電子商務有限公司))**	18 April 1999 PRC/Chinese mainland	RMB5,000,000	100%	–	Manufacture of food
Guangxi Liuliumei Agricultural Technology Co., Ltd. (廣西溜溜梅農業科技有限公司)***	5 June 2020 PRC/Chinese mainland	RMB10,000,000	100%	–	Procurement and preliminary processing of agricultural products
Guangxi Liuliu Orchard Industrial Park Co., Ltd. (廣西溜溜果園產業園有限公司)***	22 April 2019 PRC/Chinese mainland	RMB50,000,000	100%	–	Processing of agricultural products
Anhui Plum Natural Food Co., Ltd. (Formerly known as Anhui Liuliumei Biotechnology Co., Ltd.) (安徽西梅纖生天然食品有限公司 (曾用名：安徽溜溜梅生物科技有限公司))***	16 May 2024 PRC/Chinese mainland	RMB10,000,000	100%	–	Manufacture of food
Wuhu Plum Jelly Natural Food Technology Co., Ltd. (蕪湖梅凍天然食品科技有限公司)**	24 February 2022 PRC/Chinese mainland	RMB50,000,000	100%	–	Manufacture of food
Zhangzhou Nida Agricultural Technology Co., Ltd. (漳州市尼塔農業科技有限公司)	1 April 2026 PRC/Chinese mainland	RMB10,000,000	100%	–	Procurement and preliminary processing of agricultural products
Anhui Zhongnongan Inspection and Testing Center Co., Ltd. (安徽中農安檢驗檢測中心有限公司)***	26 December 2016 PRC/Chinese mainland	RMB10,000,000	–	100%	Inspection and testing of food

- * The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies as no English names have been registered.
- ** The statutory financial statements of these companies for the years ended 31 December 2023 and 2024 prepared in accordance with PRC generally accepted accounting principles (“**PRC GAAP**”) and regulations were audited by Da Hua CPAs LLP. (大華會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.
- *** The statutory financial statements of these companies for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations were audited by Da Hua CPAs LLP., certified public accountants registered in the PRC.

No statutory audited financial statements of these companies have been prepared for the year ended 31 December 2025.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “**IASB**”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at FVOCI and financial liabilities at FVTPL which have been measured at fair value.

Basis of consolidation

The Historical Financial Information include the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IFRS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in a note and includes new requirements for aggregation and disaggregation of financial information. Narrow scope amendments have been made to IAS 7 *Statement of Cash Flows*, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 *Basis of Preparation of Financial Statements*. The new requirements are expected to impact the Group's presentation in the statement of profit or loss and other comprehensive income and disclosures of the Group's financial performance. Currently, the Group considers that these new and revised IFRS Accounting Standards would not have a significant impact on the Group's financial performance and financial position.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its financial assets at FVOCI and financial liabilities at FVTPL at fair value at the end of each of the reporting periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the reporting periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the reporting periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group 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); and
 - (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 parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

<u>Category</u>	<u>Principal annual rate</u>	<u>Estimated residual value rate</u>
Buildings	4.75%	5.00%
Plant and machinery	9.50% to 31.67%	5.00%
Furniture and fixtures	19.00% to 47.50%	5.00%
Motor vehicles	19.00% to 47.50%	5.00%
Electronic equipment	19.00% to 31.67%	5.00%
Building improvement	20.00% to 50.00%	—

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years. The software's useful life is based on the period over which future economic benefits will be obtained by the Group. The technological lifespan of the software which can produce economic benefits is 5 years.

Licences

Purchased licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 years, which is the licence period.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	5 to 50 years
Office premises	2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises, pickling pools and warehouses (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVOCI, and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at FVTPL.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

For debt investments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at FVOCI and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables, which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Write-off

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include financial liabilities at FVTPL, lease liabilities, trade and bills payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities designated upon initial recognition as at FVTPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at FVTPL are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the reporting periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the reporting periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the reporting periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the reporting periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the reporting periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each of the reporting periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Revenue from sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The costs of transporting finished goods to customers are recognised in selling and distribution expenses when incurred.

Some contracts for the sale of goods provide customers with rights of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

(a) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

Other income

Sale of scraps and raw materials is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the scraps and raw materials. Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates share incentive plans. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is estimated using different methods for each of the incentive plans, further details of which are given in note 28 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits*Pension scheme*

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The Historical Financial Information is presented in RMB, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The Group applies judgement in evaluating whether or not all attaching conditions will be complied with, taking into account of all relevant factors, and the information available.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Variable consideration for volume rebates

The Group estimates variable consideration to be included in the transaction price for the sale of goods with volume rebates.

The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to the volume threshold. Determining whether a customer is likely to be entitled to a rebate depends on the customer's historical rebate entitlement and accumulated purchases to date.

The Group updates its assessment of expected volume rebates accordingly. Estimates of expected volume rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of actual rebate entitlements in the future.

Provision for expected credit losses on trade receivables and financial assets included in prepayments, other receivables and other assets

The Group uses external credit ratings and historical credit loss experience of the industry to calculate ECLs for trade receivables under simplified approach and for financial assets included in prepayments, other receivables and other assets under general approach.

The observed default rates of the industry are adjusted with forward-looking information. For instance, if forecast economic conditions (i.e., total retail sales of social consumer goods) are expected to deteriorate over the next year which can lead to an increased number of defaults in the industry, the historical default rates are adjusted. At the end of each of the reporting periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and financial assets included in prepayments, other receivables and other assets is disclosed in notes 18 and 19 to the Historical Financial Information, respectively.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are set forth in note 14, note 15, note 16 and note 19 to the Historical Financial Information.

Provision for inventories

The Group's inventories are stated at the lower of cost and net realisable value. The Group's provision for its inventories is based on estimates of the realisable value with reference to the ageing and condition of the inventories, together with the economic circumstances on the marketability of such inventories. Inventories are reviewed on regular basis for provision, if appropriate. Further details of the inventories are set out in note 17 to the Historical Financial Information.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 25 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

During the Relevant Periods, the Group was principally engaged in the manufacturing and sale of consumer goods in Chinese mainland.

Geographical information

No geographical information is presented as the Group's revenue from external customers was mainly derived from its operations in Chinese mainland and no non-current assets of the Group were located outside Chinese mainland during the Relevant Periods.

Information about major customers

Revenue from each major customer accounting for 10% or more of the Group's revenue during the Relevant Periods is set out below:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Customer A	NA*	228,568	233,775
Customer B	NA*	193,365	280,258

* The corresponding revenue of the customers is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the Relevant Periods.

5. REVENUE

Revenue represents income from the sale of consumer goods during the Relevant Periods.

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers			
Sale of goods	<u>1,322,042</u>	<u>1,616,018</u>	<u>1,710,731</u>

Revenue from contracts with customers**(a) Disaggregated revenue information**

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Type of goods			
Sale of goods	<u>1,322,042</u>	<u>1,616,018</u>	<u>1,710,731</u>
Geographical markets			
Chinese mainland	1,321,685	1,613,518	1,709,848
Overseas	<u>357</u>	<u>2,500</u>	<u>883</u>
Total	<u>1,322,042</u>	<u>1,616,018</u>	<u>1,710,731</u>
Timing of revenue recognition			
Goods transferred at a point in time	<u>1,322,042</u>	<u>1,616,018</u>	<u>1,710,731</u>

The following table shows the amounts of revenue recognised in each of the Relevant Periods that were included in the contract liabilities at the beginning of each of these periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at beginning of the reporting period:			
Sale of goods	<u>108,844</u>	<u>122,252</u>	<u>73,226</u>

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied when the customer takes possession of and accepts the products and payment is generally made in advance or within 30 to 60 days of customer's acceptance.

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year or less.

6. OTHER INCOME AND GAINS, NET

		Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Other income, net				
Government grants and subsidies				
Related to income	(i)	18,780	33,326	22,611
Related to assets	(ii)	729	487	1,049
Sale of scraps and raw materials				
Proceeds income related to scraps and raw materials		15,362	14,070	12,255
Cost related to scraps and raw materials		(9,005)	(10,137)	(6,564)
Bank interest income		665	547	479
Others		312	514	4,470
Total other income, net		26,843	38,807	34,300
Gains				
Gain on disposal of items of property, plant and equipment		14	12	26
Compensation		1,105	753	640
Total gains		1,119	765	666
Total other income and gains, net		27,962	39,572	34,966

(i) The government grants and subsidies related to income were rewarded for the Group's contribution to the local economic growth. These grants related to income are recognised in profit or loss where there is reasonable assurance that the grants will be received or upon receipt. There are no unfulfilled conditions or contingencies relating to these grants.

(ii) The Group has received certain government grants related to the investments in production plants. The grants related to assets were recognised as deferred income upon receipt. There are no unfulfilled conditions or contingencies relating to these grants.

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold*		792,331	1,033,553	1,102,031
Depreciation of property, plant and equipment	14	51,255	55,852	63,530
Depreciation of right-of-use assets	15(a)	3,939	4,403	4,557
Lease payments not included in the measurement of lease liabilities	15(c)	2,910	3,749	4,374
Amortisation of other intangible assets**	16	629	503	681
Transportation expenses		53,744	64,607	60,536

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Research and development costs***		33,612	18,948	27,885
Listing expenses		—	5,794	12,678
Employee benefit expense (excluding directors', chief executive's and supervisors' remuneration as set out in note 9):				
Wages and salaries		210,564	243,817	243,451
Equity-settled share-based payment expenses		250	386	3,765
Pension scheme contributions****		16,707	18,565	17,440
Other employee benefits		9,298	8,178	7,166
Total		236,819	270,946	271,822
Foreign exchange differences, net		146	309	1,564
Fair value loss/(gain) on financial liabilities at FVTPL		6,026	1,625	(5,300)
Write-down of inventories to net realisable value		1,165	638	1,360
Impairment losses on trade receivables, net	18	705	1,823	1,883
Impairment of other receivables, net	19	14	320	598
Gain on disposal of items of property, plant and equipment	6	(14)	(12)	(26)

* Cost of inventories sold includes expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses. Amounts of RMB103,126,000, RMB141,018,000, and RMB151,312,000 of employee benefit expenses were included in “cost of inventories sold” for the years ended 31 December 2023, 2024 and 2025, respectively.

** The amortisation of other intangible assets is included in “Administrative expenses” in the consolidated statement of profit or loss and other comprehensive income.

*** Research and development costs include expenses relating to depreciation of property, plant and equipment and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses. Amounts of RMB8,281,000, RMB7,475,000 and RMB8,514,000 of employee benefit expenses were included in “research and development costs” for the years ended 31 December 2023, 2024 and 2025, respectively.

**** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on bank loans	7,817	7,652	13,080
Interest on lease liabilities	149	121	141
Total	7,966	7,773	13,221

9. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

Directors', chief executive's and supervisors' remuneration for the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	—	—	530
Other emoluments:			
Salaries, allowances and benefits in kind	2,251	3,004	4,161
Performance related bonuses*	506	526	519
Pension scheme contributions	102	199	259
Equity-settled share-based payment expenses	87	185	2,826
Subtotal	2,946	3,914	7,765
Total	2,946	3,914	8,295

* Certain executive directors or supervisors of the Company are entitled to bonus payments which are related to the operating profit of the Group.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mr. Lu Jian (I)	—	—	80
Mr. Liu Feng (I)	—	—	300
Mr. Xiong Hui (I)	—	—	150
Total	—	—	530

(I) The Company appointed Mr. Liu Feng, Mr. Xiong Hui, Mr. Lu Jian as independent non-executive directors effective from 15 January 2025.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, a non-executive director, the chief executive and supervisors

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2023						
Chief executive:						
Mr. Yang Fan	—	758	284	—	39	1,081
Executive directors:						
Ms. Li Huimin	—	127	—	—	8	135
Mr. Ning Pengfei (II)	—	104	—	29	13	146
Ms. Hu Yan	—	335	67	8	12	422
Mr. Ruan Quanbin	—	440	101	21	12	574
Subtotal	—	1,006	168	58	45	1,277
Supervisors:						
Ms. Zheng Qimei	—	168	—	12	8	188
Ms. Zhang Wenxia	—	319	54	17	10	400
Mr. Xu Lianzheng	—	—	—	—	—	—
Subtotal	—	487	54	29	18	588
Total	—	2,251	506	87	102	2,946

(II) The Company appointed Ning Pengfei as executive director effective from 15 September 2023.

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024						
Chief executive:						
Mr. Yang Fan	—	866	125	—	39	1,030
Executive directors:						
Ms. Li Huimin	—	134	6	—	12	152
Mr. Ning Pengfei	—	546	66	127	39	778
Ms. Hu Yan	—	371	59	8	27	465
Mr. Ruan Quanbin	—	499	170	21	39	729
Subtotal	—	1,550	301	156	117	2,124

	<u>Fees</u>	<u>Salaries, allowances and benefits in kind</u>	<u>Performance related bonuses</u>	<u>Equity-settled share-based payment expenses</u>	<u>Pension scheme contributions</u>	<u>Total remuneration</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Supervisors:						
Ms. Zheng Qimei	–	197	6	12	18	233
Ms. Zhang Wenxia	–	391	94	17	25	527
Mr. Xu Lianzheng	–	–	–	–	–	–
Subtotal	–	588	100	29	43	760
Total	–	3,004	526	185	199	3,914
	<u>Fees</u>	<u>Salaries, allowances and benefits in kind</u>	<u>Performance related bonuses</u>	<u>Equity-settled share-based payment expenses</u>	<u>Pension scheme contributions</u>	<u>Total remuneration</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2025						
Chief executive:						
Mr. Yang Fan	–	997	73	–	41	1,111
Executive directors:						
Ms. Li Huimin (IV)	–	5	2	–	1	8
Mr. Ning Pengfei	–	554	87	308	41	990
Ms. Hu Yan	–	440	28	41	37	546
Mr. Gou Bin (III)	–	1,018	93	1,839	38	2,988
Mr. Mei Huixiang (III)	–	833	152	565	64	1,614
Mr. Ruan Quanbin (IV)	–	18	40	1	3	62
Subtotal	–	2,868	402	2,754	184	6,208
Non-executive director:						
Mr. Xu Lianzheng (III)	–	–	–	–	–	–
Supervisors:						
Ms. Zheng Qimei (VI)	–	7	5	6	1	19
Mr. Xu Lianzheng (VI)	–	–	–	–	–	–
Mr. Hu Xiang (V)	–	–	–	–	–	–
Mr. Li Bing (V)	–	–	–	–	–	–
Ms. Zhang Wenxia	–	289	39	66	33	427
Subtotal	–	296	44	72	34	446
Total	–	4,161	519	2,826	259	7,765

- (III) The Company appointed Mr. Gou Bin, Mr. Mei Huixiang as executive directors effective from 15 January 2025 and appointed Mr. Xu Lianzheng as a non-executive director effective from 15 January 2025.
- (IV) Ms. Li Huimin and Mr. Ruan Quanbin resigned as executive directors of the Company effective from 15 January 2025.
- (V) The Company appointed Mr. Hu Xiang, and Mr. Li Bing as supervisors effective from 15 January 2025.
- (VI) Ms. Zheng Qimei and Mr. Xu Lianzheng resigned as supervisors of the Company effective from 14 January 2025.

There was no arrangement under which a director, the chief executive or a supervisor waived or agreed to waive any remuneration during the Relevant Periods.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2023, 2024 and 2025 included one director, one director and three directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the years ended 31 December 2023, 2024 and 2025 of the remaining four, four and two highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	3,227	3,681	1,780
Performance related bonuses	424	538	325
Equity-settled share-based payment expenses	22	71	2,168
Pension scheme contributions	109	164	109
Total	3,782	4,454	4,382

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December		
	2023	2024	2025
Nil to HK\$500,000	—	—	—
HK\$500,001 to HK\$1,000,000	2	—	—
HK\$1,000,001 to HK\$1,500,000	2	4	—
HK\$1,500,001 to HK\$2,000,000	—	—	1
HK\$2,000,001 to HK\$2,500,000	—	—	—
HK\$2,500,001 to HK\$3,000,000	—	—	—
HK\$3,000,001 to HK\$3,500,000	—	—	1
Total	4	4	2

11. INCOME TAX

The income tax expense of the Group for the Relevant Periods is analysed as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current — Chinese mainland:			
Charge for the years	10,400	8,200	29,819
Deferred (<i>note 25</i>)	972	24,488	7,268
Total	11,372	32,688	37,087

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the income tax expense at the effective income tax rate for each of the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before tax	110,603	180,407	219,175
Tax at the statutory tax rate of 25% (I)	27,651	45,102	54,794
Effect of different tax rate (II)	(1,501)	(1,659)	(1,951)
Expenses not deductible for tax	1,904	754	356
Income not subject to tax	—	—	(1,325)
Effect of tax concessions (III)	(9,318)	(7,663)	(8,281)
Tax losses utilised from previous periods	—	(520)	(38)
Tax losses not recognised	322	815	—
Tax incentive for research and development expenses (IV)	(7,686)	(4,141)	(6,468)
Tax charge at the Group's effective tax rate	11,372	32,688	37,087

(I) The Company and the subsidiaries of the Group established in the PRC were subject to the PRC Corporate Income Tax at 25% for each of the Relevant Periods.

(II) Certain of the Group's subsidiaries are qualified as small and micro enterprises and were entitled to preferential corporate income tax rates of 5% during the years ended 31 December 2023, 2024 and 2025, respectively.

A subsidiary of the Group in Chinese mainland was approved as a High and New Technology Enterprise in 2022 and renewed in 2025, and it was entitled to a preferential corporate income tax rate of 15% for the years ended 31 December 2023, 2024 and 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years.

(III) Certain subsidiaries were granted tax exemptions in accordance with the policy of “The notice of preferential tax policy for preliminary processing of agriculture products”.

(IV) According to relevant laws and regulations, enterprises engaging in research and development activities are entitled to claim a 200% deduction as tax-deductible expenses when determining their taxable profits for the year (the “**Super Deduction**”). Management has made their best estimate for the Super Deduction to be claimed in ascertaining their assessable profits during the Relevant Periods.

12. DIVIDENDS

No dividend has been paid or declared by the Company in respect of the Relevant Periods.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts during the years ended 31 December 2023, 2024 and 2025 is based on the profit attributable to ordinary equity holders of the Company for the years ended 31 December 2023, 2024 and 2025 and the weighted average number of ordinary shares of 75,665,000 outstanding during the years ended 31 December 2023, 2024 and the weighted average number of ordinary shares of 67,669,000 outstanding during the year ended 31 December 2025.

The Group had no potentially dilutive ordinary shares in issue throughout the Relevant Periods.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings	Building improvement	Plant and machinery	Furniture and fixtures	Motor vehicles	Electronic equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023								
At 1 January 2023:								
Cost	501,807	11,958	188,582	35,992	6,783	8,255	10,002	763,379
Accumulated depreciation	(130,207)	(5,996)	(76,508)	(18,721)	(5,941)	(6,075)	–	(243,448)
Net carrying amount	<u>371,600</u>	<u>5,962</u>	<u>112,074</u>	<u>17,271</u>	<u>842</u>	<u>2,180</u>	<u>10,002</u>	<u>519,931</u>
At 1 January 2023, net of accumulated depreciation	371,600	5,962	112,074	17,271	842	2,180	10,002	519,931
Additions	–	421	7,156	1,379	330	834	84,700	94,820
Disposals	–	–	–	–	(3)	(1)	–	(4)
Depreciation provided during the year	(24,315)	(2,217)	(18,258)	(5,340)	(268)	(857)	–	(51,255)
Transfers	<u>21,501</u>	<u>–</u>	<u>43,839</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(65,340)</u>	<u>–</u>
At 31 December 2023, net of accumulated depreciation	<u>368,786</u>	<u>4,166</u>	<u>144,811</u>	<u>13,310</u>	<u>901</u>	<u>2,156</u>	<u>29,362</u>	<u>563,492</u>
At 31 December 2023:								
Cost	523,308	12,379	239,569	37,371	7,054	9,085	29,362	858,128
Accumulated depreciation	<u>(154,522)</u>	<u>(8,213)</u>	<u>(94,758)</u>	<u>(24,061)</u>	<u>(6,153)</u>	<u>(6,929)</u>	<u>–</u>	<u>(294,636)</u>
Net carrying amount	<u>368,786</u>	<u>4,166</u>	<u>144,811</u>	<u>13,310</u>	<u>901</u>	<u>2,156</u>	<u>29,362</u>	<u>563,492</u>

Group	Buildings	Building improvement	Plant and machinery	Furniture and fixtures	Motor vehicles	Electronic equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024								
At 1 January 2024:								
Cost	523,308	12,379	239,569	37,371	7,054	9,085	29,362	858,128
Accumulated depreciation	(154,522)	(8,213)	(94,758)	(24,061)	(6,153)	(6,929)	–	(294,636)
Net carrying amount	368,786	4,166	144,811	13,310	901	2,156	29,362	563,492
At 1 January 2024, net of accumulated depreciation	368,786	4,166	144,811	13,310	901	2,156	29,362	563,492
Additions	–	41	11,239	998	1,270	891	70,321	84,760
Disposals	–	–	(150)	–	(12)	–	–	(162)
Depreciation provided during the year	(25,397)	(1,931)	(22,601)	(4,891)	(251)	(781)	–	(55,852)
Transfers	8,925	582	37,380	–	–	–	(46,887)	–
At 31 December 2024, net of accumulated depreciation	352,314	2,858	170,679	9,417	1,908	2,266	52,796	592,238
At 31 December 2024:								
Cost	532,233	13,002	287,424	38,369	8,077	9,976	52,796	941,877
Accumulated depreciation	(179,919)	(10,144)	(116,745)	(28,952)	(6,169)	(7,710)	–	(349,639)
Net carrying amount	352,314	2,858	170,679	9,417	1,908	2,266	52,796	592,238
Group	Buildings	Building improvement	Plant and machinery	Furniture and fixtures	Motor vehicles	Electronic equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025								
At 1 January 2025:								
Cost	532,233	13,002	287,424	38,369	8,077	9,976	52,796	941,877
Accumulated depreciation	(179,919)	(10,144)	(116,745)	(28,952)	(6,169)	(7,710)	–	(349,639)
Net carrying amount	352,314	2,858	170,679	9,417	1,908	2,266	52,796	592,238
At 1 January 2025, net of accumulated depreciation	352,314	2,858	170,679	9,417	1,908	2,266	52,796	592,238
Additions	365	2,651	25,135	432	2,305	939	128,005	159,832
Disposals	–	–	(32)	(2)	(14)	(1)	–	(49)
Depreciation provided during the year	(26,133)	(4,463)	(26,773)	(4,914)	(578)	(669)	–	(63,530)
Transfers	23,381	587	36,590	–	–	–	(60,558)	–
At 31 December 2025, net of accumulated depreciation	349,927	1,633	205,599	4,933	3,621	2,535	120,243	688,491
At 31 December 2025:								
Cost	555,979	10,612	348,597	38,799	10,099	10,865	120,243	1,095,194
Accumulated depreciation	(206,052)	(8,979)	(142,998)	(33,866)	(6,478)	(8,330)	–	(406,703)
Net carrying amount	349,927	1,633	205,599	4,933	3,621	2,535	120,243	688,491

Certain buildings had not completed property registration. The carrying amounts of these buildings as at 31 December 2023, 2024 and 2025 were RMB24,186,000, RMB22,827,000 and RMB17,759,000, respectively.

Company	Buildings RMB'000	Building improvement RMB'000	Plant and machinery RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2023								
At 1 January 2023:								
Cost	255,064	1,181	110,341	11,013	3,286	4,859	4,648	390,392
Accumulated depreciation	(67,861)	(270)	(37,467)	(9,443)	(3,031)	(3,478)	–	(121,550)
Net carrying amount	187,203	911	72,874	1,570	255	1,381	4,648	268,842
At 1 January 2023, net of accumulated depreciation	187,203	911	72,874	1,570	255	1,381	4,648	268,842
Additions	–	65	2,204	230	108	81	30,802	33,490
Disposals	–	–	–	–	–	(1)	–	(1)
Depreciation provided during the year	(12,200)	(148)	(10,225)	(479)	(111)	(458)	–	(23,621)
Transfers	10,135	–	7,175	–	–	–	(17,310)	–
At 31 December 2023, net of accumulated depreciation	185,138	828	72,028	1,321	252	1,003	18,140	278,710
At 31 December 2023:								
Cost	265,199	1,246	119,720	11,243	3,389	4,937	18,140	423,874
Accumulated depreciation	(80,061)	(418)	(47,692)	(9,922)	(3,137)	(3,934)	–	(145,164)
Net carrying amount	185,138	828	72,028	1,321	252	1,003	18,140	278,710
Company	Buildings RMB'000	Building improvement RMB'000	Plant and machinery RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024								
At 1 January 2024:								
Cost	265,199	1,246	119,720	11,243	3,389	4,937	18,140	423,874
Accumulated depreciation	(80,061)	(418)	(47,692)	(9,922)	(3,137)	(3,934)	–	(145,164)
Net carrying amount	185,138	828	72,028	1,321	252	1,003	18,140	278,710
At 1 January 2024, net of accumulated depreciation	185,138	828	72,028	1,321	252	1,003	18,140	278,710
Additions	–	–	1,418	14	296	335	20,266	22,329
Disposals	–	–	–	–	(12)	–	–	(12)
Depreciation provided during the year	(12,759)	(153)	(10,965)	(232)	(56)	(415)	–	(24,580)
Transfers	4,146	–	13,582	–	–	–	(17,728)	–
At 31 December 2024, net of accumulated depreciation	176,525	675	76,063	1,103	480	923	20,678	276,447
At 31 December 2024:								
Cost	269,345	1,246	134,720	11,257	3,438	5,272	20,678	445,956
Accumulated depreciation	(92,820)	(571)	(58,657)	(10,154)	(2,958)	(4,349)	–	(169,509)
Net carrying amount	176,525	675	76,063	1,103	480	923	20,678	276,447

Company	Buildings RMB'000	Building improvement RMB'000	Plant and machinery RMB'000	Furniture and fixtures RMB'000	Motor vehicles RMB'000	Electronic equipment RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025								
At 1 January 2025:								
Cost	269,345	1,246	134,720	11,257	3,438	5,272	20,678	445,956
Accumulated depreciation	(92,820)	(571)	(58,657)	(10,154)	(2,958)	(4,349)	–	(169,509)
Net carrying amount	176,525	675	76,063	1,103	480	923	20,678	276,447
At 1 January 2025, net of accumulated depreciation	176,525	675	76,063	1,103	480	923	20,678	276,447
Additions	1,019	461	6,195	140	1,225	233	25,853	35,126
Disposals	–	–	(5)	–	(14)	–	–	(19)
Depreciation provided during the year	(12,837)	(614)	(12,119)	(218)	(127)	(256)	–	(26,171)
Transfers	5,241	–	7,743	–	–	–	(12,984)	–
At 31 December 2025, net of accumulated depreciation	169,948	522	77,877	1,025	1,564	900	33,547	285,383
At 31 December 2025:								
Cost	275,605	1,246	148,563	11,397	4,380	5,505	33,547	480,243
Accumulated depreciation	(105,657)	(724)	(70,686)	(10,372)	(2,816)	(4,605)	–	(194,860)
Net carrying amount	169,948	522	77,877	1,025	1,564	900	33,547	285,383

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of office premises, equipment and others used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 5 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of office premises generally have lease terms of 2 to 5 years. Other lease agreements generally have lease terms of 12 months or less and are individually of low value.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Leasehold land RMB'000	Office premises RMB'000	Total RMB'000
As at 1 January 2023	88,750	2,127	90,877
Additions	150	3,856	4,006
Decrease as a result of lease modifications	–	(47)	(47)
Depreciation charge	(2,128)	(1,811)	(3,939)
As at 31 December 2023 and 1 January 2024	86,772	4,125	90,897
Depreciation charge	(2,311)	(2,092)	(4,403)
As at 31 December 2024 and 1 January 2025	84,461	2,033	86,494
Additions	–	3,731	3,731
Depreciation charge	(2,310)	(2,247)	(4,557)
As at 31 December 2025	82,151	3,517	85,668

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year	1,829	3,895	1,930
New leases	3,856	–	3,731
Accretion of interest recognised during the year	149	121	141
Payments	(1,892)	(2,086)	(2,836)
Lease modifications	(47)	–	–
Carrying amount at the end of the year	<u>3,895</u>	<u>1,930</u>	<u>2,966</u>
Analysed into:			
Current portion	1,965	784	2,360
Non-current portion	<u>1,930</u>	<u>1,146</u>	<u>606</u>

The maturity analysis of lease liabilities is disclosed in note 36 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	149	121	141
Depreciation charge of right-of-use assets	3,939	4,403	4,557
Expenses relating to short-term leases and leases of low-value assets (included in cost of sales, selling and distribution expenses or administrative expenses)	<u>2,910</u>	<u>3,749</u>	<u>4,374</u>
Total amount recognised in profit or loss	<u>6,998</u>	<u>8,273</u>	<u>9,072</u>

(d) The total cash outflow for leases is disclosed in note 29(c) to the Historical Financial Information.

16. OTHER INTANGIBLE ASSETS

<u>Group</u>	<u>Software</u> <i>RMB'000</i>	<u>Licences</u> <i>RMB'000</i>	<u>Total</u> <i>RMB'000</i>
31 December 2023			
At 1 January 2023:			
Cost	4,653	1,159	5,812
Accumulated amortisation	<u>(2,245)</u>	<u>(352)</u>	<u>(2,597)</u>
Net carrying amount	<u>2,408</u>	<u>807</u>	<u>3,215</u>
At 1 January 2023, net of accumulated amortisation	2,408	807	3,215
Additions	266	4	270
Amortisation provided during the year	<u>(526)</u>	<u>(103)</u>	<u>(629)</u>
At 31 December 2023	<u>2,148</u>	<u>708</u>	<u>2,856</u>
At 31 December 2023:			
Cost	4,919	1,163	6,082
Accumulated amortisation	<u>(2,771)</u>	<u>(455)</u>	<u>(3,226)</u>
Net carrying amount	<u>2,148</u>	<u>708</u>	<u>2,856</u>
<u>Group</u>	<u>Software</u> <i>RMB'000</i>	<u>Licences</u> <i>RMB'000</i>	<u>Total</u> <i>RMB'000</i>
31 December 2024			
At 1 January 2024:			
Cost	4,919	1,163	6,082
Accumulated amortisation	<u>(2,771)</u>	<u>(455)</u>	<u>(3,226)</u>
Net carrying amount	<u>2,148</u>	<u>708</u>	<u>2,856</u>
At 1 January 2024, net of accumulated amortisation	2,148	708	2,856
Additions	–	32	32
Amortisation provided during the year	<u>(439)</u>	<u>(64)</u>	<u>(503)</u>
At 31 December 2024	<u>1,709</u>	<u>676</u>	<u>2,385</u>
At 31 December 2024:			
Cost	4,919	1,195	6,114
Accumulated amortisation	<u>(3,210)</u>	<u>(519)</u>	<u>(3,729)</u>
Net carrying amount	<u>1,709</u>	<u>676</u>	<u>2,385</u>

Group	Software <i>RMB'000</i>	Licences <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2025			
At 1 January 2025:			
Cost	4,919	1,195	6,114
Accumulated amortisation	<u>(3,210)</u>	<u>(519)</u>	<u>(3,729)</u>
Net carrying amount	<u>1,709</u>	<u>676</u>	<u>2,385</u>
At 1 January 2025, net of accumulated amortisation	1,709	676	2,385
Additions	132	–	132
Amortisation provided during the year	<u>(673)</u>	<u>(8)</u>	<u>(681)</u>
At 31 December 2025	<u>1,168</u>	<u>668</u>	<u>1,836</u>
At 31 December 2025:			
Cost	5,051	1,195	6,246
Accumulated amortisation	<u>(3,883)</u>	<u>(527)</u>	<u>(4,410)</u>
Net carrying amount	<u>1,168</u>	<u>668</u>	<u>1,836</u>

17. INVENTORIES**Group**

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	52,305	77,472	66,664
Work in progress	306,122	338,019	546,342
Finished goods and goods in transit	<u>67,507</u>	<u>108,210</u>	<u>60,362</u>
Total	<u>425,934</u>	<u>523,701</u>	<u>673,368</u>

Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	24,533	27,241	16,247
Work in progress	74,339	84,210	183,851
Finished goods and goods in transit	<u>23,426</u>	<u>39,998</u>	<u>16,618</u>
Total	<u>122,298</u>	<u>151,449</u>	<u>216,716</u>

18. TRADE AND BILLS RECEIVABLES

Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	84,013	168,283	228,395
Impairment	(5,499)	(7,322)	(9,205)
Trade receivables, net	78,514	160,961	219,190
Bills receivable	2,012	1,967	1,806
Trade and bills receivables	80,526	162,928	220,996

The Group's trading terms with some customers are on credit. The credit term is generally one month, extending up to 30 to 60 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

All bills receivable of the Group are bank acceptance bills aged within 6 months. The Group considers that there is no material credit risk in the bank acceptance bills held by the Group.

An ageing analysis of the trade receivables of the Group as at the end of each of the Relevant Periods, based on the invoice date and net of allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	44,481	127,960	172,586
3 to 6 months	5,875	4,359	32,322
6 to 12 months	7,832	7,807	9,478
Over one year	20,326	20,835	4,804
Total	78,514	160,961	219,190

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	4,847	5,499	7,322
Impairment losses, net (note 7)	705	1,823	1,883
Amount written off as uncollectible	(53)	—	—
At end of year	5,499	7,322	9,205

An impairment test is performed at the end of each of the reporting periods by referencing to an external credit rating from Standard & Poor's or Moody's or assigning an internal credit rating with reference to the historical record of the Group and comparing it with companies with published ratings to determine the probability of default. Loss given default is estimated based on market information and is adjusted to reflect the effect of credit enhancement and other information of the specific debtors. The loss rate is then adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. Generally, trade receivables are written off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Set out below is the information about the credit risk exposure on the Group's trade receivables:

<u>Class of credit rating</u>	<i>Notes</i>	<u>Expected credit loss rate</u> %	<u>Gross carrying amount</u> RMB'000	<u>Expected credit losses</u> RMB'000
31 December 2023				
Class 1	(I)	0.38	25,750	98
Class 2	(II)	3.19	54,605	1,743
Class 3	(III)	100.00	3,658	3,658
Total			84,013	5,499

<u>Class of credit rating</u>	<i>Notes</i>	<u>Expected credit loss rate</u> %	<u>Gross carrying amount</u> RMB'000	<u>Expected credit losses</u> RMB'000
31 December 2024				
Class 1	(I)	0.08	42,761	33
Class 2	(II)	2.98	121,867	3,634
Class 3	(III)	100.00	3,655	3,655
Total			168,283	7,322

<u>Class of credit rating</u>	<i>Notes</i>	<u>Expected credit loss rate</u> %	<u>Gross carrying amount</u> RMB'000	<u>Expected credit losses</u> RMB'000
31 December 2025				
Class 1	(I)	0.06	60,228	37
Class 2	(II)	2.97	163,868	4,869
Class 3	(III)	100.00	4,299	4,299
Total			228,395	9,205

- (I) Class 1 customers receive external credit ratings equal to or above B from Standard & Poor's or Aa2 from Moody's.
- (II) Class 2 customers receive no external credit ratings. The management assigns an internal credit rating with reference to the historical record of the Group and compares it with companies with published ratings to determine in the probability of default.
- (III) Class 3 customers have no recent transactions with the Group. Receivables were past due and the Group has substantial evidence indicating that the receivables are irrecoverable.

Transfers of financial assets*Transferred financial assets that are not derecognised in their entirety*

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese mainland (the “**Endorsed Bills**”) with carrying amounts of RMB2,012,000, RMB1,967,000 and RMB1,806,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the “**Endorsement**”). In the opinion of the Company’s directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

Transferred financial assets that are derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivable accepted by banks in Chinese mainland (the “**Derecognised Bills**”) to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB29,977,000, RMB28,628,000 and RMB49,078,000, respectively. The Derecognised Bills had a maturity of one to nine months at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the “**Continuing Involvement**”). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the years ended 31 December 2023, 2024 and 2025, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the years or cumulatively. The endorsement has been made evenly throughout the years.

The aggregate amounts of the trade payables settled by the bills receivable to which the suppliers have recourse and were matured were RMB25,655,000, RMB39,455,000, and RMB35,473,000 during the years ended 31 December 2023, 2024 and 2025, respectively.

Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	58,904	85,555	86,314
Impairment	(2,258)	(2,411)	(1,721)
Trade receivables, net	56,646	83,144	84,593
Bills receivable	1,214	888	373
Trade and bills receivables	57,860	84,032	84,966

An ageing analysis of the trade receivables of the Company as at the end of each of the Relevant Periods, based on the invoice date and net of allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	25,238	54,620	52,963
3 to 6 months	5,729	3,027	23,319
6 to 12 months	7,523	5,639	6,370
Over one year	18,156	19,858	1,941
Total	56,646	83,144	84,593

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	1,946	2,258	2,411
Impairment losses/(write-back of impairment), net	362	153	(690)
Amount written off as uncollectible	(50)	—	—
At end of year	2,258	2,411	1,721

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments to suppliers	27,363	35,274	32,558
Prepayments for non-current assets	12,291	32,133	66,903
Value-added tax recoverable	16,147	15,286	27,481
Advertising endorsement fee	7,556	10,595	1,537
Deposits	5,200	16,363	7,422
Receivables from employees	5,430	4,633	4,728
Other receivables	7,969	32,328	40,058
Deferred listing expense	—	1,412	3,115
	81,956	148,024	183,802
Impairment allowance	(335)	(655)	(1,253)
Total	81,621	147,369	182,549
Analysed into:			
Current portion	69,330	115,236	115,646
Non-current portion	12,291	32,133	66,903

The movements in the loss allowance for impairment of deposits and other receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	321	335	655
Impairment losses, net	14	320	598
At end of year	335	655	1,253

An impairment analysis is performed at the end of each of the reporting periods by considering the probability of default of the industry. As at 31 December 2023, 2024 and 2025, the probability of default applied ranged from 0.001% to 5.08%, 0.001% to 4.35% and 0.001% to 5.19%, respectively, and the loss given default was estimated to be 70.30%, 70.30% and 70.30%, respectively. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments to suppliers	13,909	15,782	16,981
Prepayments for non-current assets	2,246	6,218	46,685
Advertising endorsement fee	–	–	248
Deposits	706	10,832	457
Receivables from employees	661	793	803
Amounts due from subsidiaries*	373,233	342,608	215,971
Deferred listing expense	–	1,412	3,115
Other receivables	1,824	8,992	11,706
	392,579	386,637	295,966
Impairment allowance	(54)	(264)	(331)
Total	392,525	386,373	295,635
Analysed into:			
Current portion	390,279	380,155	248,950
Non-current portion	2,246	6,218	46,685

* Amounts due from subsidiaries mainly represent excess operating cash transferred from the Company to the subsidiaries and are unsecured, interest-free and repayable on demand.

The movements in the loss allowance for impairment of deposits, amounts due from subsidiaries and other receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	72	54	264
(Write-back of impairment)/impairment losses, net	(18)	210	67
At end of year	54	264	331

Where applicable, an impairment analysis is performed at the end of each of the reporting periods by considering the probability of default of the industry. As at 31 December 2023, 2024 and 2025, the probability of default applied ranged from 0.001% to 4.95%, 0.001% to 4.35% and 0.001% to 5.19%, respectively, and the loss given default was estimated to be 70.30%, 70.30% and 70.30%, respectively. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

20. CASH AND CASH EQUIVALENTS

Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	102,124	127,709	111,091
Less: Pledged bank deposits	34,732	49,662	77,187
Cash and cash equivalents	67,392	78,047	33,904

At 31 December 2023, 2024 and 2025, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to RMB101,612,000, RMB125,735,000 and RMB100,459,000, respectively. The RMB is not freely convertible into other currencies, however, under the Chinese mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Pledged bank deposits are pledged to banks for the issuance of the Group’s bills payable and letters of credit.

Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	77,068	84,051	69,622
Less: Pledged bank deposits	28,707	37,448	62,741
Cash and cash equivalents	48,361	46,603	6,881

21. TRADE AND BILLS PAYABLES

Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	128,792	213,148	239,060
Bills payable	56,165	77,761	107,069
Total	184,957	290,909	346,129

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	115,920	199,770	197,133
3 to 6 months	11,095	11,364	35,343
6 to 12 months	374	300	5,048
Over one year	1,403	1,714	1,536
Total	128,792	213,148	239,060

Trade payables are non-interest-bearing and are normally repaid within 3 months, and bills payable are aged within 6 months based on the time of purchase.

Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	51,520	91,364	100,244
Amounts due to subsidiaries*	1,061	7,963	841
Bills payable	50,140	60,549	99,653
Total	102,721	159,876	200,738

* As at 31 December 2023, 2024 and 2025, amounts due to subsidiaries are unsecured, interest-free and repayable on demand and are trade in nature.

An ageing analysis of the trade payables and amounts due to subsidiaries as at the end of each of the reporting periods, based on the invoice date, is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	42,746	87,868	87,530
3 to 6 months	9,309	10,963	8,464
6 to 12 months	110	101	4,747
Over one year	416	395	344
Total	52,581	99,327	101,085

22. OTHER PAYABLES AND ACCRUALS

Group

	<i>Notes</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities	(a)	122,252	73,226	83,809
Payables for purchase of property, plant and equipment		43,367	37,710	63,811
Payroll payables		30,505	37,121	20,047
Other tax payables		25,579	27,564	27,137
Deposits		21,589	21,402	16,594
Accrued expenses		19,100	37,740	16,719
Due to related parties (<i>note 33</i>)		28	28	–
Other payables	(b)	18,559	23,884	30,767
Total		<u>280,979</u>	<u>258,675</u>	<u>258,884</u>

Notes:

(a) Details of contract liabilities are as follows:

	As at 1 January	As at 31 December		
	2023	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<i>Short-term advances received from customers</i>				
Sale of goods	<u>108,844</u>	<u>122,252</u>	<u>73,226</u>	<u>83,809</u>

The amounts of consideration received in advance as prepayments by customers are short term as the respective revenue is expected to be recognised within one year when the goods are accepted by customers. Contract liabilities mainly arise from the advance payments received from distributors while the underlying goods are yet to be provided. The increase in contract liabilities in 2023 was in line with the growth of the Group's business to distributors. The decrease in contract liabilities in 2024 was mainly due to the shift in sales focus to direct channels and a decrease in sales to distributors in 2024. The increase in contract liabilities in 2025 was mainly due to the increase in advanced payments received from distributors near the end of 31 December 2025.

(b) Other payables are unsecured, non-interest-bearing and repayable on demand.

Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Accrued expenses	1,949	1,292	1,396
Payables for purchase of property, plant and equipment	24,613	19,912	28,732
Payroll payables	13,388	14,121	6,602
Other tax payables	5,593	9,566	7,857
Amounts due to subsidiaries*	478,893	537,974	439,907
Contract liabilities (<i>note (a)</i>)	821	1,496	1,872
Deposits	1,564	2,081	1,640
Due to related parties	28	28	—
Other payables	3,427	10,153	14,394
Total	530,276	596,623	502,400

* Amounts due to subsidiaries arise from excess operating cash of subsidiaries transferred to the Company and are unsecured, interest-free and repayment on demand.

(a) Details of contract liabilities are as follows:

	As at 1 January	As at 31 December		
	2023	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Short-term advances received from customers</i>				
Sale of goods	1,933	821	1,496	1,872

The amounts of consideration received in advance as prepayments by customers are short term as the respective revenue is expected to be recognised within one year when the goods are accepted by customers.

23. INTEREST-BEARING BANK BORROWINGS

Group

	As at 31 December 2023		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans — unsecured	2.90–4.57	2024	180,197

As at 31 December 2024			
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>
Current			
Bank loans — unsecured	<u>2.05–4.57</u>	<u>2025</u>	<u>321,333</u>
As at 31 December 2025			
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>
Current			
Bank loans — unsecured	<u>1.80–3.80</u>	<u>2026</u>	<u>475,393</u>
As at 31 December			
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Analysed into:			
Bank loans repayable:			
Within one year	<u>180,197</u>	<u>321,333</u>	<u>475,393</u>
Total	<u>180,197</u>	<u>321,333</u>	<u>475,393</u>

At 31 December 2023 and 2024, all of these bank loans were guaranteed by subsidiaries of the Group and the controlling shareholder and his spouse. At 31 December 2025, bank loans of RMB225,223,000 were guaranteed by the subsidiaries of the Group and bank loans of RMB250,170,000 were guaranteed by subsidiaries of the Group and the controlling shareholder and his spouse.

Company

As at 31 December 2023			
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>
Current			
Bank loans — unsecured	<u>2.90–4.57</u>	<u>2024</u>	<u>122,601</u>
As at 31 December 2024			
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>
Current			
Bank loans — unsecured	<u>2.05–4.57</u>	<u>2025</u>	<u>174,172</u>

	As at 31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans — unsecured	1.80–3.80	2026	256,212
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Analysed into:			
Bank loans repayable:			
Within one year	122,601	174,172	256,212
Total	122,601	174,172	256,212

24. FINANCIAL LIABILITIES AT FVTPL

Group and Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Redeemable ordinary shares	468,677	171,109	—
Analysed into:			
Current portion	262,535	171,109	—
Non-current portion	206,142	—	—

Certain independent investors subscribed to or acquired the Company's ordinary shares with preferential rights that were designated as financial liabilities at FVTPL and were subsequently measured at fair value.

In June 2015, the Company entered into an investment agreement with an independent investor, Beijing Sequoia Xinyuan Equity Investment Center (Limited Partnership) (北京紅杉信遠股權投資中心(有限合夥)), pursuant to which the investor made a total investment of RMB135,000,000 in the Company as consideration for subscription of the Company's 10,588,000 ordinary shares ("Series A Shares"). The Company had received all investment funds for the Series A Shares by June 2015.

In October 2016, the Company entered into an investment agreement with an independent investor, Mr. Li Qing, pursuant to which the investor made a total investment of RMB102,632,000 in the Company as consideration for subscription of the Company's 3,715,000 ordinary shares ("Series B Shares"). The Company had received all investment funds for Series B Shares by October 2016. In December 2019, the investor transferred all his equity to another independent investor, Shenzhen Junrong Partnership (Limited Partnership) (深圳君榮實業合夥企業(有限合夥)), at a consideration of RMB118,500,000.

In August 2020, an independent investor, Changsha Nuoxiang Jinhong Equity Investment Partnership Enterprise (Limited Partnership) (長沙諾享瑾鴻股權投資合夥企業(有限合夥)), acquired a 1.2% equity interest (“**Series C1 Shares**”) in the Company from Mr. Yang Fan, the controlling shareholder. The consideration of RMB28,800,000 was in the form of cash, which was fully received in October 2020 by Mr. Yang Fan.

In December 2020, the Company entered into an investment agreement with an independent investor, Changsha Nuoxiang Dongchen Equity Investment Partnership Enterprise (Limited Partnership) (長沙諾享東辰股權投資合夥企業(有限合夥)), pursuant to which the investor made a total investment of RMB43,992,000 in the Company as consideration for subscription of the Company’s 1,362,000 ordinary shares (“**Series C2 Shares**”). The Company had received full consideration by December 2020.

In January 2021, all shareholders of the Company signed a supplementary investment agreement. The investors of Series A Shares, Series B Shares, Series C1 Shares and Series C2 Shares were granted certain preferential rights, including, but not limited to, redemption rights, anti-dilution rights and liquidation rights. The investments from the investors shall be redeemed by the controlling shareholder, a third party designated by the controlling shareholder or the Company, at the option of the investors, upon the occurrence of certain contingent events, including a qualified initial public offering (“**IPO**”) by 29 December 2023.

In November 2023, the investors of Series C1 Shares and Series C2 Shares signed a supplementary agreement to modify relevant terms of redemption rights. The investments shall be redeemed by the controlling shareholder, a third party designated by the controlling shareholder or the Company if a qualified IPO has not been consummated by 30 June 2025.

In December 2023, the investor of Series B Shares signed a supplementary agreement to modify relevant terms of redemption rights. The investments shall be redeemed by the controlling shareholder, a third party designated by the controlling shareholder or the Company if a qualified IPO has not been consummated by 30 December 2025.

In June 2024, the Company entered into an agreement pursuant to which the Series A Shares investor exercised the redemption right and required the Company to repurchase 10,588,000 ordinary shares through a capital reduction. In November 2024, the Company paid RMB135,000,000 to the investor to redeem certain ordinary shares from the Company and the remaining consideration of RMB125,809,000 was settled in January 2025. The redemption liabilities of Series A Shares were fully settled in January 2025.

In June 2024, the Company entered into a supplemental agreement (“**Termination Agreement**”) with investors of Series B Shares, Series C1 Shares and Series C2 Shares. The redemption rights and other preferential rights granted by the Company to these three investors were terminated effective from the date of execution or signing the relevant supplemental agreement and shall not be reinstated under any circumstances.

In December 2024, the Company entered into an investment agreement with two independent investors, Wuhu Hua’an Zhanxin Equity Investment Fund Partnership (Limited Partnership) (蕪湖華安戰新股權投資基金合夥企業(有限合夥)) (“**Series D1 Shares**”) and Wuhu Fanchang District Xingnong Industrial Investment Fund Co., Ltd. (蕪湖市繁昌區興農產業投資基金有限公司) (“**Series D2 Shares**”), pursuant to which the Series D1 Shares investor made a total investment of RMB40,000,000 as consideration for subscription of the Company’s 1,211,000 ordinary shares and Series D2 Shares investor made a total investment of RMB35,000,000 as consideration for subscription of the Company’s 1,059,000 ordinary shares. The Company had received full consideration of Series D1 Shares and Series D2 Shares by December 2024 and January 2025, respectively.

According to the investment agreements effective during the Relevant Periods, the key features of the preferential rights, namely liquidation rights, anti-dilution rights and redemption rights, are summarised as follows:

(a) Liquidation rights

Series A Shares/Series B Shares/Series C1 and C2 Shares

In the event of any liquidation, dissolution or termination of the Company, after paying the liquidation expenses, employees' wages and labour insurance expenses, taxes owed and the Company's debts in accordance with the law, the remaining assets obtained after the liquidation of the Company shall be distributed in the following order: (i) Series C2 Shares holder has the right to priority distribution according to the proportion of the Company's equity held at that time; (ii) Series C1 Shares holder has the right to priority distribution according to the proportion of the Company's equity held at that time; (iii) Series B Shares holder has the right to priority distribution according to the proportion of the Company's equity held at that time, (iv) Series A Shares holder has the right to obtain the amount equivalent to 100% of the investment paid and the undistributed profit corresponding to the shares obtained based on shareholding.

Series D1 and D2 Shares

There is no liquidation priority in this agreement.

(b) Anti-dilution rights

Series A Shares/Series B Shares/Series C1 and C2 Shares

If the Company issues new shares, any new instruments that are convertible into shares, or increases its paid-in capital at a price lower than the price paid by the investors of Series A Shares, Series B Shares, Series C1 Shares and Series C2 Shares on a per paid-in capital basis, the investors have a right to require the Company to issue additional paid-in capital at nil consideration or the lowest issue price permitted by law to the investors, and the investors also have a right to require the controlling shareholders to transfer shares to the investors at nil consideration or at the lowest issue price permitted by law, so that the total amount paid by the investors, divided by the total amount of paid-in capital obtained, is equal to the price per paid-in capital in the new issuance.

Series D1 and D2 Shares

If the Company issues new shares or increases its paid-in capital at a price lower than the price paid by the investors of Series D1 and Series D2 Shares on a per paid-in capital basis, the investors have a right to require the controlling shareholder to transfer shares at nil consideration, or require the Company to issue additional shares at the lowest price permitted by law to the investors, and the investors also have a right to require the controlling shareholders or the Company to refund the price difference between the original paid-in capital price and the new paid-in capital price based on the respective shareholding in the Company, so that the total amount paid by the investors, divided by the total amount of paid-in capital obtained, is equal to the price per paid-in capital in the new issuance.

(c) Redemption rights***Series A Shares/Series B Shares/Series C1 and C2 Shares***

The investments from the investors shall be redeemed by the Company, certain shareholders (or third party designated by certain shareholders), at the option of the investors, upon the occurrence of certain contingent events, including: (i) a qualified IPO has not been consummated by a certain date, or (ii) major violations of investment agreements by the Group or the controlling shareholders of the Company, with failure to remedy such acts within the required time limit. The repurchase price is the original investment principal from the Series A Shares and Series B Shares investors plus a simple interest rate of 10% per annum and reduced by the accumulated dividends distributed to the Series A Shares and Series B Shares investors based on their respective shareholdings in the Company, while the repurchase price for Series C1 Shares and Series C2 Shares investors is the original investment principal plus a simple interest rate of 8% per annum and reduced by the accumulated dividends distributed or compensation paid to the Series C1 Shares and Series C2 Shares investors based on their respective shareholdings in the Company.

Series D1 and D2 Shares

The investments from the investors shall be redeemed by the Company, the controlling shareholder or his spouse, at the option of the investors, upon the occurrence of certain contingent events, including a qualified IPO has not been consummated by 31 December 2025. The repurchase price is the investment principal based on their respective shareholdings in the Company plus a simple interest rate of 6% per annum and reduced by the accumulated investment income paid or dividends distributed to the investors.

Presentation and classification

The Company recognised the Series A Shares, Series D1 Shares, Series D2 Shares, and for Series B Shares, Series C1 Shares and Series C2 Shares, prior to the execution of the Termination Agreement, issued to the investors as financial liabilities at FVTPL and classified them as liabilities, because not all triggering payment events mentioned in the key terms above were within the control of the Company and these financial instruments did not meet the definition of equity for the Company. Financial liabilities are measured at fair value and any changes in the fair value of the financial liabilities were recorded in "Fair value loss on financial liabilities at FVTPL" in the consolidated statements of profit or loss and other comprehensive income. The directors of the Company considered that the changes in the fair value of the Series A Shares, Series B Shares, Series C1 Shares, Series C2 Shares, Series D1 Shares and Series D2 Shares attributable to the changes in credit risk of the Group were minimal.

Upon the execution of the Termination Agreement, the redemption rights and other preferential rights granted by the Company to Series B Shares, Series C1 Shares and Series C2 Shares investors were terminated. The financial liabilities at FVTPL were then derecognised and reclassified to capital reserve as the substance of the transaction is a shareholder's transaction.

The movements in the financial liabilities at FVTPL are as follows:

	Series A Shares RMB'000	Series B Shares RMB'000	Series C1 Shares and Series C2 Shares RMB'000	Series D1 Shares RMB'000	Series D2 Shares RMB'000	Total RMB'000
At 1 January 2023	256,978	131,741	73,932	–	–	462,651
Changes in fair value	5,557	360	109	–	–	6,026
At 31 December 2023 and 1 January 2024	262,535	132,101	74,041	–	–	468,677
Changes in fair value	3,574	(1,456)	(493)	–	–	1,625
Payment for repurchase of shares issued to an investor	(135,000)	–	–	–	–	(135,000)
Termination of preferential rights (Note a)	–	(130,645)	(73,548)	–	–	(204,193)
Issuance of shares to a new investor (Note b)	–	–	–	40,000	–	40,000
At 31 December 2024 and 1 January 2025	131,109	–	–	40,000	–	171,109
Changes in fair value	(5,300)	–	–	–	–	(5,300)
Payment for repurchase of shares issued to an investor	(125,809)	–	–	–	–	(125,809)
Issuance of shares to a new investor (Note b)	–	–	–	–	35,000	35,000
Termination of preferential rights (Note a)	–	–	–	(40,000)	(35,000)	(75,000)
At 31 December 2025	–	–	–	–	–	–

Notes:

- (a) In June 2024, the liquidation preferences, redemption rights and anti-dilution rights attached to the Series B Shares, Series C1 Shares and Series C2 Shares granted by the Company were terminated. In March 2025, the redemption rights and anti-dilution rights attached to the Series D1 and Series D2 granted by the Company were terminated. Financial liabilities at FVTPL were then derecognised and reclassified to capital reserve as the substance of the transaction is a shareholder's transaction.
- (b) In December 2024, the Company entered into an investment agreement with two independent investors in respect of the Series D1 Shares and Series D2 Shares. The Company had received full consideration of Series D1 Shares and Series D2 Shares by December 2024 and January 2025, respectively. The Company held a shareholders' meeting and approved the resolution to increase the registered capital and completed accordingly the business registration in January 2025 and February 2025, respectively.

For Series A Shares, Series B Shares, Series C1 and C2 Shares, the Company applied the discounted cash flow method ("DCF") to determine the underlying share value of the Company and performed an equity allocation based on the hybrid method to arrive at the fair value of the investors' shares at the end of each of the Relevant Periods with reference to valuation reports carried out by PG Advisory ("PGA"), an independent qualified valuer. The hybrid method is a hybrid between the probability-weighted expected return method ("PWERM") and the option pricing method ("OPM"), estimating the probability-weighted value across multiple scenarios while using the OPM to estimate the allocation of value within one or more of those scenarios.

In addition to the underlying share value of the Company determined by the DCF, other key valuation assumptions used in the OPM model to determine the fair value are as follows:

	As at 31 December	
	2023	2024
Risk-free interest rate	2.2%	1.5%
Discount for lack of marketability ("DLOM")	10.1%	8.0%
Volatility	37.2%	35.8%

The investment consideration of Series D1 Shares was received by the Company on 26 December 2024. The Company applied the recent transaction price valuation method to determine the fair value of the financial liabilities at FVTPL at 31 December 2024 and at the date of termination of preferential rights for Series D1 Shares.

The investment consideration of Series D2 Shares was received by the Company on 3 January 2025. The Company applied the recent transaction price valuation method to determine the fair value of the financial liabilities at FVTPL at the date of termination of preferential rights for Series D2 Shares.

25. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits <i>RMB'000</i>	Unrealised profits for intercompany transactions <i>RMB'000</i>	Impairment of assets <i>RMB'000</i>	Deferred income <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	35,306	7,149	3,764	950	457	1,176	48,802
Deferred tax (charged)/credited to profit or loss during the year (<i>note 11</i>)	(6,715)	596	(262)	(182)	516	5,387	(660)
Gross deferred tax assets at 31 December 2023	<u>28,591</u>	<u>7,745</u>	<u>3,502</u>	<u>768</u>	<u>973</u>	<u>6,563</u>	<u>48,142</u>
At 1 January 2024	28,591	7,745	3,502	768	973	6,563	48,142
Deferred tax (charged)/credited to profit or loss during the year (<i>note 11</i>)	(17,785)	1,240	453	(122)	(491)	(2,869)	(19,574)
Gross deferred tax assets at 31 December 2024	<u>10,806</u>	<u>8,985</u>	<u>3,955</u>	<u>646</u>	<u>482</u>	<u>3,694</u>	<u>28,568</u>
At 1 January 2025	10,806	8,985	3,955	646	482	3,694	28,568
Deferred tax (charged)/credited to profit or loss during the year (<i>note 11</i>)	(7,420)	1,386	701	389	259	3,219	(1,466)
Gross deferred tax assets at 31 December 2025	<u>3,386</u>	<u>10,371</u>	<u>4,656</u>	<u>1,035</u>	<u>741</u>	<u>6,913</u>	<u>27,102</u>

Deferred tax liabilities

	Depreciation allowance in excess of related depreciation <i>RMB'000</i>	Right-of- use assets <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	1,198	532	1,730
Deferred tax (credited)/charged to profit or loss during the year (<i>note 11</i>)	(187)	499	312
Gross deferred tax liabilities at 31 December 2023	<u>1,011</u>	<u>1,031</u>	<u>2,042</u>
At 1 January 2024	1,011	1,031	2,042
Deferred tax charged/(credited) to profit or loss during the year (<i>note 11</i>)	5,437	(523)	4,914
Gross deferred tax liabilities at 31 December 2024	<u>6,448</u>	<u>508</u>	<u>6,956</u>
At 1 January 2025	6,448	508	6,956
Deferred tax charged to profit or loss during the year (<i>note 11</i>)	5,431	371	5,802
Gross deferred tax liabilities at 31 December 2025	<u>11,879</u>	<u>879</u>	<u>12,758</u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statements of financial position	<u>46,100</u>	<u>21,612</u>	<u>14,344</u>

Deferred tax assets have not been recognised in respect of tax losses of RMB5,177,000, RMB10,237,000 and RMB9,347,000, respectively, which arose in Chinese mainland and were available for offsetting against future taxable profits in one to five years at 31 December 2023, 2024 and 2025, as it is not considered probable that taxable profits will be available against which the above items can be utilised.

26. SHARE CAPITAL

Shares

	As at 31 December		
	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Issued and fully paid:			
Ordinary shares with a par value of RMB1.00 each	<u>75,665</u>	<u>75,665</u>	<u>67,347</u>

A summary of movements in the Company's share capital is as follows:

	<u>Number of shares in issue</u>	<u>Share capital</u> <i>RMB'000</i>
At 1 January 2023, 31 December 2023, 1 January 2024, 31 December 2024, and 1 January 2025	<u>75,665,000</u>	<u>75,665</u>
Investment redeemed by an investor (<i>Note (a)</i>)	(10,588,000)	(10,588)
Issue of shares (<i>Note (b)</i>)	<u>2,270,000</u>	<u>2,270</u>
At 31 December 2025	<u><u>67,347,000</u></u>	<u><u>67,347</u></u>

Notes:

- (a) In June 2024, the Company entered into an agreement pursuant to which the Series A Shares investor exercised the redemption right to repurchase the Series A Shares of 10,588,000 ordinary shares from the Company through a capital reduction. In November 2024, the Company paid RMB135,000,000 to the investor to redeem certain ordinary shares from the Company and the remaining consideration of RMB125,809,000 was settled in January 2025. The redemption liabilities of Series A Shares were fully settled in January 2025. In January 2025, the Company completed the registration of this capital reduction with relevant authority.
- (b) In January 2025, the general meeting of shareholders approved the resolution to increase the registered capital of the Company by 1,211,000 ordinary shares with an amount of RMB40,000,000 for Series D1 Shares and 1,059,000 ordinary shares with an amount of RMB35,000,000 for Series D2 Shares. The Company received full consideration for the Series D1 Shares and Series D2 Shares in December 2024 and January 2025, respectively. In February 2025, the Company completed the registration of the increase in registered capital with relevant authority. The Company increased its share capital by 1,211,000 ordinary shares for Series D1 Shares investor and 1,059,000 ordinary shares for Series D2 Shares investor.

27. RESERVES

Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity on page I-7 to page I-8 of the Historical Financial Information.

(a) Capital reserve

The capital reserve represents capital contribution from shareholders of the Group and share-based payment reserves. Details of the movement in capital reserve are set out in the consolidated statements of changes in equity of the Historical Financial Information.

(b) Statutory reserve

In accordance with the PRC Company Law and the articles of association of the Company, the Company is required to appropriate 10% of its net profits after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the Company, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital provided that the balance after this conversion is not less than 25% of the registered capital of the Company. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

Company

	Share capital	Capital reserve	Statutory reserve	(Accumulated loss)/retained profits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	75,665	19,541	12,408	(95,475)	12,139
Profit and total comprehensive income for the year	–	–	–	7,700	7,700
Equity-settled share-based payment expenses	–	337	–	–	337
At 31 December 2023	<u>75,665</u>	<u>19,878</u>	<u>12,408</u>	<u>(87,775)</u>	<u>20,176</u>
	Share capital	Capital reserve	Statutory reserve	(Accumulated loss)/retained profits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	75,665	19,878	12,408	(87,775)	20,176
Profit and total comprehensive income for the year	–	–	–	18,839	18,839
Derecognition of redemption liabilities due to cancellation of redemption rights	–	204,193	–	–	204,193
Equity-settled share-based payment expenses	–	571	–	–	571
At 31 December 2024	<u>75,665</u>	<u>224,642</u>	<u>12,408</u>	<u>(68,936)</u>	<u>243,779</u>

	Share capital	Capital reserve	Statutory reserve	(Accumulated loss)/retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	75,665	224,642	12,408	(68,936)	243,779
Profit and total comprehensive income for the year	—	—	—	27,002	27,002
Equity-settled share-based payment expenses	—	6,591	—	—	6,591
Issue of Series D1 Shares and Series D2 Shares (<i>note 26</i>)	2,270	72,730	—	—	75,000
Transfer of Series D1 and Series D2 Shares to capital reserve upon issuance of shares with preferential right	—	(75,000)	—	—	(75,000)
Derecognition of redemption liabilities due to cancellation of redemption rights (<i>note 24</i>)	—	75,000	—	—	75,000
Capital reduction of Series A Shares (<i>note 26</i>)	(10,588)	(250,221)	—	—	(260,809)
Derecognition of redemption liabilities due to capital reduction of Series A Shares (<i>note 24</i>)	—	260,809	—	—	260,809
At 31 December 2025	<u>67,347</u>	<u>314,551</u>	<u>12,408</u>	<u>(61,262)</u>	<u>352,372</u>

28. SHARE-BASED PAYMENTS

In June 2015, Anhui Jurun Investment Co., Ltd., a company wholly owned by the controlling shareholder of the Company, Mr. Yang Fan, and his spouse Ms. Li Huimin, transferred 2,400,000 shares of the Company to Wuhu Kailai Star Investment Partnership Enterprise (Limited Partnership) (蕪湖凱萊之星投資合夥企業(有限合夥)) (“**Kailai Star**”) at a price of RMB3 per share, with a total transfer consideration of RMB7,200,000. As at this equity transfer date, the Company was 100% owned by the controlling shareholder and his spouse.

The Group adopted share incentive plans for the purpose of attracting and retaining directors, senior management, employees who promote the success of the Group's operations. Kailai Star was established as an employee shareholding platform to grant restricted shares to employees. Out of 67,347,000 issued ordinary shares of the Company, 2,400,000 shares were held by Kailai Star.

On 20 August 2015 (the date of grant), 350,000 restricted shares were granted to 15 eligible participants at a price of RMB3 per share. The fair value of restricted shares granted was RMB3.44 per share at the grant date. During the years ended 31 December 2023, 2024 and 2025, no shares were forfeited. At 31 December 2023, 2024 and 2025, the Company had 145,000, 145,000 and 145,000 restricted shares, respectively. The fair value of the shares granted was estimated as at the date of grant using the backsolve method, taking into account the terms and conditions upon which the restricted shares were granted.

On 21 June 2018 (the date of grant), 371,000 restricted shares were granted to 22 eligible participants at a price of RMB6 per share. The fair value of restricted shares granted was RMB11.28 per share at the grant date. During the years ended 31 December 2023, 2024 and 2025, no shares were forfeited. At 31 December 2023, 2024 and 2025, the Company had 92,000, 92,000 and 92,000 restricted shares, respectively. The fair value of the shares granted was estimated as at the date of grant using the interpolation method, taking into account the terms and conditions upon which the restricted shares were granted.

On 15 January 2020 (the date of grant), 166,000 restricted shares were granted to 19 eligible participants at a price of RMB6 per share. The fair value of restricted shares granted was RMB17.68 per share at the grant date. During the years ended 31 December 2023, 2024 and 2025, 10,000 shares, no shares, and no shares were forfeited, respectively, because of the resignation of employees. At 31 December 2023, 2024 and 2025, the Company had 100,000, 100,000 and 100,000 restricted shares, respectively. The fair value of the shares granted was estimated as at the date of grant using the market approach — comparable companies multiples approach, taking into account the terms and conditions upon which the restricted shares were granted.

On 8 October 2023 (the date of grant), 237,000 restricted shares were granted to 12 eligible participants at a price of RMB6 or RMB8 per share. The fair value of restricted shares granted was RMB18.21 per share at the grant date. During the years ended 31 December 2023, 2024 and 2025, no shares were forfeited. During the year ended 31 December 2025, 10,000 restricted shares granted to employees were cancelled during the vesting period. At 31 December 2023, 2024 and 2025, the Company had 237,000, 237,000 and 227,000 restricted shares, respectively. The fair value of the shares granted was estimated as at the date of grant using the hybrid method between the PWERM and the OPM, taking into account the terms and conditions upon which the restricted shares were granted.

In January 2025, the Group granted equity incentive awards to 37 employees. After taking into account the number of employees eligible for the above share incentive plans, the number of partners of Kailai Star would exceed the upper limit stipulated in Kailai Star' partnership agreement. Mr. Yang Fan, the controlling shareholder of the Company, transferred 41.67% equity interests in Kailai Star (corresponding to 1,000,000 shares of the Company) for consideration of RMB3,000,000 to Wuhu Liuliu Star Enterprise Management Partnership (Limited Partnership) (蕪湖溜溜之星企業管理合夥企業(有限合夥)) ("Liuliu Star"), which was established in January 2025 as an employee shareholding platform to grant restricted shares to employees.

On 20 January 2025 (the date of grant), 997,000 restricted shares were granted to 37 eligible participants at a price of RMB6 or RMB8 per share. The fair value of restricted shares granted was RMB26.39 per share at the grant date. During the year ended 31 December 2025, 100,000 shares were forfeited because of the resignation of employees, and 200,000 shares granted to employees were cancelled during the vesting period. At 31 December 2025, the Company had 697,000 restricted shares. The fair value of the shares granted was estimated as at the date of grant using the backsolve method, taking into account the terms and conditions upon which the restricted shares were granted.

For the restricted shares granted in 2015, 2018 and 2020, the vesting conditions of the restricted shares requires that, incentive employees shall unconditionally transfer their shares to Mr. Yang Fan, the controlling shareholder of the Company, or a third party designated by him, at the original consideration, under any of the following circumstances: (i) within 5 years from the date the employee obtain the restricted shares of the Company, if any employees of the Group leaves for any reason; (ii) other circumstances, including but limited to, if being incompetent, being unqualified, infringement on the interests of the Group, violation of non-competition obligations and illegal crime.

For the restricted shares granted in 2023, the vesting condition of the restricted shares requires that, incentive employees shall unconditionally transfer their shares to Mr. Yang Fan, the controlling shareholder of the Company, or a third party designated by him, at the original consideration, under any of the following circumstances: (i) the earlier of either within 5 years from the date the employees obtain the restricted shares of the Company or 36 months before the successful IPO of the Company, if any employee of the Group leaves for any reason; (ii) other circumstances, including but limited to, being incompetent, being unqualified, infringement on the interests of the Group, violation of non-competition obligations and illegal crime.

For these four incentive plans, if a qualified IPO has not been consummated by a certain date, the controlling shareholder agrees to repurchase these restricted shares at their original price. If the Company has a successful IPO, the restricted shares held by the employees could be transferred under the restriction period and restriction conditions stipulated by laws and regulations and agreements with Kailai Star. In addition, without the approval of the controlling shareholder, the employees of the Group shall not transfer restricted shares of the Company granted to other participants of the incentive plans or other third parties other than participants; and shall not make any agreement with any third party on the disposal of the restricted shares (including but not limited to the transfer of shares, pledge or transfer of income rights).

For the restricted shares granted in 2025, the lock-up period for the Company's restricted shares shall commence on the grant date and end 24 months after the successful IPO of the Company. Upon the expiration of the lock-up period and the Company's Chairman confirmation from that the unlocking conditions have been met and the Company's shares have listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") for 24 months, the Company may process the unlocking procedures for the restricted shares in accordance with the incentive plan. The incentive employees' right to dispose of the restricted shares during the aforementioned post-unlock sale period shall not be affected by whether their employment relationship with the Company remains in effect.

Upon the implementation of the incentive plan in January 2025, the incentive plans for restricted shares granted in 2015, 2018, 2020 and 2023 have been modified to align with the incentive plan of 2025. The modification of incentive plan does not have material impact to the Group's Historical Financial Information.

After taking into account the best estimation of the IPO, the management determined the vesting period of the relevant restricted shares based on the above service requirements. As such, the share-based payment expenses are recognised over the vesting period. During the years ended 31 December 2023, 2024 and 2025, share-based payment expenses of RMB337,000, RMB571,000, and RMB6,591,000 were charged to profit or loss, respectively.

29. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions of right-of-use assets of RMB3,856,000, nil and RMB3,731,000, and additions to lease liabilities of RMB3,856,000, nil and RMB3,731,000, respectively, in respect of lease arrangements.

(b) Changes in liabilities arising from financing activities

	Financial Liabilities at FVTPL RMB'000	Interest- bearing bank borrowings RMB'000	Lease liabilities RMB'000
At 1 January 2023	462,651	223,816	1,829
Changes from financing cash flows	—	(51,436)	(1,892)
Interest expense	—	7,817	149
New leases	—	—	3,856
Lease modifications	—	—	(47)
Fair value changes	6,026	—	—
At 31 December 2023 and 1 January 2024	468,677	180,197	3,895

	Financial Liabilities at FVTPL RMB'000	Interest- bearing bank borrowings RMB'000	Lease liabilities RMB'000
Changes from financing cash flows	(95,000)	133,484	(2,086)
Interest expense	–	7,652	121
Fair value changes	1,625	–	–
Derecognition of redemption liabilities due to termination of preferential rights	(204,193)	–	–
At 31 December 2024 and 1 January 2025	171,109	321,333	1,930
Changes from financing cash flows	(90,809)	140,980	(2,836)
Fair value changes	(5,300)	–	–
Interest expense	–	13,080	141
New leases	–	–	3,731
Derecognition of redemption liabilities due to termination of preferential rights	(75,000)	–	–
At 31 December 2025	–	475,393	2,966

(c) **Total cash outflow for leases**

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within operating activities	2,910	3,749	4,374
Within investing activities	150	–	–
Within financing activities	1,892	2,086	2,836
Total	4,952	5,835	7,210

30. CONTINGENT LIABILITIES

As at 31 December 2023, 2024 and 2025, neither the Group nor the Company had any significant contingent liabilities.

31. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bills payable and the letter of credits are included in note 20 to the Historical Financial Information.

32. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods:

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Contracted, but not provided for purchase of property, plant and equipment	46,129	34,285	77,816

33. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the Relevant Periods:

(a) Transactions with a related party:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Purchases of products from an entity controlled by a family member closely related to the controlling shareholder of the Company (<i>Note</i>)	242	885	961

Note: The purchases from the related party were made according to the published prices and conditions offered by the related party to its major customers.

(b) Outstanding balances with related parties:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other payables due to an entity controlled by a family member closely related to the controlling shareholder of the Company*	28	28	—

* These balances with the related party are non-trade in nature.

The outstanding balances with related parties are unsecured, interest-free and repayable on demand.

(c) Guarantees provided by related parties:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Guarantees provided by the controlling shareholder and his spouse for the Group's bank loans	180,197	321,333	250,170

As of 31 December 2025, the Group has agreed with banks to irrevocably discharge the controlling shareholder and his spouse from all loan guarantee obligations of RMB250,170,000 in respect of the Group's bank borrowings and accrued interest thereon upon the commencement of trading of the Company's shares on the Stock Exchange, and the Group shall provide other alternative assets as guarantee.

(d) Compensation of key management personnel of the Group:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	2,251	3,004	6,977
Performance related bonuses	506	526	879
Equity-settled share-based payment expenses	87	185	4,993
Pension scheme contributions	102	199	404
Total compensation paid to key management personnel	2,946	3,914	13,253

Further details of directors' and supervisors' emoluments are included in note 9 to the Historical Financial Information.

(e) Redemption rights or other preferential rights

Upon the effective dates of the termination agreements for Series B Shares, Series C1 Shares, Series C2 Shares, Series D1 Shares and Series D2 Shares, the Company is no longer a party to, and does not guarantee or bear any obligation in respect of, the redemption rights borne solely by the shareholders or any third party designated by them. In the opinion of the directors, there are no side agreements or arrangements relating to such redemption rights or other preferential rights.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Financial assets

	Financial assets at amortised cost		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade and bills receivables	80,526	162,928	220,996
Financial assets included in prepayments, other receivables and other assets	12,834	48,036	46,227
Pledged bank deposits	34,732	49,662	77,187
Cash and cash equivalents	67,392	78,047	33,904
Total	195,484	338,673	378,314

	Financial assets at FVOCI		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets at FVOCI	983	30	—

Financial liabilities

	Financial liabilities at amortised cost		
	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables	184,957	290,909	346,129
Financial liabilities included in other payables and accruals	83,543	83,024	111,172
Interest-bearing bank borrowings	180,197	321,333	475,393
Lease liabilities	3,895	1,930	2,966
Total	452,592	697,196	935,660
Financial liabilities at FVTPL designated as such upon initial recognition			
	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial liabilities at FVTPL	468,677	171,109	—

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of the Group's financial instruments, other than those carrying amounts that reasonably approximate to fair values are as follows:

	Carrying amount		
	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets			
Financial assets at FVOCI	983	30	—
Financial liabilities			
Financial liabilities at FVTPL	468,677	171,109	—
Fair value			
	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets			
Financial assets at FVOCI	983	30	—
Financial liabilities			
Financial liabilities at FVTPL	468,677	171,109	—

Management has assessed that the fair values of cash and cash equivalents, pledged bank deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the financial assets at FVOCI have been calculated by discounting the expected future cash flows. The financial assets at FVOCI which are bills receivable from certain prestigious banks, are held by the Group with a dual focus: collecting the expected cash flows and exploring opportunities for sale. The changes in fair value as at 31 December 2023 and 2024 were assessed to be insignificant.

The fair values of the redemption liabilities on equity shares measured at FVTPL are determined using the discounted cash flow model or recent transaction price valuation method. Further details are set out in note 24 to the Historical Financial Information.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	
Financial assets at FVOCI	—	983	—	983

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	
Financial assets at FVOCI	—	30	—	30

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices	Significant	Significant	
	in active	observable	unobservable	
	markets	inputs	inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	
Financial assets at FVOCI	—	—	—	

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices	Significant	Significant	
	in active	observable	unobservable	
	markets	inputs	inputs	
	(Level 1)	(Level 2)	(Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Financial liabilities at FVTPL	—	—	468,677	468,677

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices	Significant	Significant	
	in active	observable	unobservable	
	markets	inputs	inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities at				
FVTPL	—	40,000	131,109	171,109

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices	Significant	Significant	
	in active	observable	unobservable	
	markets	inputs	inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	
Financial liabilities at FVTPL	—	—	—	

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities.

Below is a summary of significant unobservable inputs to the valuation of financial liabilities at FVTPL with an analysis as at 31 December 2023 and 2024.

	Valuation technique	Significant unobservable input	Weighted average	Sensitivity of fair value to the input
Financial Liabilities at FVTPL	Discounted cash flow method	Risk-free interest rate	2024: 1.5%	2024: 1% increase/decrease in risk-free interest rate would result in decrease/increase in fair value by RMB3,060,000/ RMB2,376,000
			2023: 2.2%	2023: 1% increase/decrease in risk-free interest rate would result in decrease/increase in fair value by RMB3,723,000/ RMB4,678,000
		DLOM	2024: 8.0%	2024: 1% increase/decrease in DLOM would result in decrease/increase in fair value by RMB4,904,000/ RMB3,753,000
			2023: 10.1%	2023: 1% increase/decrease in DLOM would result in decrease/increase in fair value by RMB4,939,000/ RMB4,339,000
		Volatility	2024: 35.8%	2024: 1% increase/decrease in volatility would result in increase/decrease in fair value by RMB556,000/ RMB551,000
			2023: 37.2%	2023: 1% increase/decrease in volatility would result in increase/decrease in fair value by RMB699,000/ RMB707,000

The DLOM represents the amounts of discounts determined by the Group that market participants would take into account when pricing the investments.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise financial liabilities at FVTPL, interest-bearing bank borrowings, and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables and financial liabilities included in other payables and accruals which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short term obligations with fixed interest rates.

After the assessment, the directors of the Company consider the Group's exposure to interest rate risk to be not significant.

Credit risk

At the end of each of the Relevant Periods, the Group had concentration of credit risk as 74.13%, 71.31% and 72.16% of the Group's trade receivables and trade receivables were due from the Group's five largest customers, respectively. The Group's cash and cash equivalents are mainly deposited with state-owned banks and other medium or large-sized listed banks in Chinese mainland. The carrying amounts of trade and bills receivables, financial assets included in prepayments, other receivables and other assets, pledged bank deposits, cash and cash equivalents included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets. The Group has no other financial assets which carry significant exposure to credit risk.

The Group trades only with recognised and creditworthy third parties. Concentrations of credit risk are managed through customer/counterparty analysis. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2023, 2024 and 2025.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	84,013	84,013
Bills receivable	2,012	—	—	—	2,012
Financial assets at FVOCI	983	—	—	—	983
Financial assets included in prepayments, other receivables and other assets — Normal**	13,169	—	—	—	13,169
Pledged bank deposits	34,732	—	—	—	34,732
Cash and cash equivalents — Not yet past due	67,392	—	—	—	67,392
Total	118,288	—	—	84,013	202,301

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables*	—	—	—	168,283	168,283
Bills receivable	1,967	—	—	—	1,967
Financial assets at FVOCI	30	—	—	—	30
Financial assets included in prepayments, other receivables and other assets — Normal**	48,691	—	—	—	48,691
Pledged bank deposits	49,662	—	—	—	49,662
Cash and cash equivalents — Not yet past due	78,047	—	—	—	78,047
Total	178,397	—	—	168,283	346,680

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables*	—	—	—	228,395	228,395
Bills receivable	1,806	—	—	—	1,806
Financial assets included in prepayments, other receivables and other assets — Normal**	47,480	—	—	—	47,480
Pledged bank deposits	77,187	—	—	—	77,187
Cash and cash equivalents — Not yet past due	33,904	—	—	—	33,904
Total	160,377	—	—	228,395	388,772

* For trade receivables to which the Group applies the simplified approach for impairment, information is disclosed in note 18 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 18 to the Historical Financial Information.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

31 December 2023	Within 1 year	Within 2 to 5 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables	184,957	—	—	184,957
Financial liabilities included in other payables and accruals	83,543	—	—	83,543
Interest-bearing bank borrowings	182,464	—	—	182,464
Lease liabilities	2,086	2,055	—	4,141
Financial liabilities at FVTPL	<u>250,952</u>	<u>290,844</u>	<u>—</u>	<u>541,796</u>
Total	<u>704,002</u>	<u>292,899</u>	<u>—</u>	<u>996,901</u>
31 December 2024	Within 1 year	Within 2 to 5 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables	290,909	—	—	290,909
Financial liabilities included in other payables and accruals	83,024	—	—	83,024
Interest-bearing bank borrowings	326,844	—	—	326,844
Lease liabilities	853	1,202	—	2,055
Financial liabilities at FVTPL	<u>172,080</u>	<u>—</u>	<u>—</u>	<u>172,080</u>
Total	<u>873,710</u>	<u>1,202</u>	<u>—</u>	<u>874,912</u>
31 December 2025	Within 1 year	Within 2 to 5 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables	346,129	—	—	346,129
Financial liabilities included in other payables and accruals	111,172	—	—	111,172
Interest-bearing bank borrowings	480,362	—	—	480,362
Lease liabilities	<u>2,432</u>	<u>625</u>	<u>—</u>	<u>3,057</u>
Total	<u>940,095</u>	<u>625</u>	<u>—</u>	<u>940,720</u>

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise equity holders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using an asset-liability ratio, which is total liabilities divided by total assets. The asset-liability ratio as at the end of each of the reporting periods were as follows:

The debt-to-asset ratio at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total liabilities	1,129,197	1,053,019	1,108,446
Total assets	1,394,662	1,670,967	1,990,073
Debt-to-asset ratio	80.97%	63.02%	55.70%

37. INVESTMENTS IN SUBSIDIARIES

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investments, at cost	290,326	341,729	341,729

All subsidiaries are set out in note 1.

38. EVENTS AFTER THE RELEVANT PERIODS

On 1 April 2026, the Company established a new wholly-owned subsidiary, Zhangzhou Nida Agricultural Technology Co., Ltd, with a registered share capital of RMB10,000,000. The subsidiary is primarily engaged in procurement and preliminary processing of agricultural products.

In April 2026, the Group obtained new unutilised banking facilities from banks amounting to RMB92,790,000.

On 10 May 2026, the Company declared dividends of RMB67,347,000 to its shareholders based on their equity interests in the Company as of 31 March 2026, which was fully paid on 12 May 2026.

39. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 31 December 2025.

The following information does not form part of the Accountants' Report prepared by Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this Prospectus, and is included herein for illustrative purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this Prospectus and the Accountants' Report set out in Appendix I to this Prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* as issued by the HKICPA for illustration purposes only, and is set out below to illustrate the effect of the Global Offering on the consolidated net assets of the Group attributable to owners of the Company as of 31 December 2025 as if it had taken place on 31 December 2025.

The unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustration purpose only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed as at 31 December 2025 or any future dates.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets as at 31 December 2025	Unaudited pro forma adjusted consolidated net tangible assets per Share as at 31 December 2025	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB</i>	<i>HK\$</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>		<i>(Note 3)</i>	<i>(Note 4)</i>
Based on an Offer Price of HK\$43.58 per Share	879,791	402,079	1,281,870	16.27	18.66

Notes:

- (1) The consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 was equal to the consolidated net assets attributable to owners of the Company as at 31 December 2025 of RMB881,627,000 after deducting other intangible asset of RMB1,836,000 set out in the Accountants' Report in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Global Offering are based on 11,464,100 Offer Shares at the Offer Price of HK\$43.58 per Share, after deduction of the underwriting commissions and fees and other related expenses (excluding listing expenses of RMB18,472,000 which have been recorded in the consolidated statements of profit or loss and other comprehensive income). It does not take into account of any Shares which may be issued upon the exercise of the Over-allotment Option or any Shares which may be issued or repurchased by the Company pursuant of the Company's general mandates.
- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is calculated after making the adjustments referred to note 2 and on the basis that 78,811,208 Shares are in issue assuming that the Global Offering had been completed on 31 December 2025, without taking into account of any shares which may be allotted and issued upon the exercise of the Over-allotment Option.
- (4) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the balances stated in RMB are converted into HK\$ at the rate of RMB1 to HK\$0.8716. 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 that rate or any other rates or at all.
- (5) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company does not take into account the dividends of RMB67,347,000 declared by the Company to its shareholders on 10 May 2026. Had the dividends been taken into account, the unaudited pro forma adjusted consolidated net tangible assets per Share would be approximately HK\$17.68 (assuming an Offer Price of HK\$43.58 per Share).
- (6) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.



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B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Liuliumei Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Liuliumei Co., Ltd. (the “Company”) and its subsidiaries (hereinafter collectively referred to as 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 consolidated net tangible assets as at 31 December 2025, and related notes as set out on pages II-1 to II-2 of the prospectus dated 5 June 2026 (the “Prospectus”) issued by the Company (the “Unaudited Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Part A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 December 2025 as if the transaction had taken place at 31 December 2025. As part of this process, information about the Group's financial position, has been extracted by the Directors from the Group's financial statements for the period ended 31 December 2025, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited 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 (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.



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 Unaudited 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 Unaudited 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 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* as 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 Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 as issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited 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 Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if 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 the transaction would have been as presented.



A reasonable assurance engagement to report on whether the Unaudited 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 Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma 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:

- (a) the Unaudited 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 purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong

5 June 2026

I. TAXATION IN THE PRC

(I) Taxes on Dividends

1. Individual investors

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) (the “**Individual Income Tax Law**”), which was promulgated on September 10, 1980 and amended by the Standing Committee of the Thirteenth National People's Congress on August 31, 2018 and came into effect on January 1, 2019, and the Regulations on Implementation of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), which was amended by the State Council on December 18, 2018 and came into effect on January 1, 2019, dividends distributed by PRC enterprises to individual investors are subject to withholding tax levied at a flat rate of 20%.

According to the Notice of the MOF, the STA and the CSRC on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (《財政部、國家稅務總局、證監會關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) promulgated by the Ministry of Finance (the “**MOF**”), the State Taxation Administration (the “**SAT**”) and CSRC on September 7, 2015, for individuals who acquire the stocks of a listed company from public offering or transferring market and hold the stocks for more than one year, the income from dividends shall be temporarily exempt from individual income tax, and all the income from dividends shall be included into the taxable income in case the holding period is less than one month (inclusive of one month); 50% thereof will be included into the taxable income in case the holding period is over one month but less than one year (inclusive of one year) temporarily; a unified tax rate at 20% shall be applicable to the aforesaid incomes in the levy of individual income tax.

In some cases, the withholding tax rate on dividend income of non-resident individuals may be lower than 20%. According to the Circular of the MOF and the State Taxation Administration on Issues Concerning Individual Income Tax Policies (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》), income received by individual foreigners from dividends and bonuses of a foreign-invested enterprise are exempt from individual income tax temporarily. On February 3, 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution Proposed by Development and Reform Commission and Other Authorities (《國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知》) (Guo Fa [2013] No. 6). On February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》) (Guo Ban Han [2013] No. 36). According to these two documents, foreign individuals' tax exemption for dividend income obtained from

foreign-invested enterprises shall be cancelled. However, the local taxation bureau of Hubei Province has issued an announcement, which clarifies that the tax exemption policy on dividends and bonuses of foreign individuals shall be canceled from February 3, 2013. Apart from that, up to now, no documents have been issued by other local governments to implement the provisions of Guo Fa [2013] No. 6. In practice, dividends and bonuses received by foreign individuals from foreign-invested enterprises can still be exempted from individual income tax.

According to the Notice of the SAT on Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of the Document (Guo Shui Fa [1993] No. 045) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the SAT on June 28, 2011, domestic non-foreign-invested enterprises that issue shares in Hong Kong may, when distributing dividends to overseas resident individuals in the jurisdiction of the tax treaty, normally withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates lower than 10%, the non-foreign-invested enterprise whose shares are listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the excessive withholding amount will be refunded. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the treaty, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or are under other situations, the non-foreign-invested enterprise is required to withhold the tax at a rate of 20%.

Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the 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稅和防止偷漏稅的安排》) signed on August 21, 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a resident of the Hong Kong Special Administrative Region (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the 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稅和防止偷漏稅的安排》第五議定書) effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

2. *Corporate investors*

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) that was amended and came into effect on December 29, 2018, and the Regulations for 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》) that came into effect on January 20, 2025, where a non-resident enterprise has not set up any institutions or establishments in China, or it has done so, but its income generated in China is irrelevant to the said institutions or establishments, it shall pay the enterprise income tax on the portion of its income generated in China (including dividends received from a Chinese resident enterprise whose shares are issued and listed in Hong Kong) and the tax rate is generally 10%. The aforesaid income tax payable by a non-resident enterprise must be withheld at source. The payer of the income is the withholding obligator. The withholding tax may be reduced or eliminated under an applicable treaty for the avoidance of double taxation.

The Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Distributed by Chinese Resident Enterprises to Overseas H-share Non-Chinese Resident Enterprise Shareholders (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) that was promulgated by the SAT and came into effect on November 6, 2008, further clarifies that with regard to dividends distributed from profits generated after January 1, 2008, Chinese resident enterprises must withhold and pay enterprise income tax at a tax rate of 10% on dividends distributed to H-share non-Chinese resident enterprise shareholders. The Reply of the Imposition of Enterprise Income Tax on B-share and Other Dividends of Non-resident Enterprises (Guo Shui Han [2009] No. 394) (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》(國稅函[2009]394號)) that was promulgated by the SAT on July 24, 2009, further provides that any Chinese resident enterprise listed on any overseas stock exchange must withhold enterprise income tax at a rate of 10% on dividends distributed to non-Chinese resident enterprise shareholders. Such tax rates may be further changed pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the 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稅和防止偷漏稅的安排》) signed on August 21, 2006, the Chinese government may impose tax on dividends paid by a Chinese company to a Hong Kong resident (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the 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稅和防止偷漏稅的安排》第五議定書) effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions. The application of the dividend clause of tax treaties shall be subject to the PRC tax laws and regulations, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

3. Tax treaties

Non-Chinese resident investors residing in countries that have entered into treaties for the avoidance of double taxation with China or residing in Hong Kong or Macao Special Administrative Region are entitled to preferential tax rates on dividends received by such investors from the Chinese companies. China has entered into arrangements for the avoidance of double taxation with Hong Kong and Macao Special Administrative Region, respectively, and has entered into treaties for the avoidance of double taxation with certain other countries, including but not limited to Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. A non-Chinese resident enterprise entitled to a preferential tax rate under a relevant income tax treaty or arrangement may apply to China tax authorities for a refund of the difference between the amount of tax withheld and the amount of tax calculated according to the treaty rate.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (SAT Announcement No. 35 in 2019) (《非居民納稅人享受協定待遇管理辦法》(國家稅務總局公告2019年第35號)), which was promulgated by the SAT on October 14, 2019 and became effective on January 1, 2020, non-resident taxpayers are entitled to preferential treatment under the tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding declaration through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and be subject to subsequent administration by tax authorities.

(II) Taxes on Income from Transfer of Equity

1. VAT and local surtax

Pursuant to the Circular of the MOF and the SAT on Comprehensively Promoting the Pilot Programme of the Collection of VAT in Lieu of Business Tax (Cai Shui [2016] No.36) (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》(財稅[2016]36號)(the “**Circular 36**”)) that was promulgated by the MOF and the SAT on March 23, 2016 and amended on July 11, 2017, December

25, 2017 and March 20, 2019 respectively, the entities and individuals that sell services, intangible assets or immovable properties within the territory of the PRC are value-added tax payers, and shall pay value-added tax instead of business tax. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to value-added tax at 6% on the taxable income.

Meanwhile, the taxpayers of value-added tax are also subject to urban maintenance and construction tax, education surtax and local education surtax.

(III) Income Tax

1. *Individual investors*

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation regulations, individuals shall pay the individual income tax at the rate of 20% on their income from the sale of equity in Chinese resident enterprises. In accordance with the Circular of the Declaring that Individual Income Tax Continues to Be Exempted over Income of Individuals from Transfer of Shares (Cai Shui Zi [1998] No. 61) (《財政部及國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》(財稅字[1998]61號)) (hereinafter referred to as “**No. 61 Circular**”) that was promulgated by the MOF and the SAT on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares of listed companies remain exempt from individual income tax. According to the Announcement on the Catalogue of Preferential Individual Income Tax Policies with Continued Effect (Announcement No. 177 of the MOF and the SAT in 2018) (《財政部、國家稅務總局關於繼續有效的個人所得稅優惠政策目錄的公告》(財政部稅務總局公告2018年第177號)) promulgated by the MOF and the SAT on December 29, 2018, the No. 61 Circular will remain effective.

According to the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2009] No.167) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》(財稅[2009]167號)) promulgated by the MOF, the SAT and the CSRC on December 31, 2009, individuals’ income from transferring at Shanghai Stock Exchange or Shenzhen Stock Exchange the shares of a listed company acquired from the public offerings of the company or from the transfer market shall continuously be exempt from the individual income tax, except for the relevant shares which are subject to sales restriction as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2010] No.70) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》(財稅[2010]70號)) jointly issued by the three aforementioned authorities on November 10, 2010. According to the Announcement of the SAT, the MOF and the CSRC on Matters Relating to Further Improving the Collection and Management of

Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Announcement No. 14 of the SAT, the MOF and the CSRC in 2024) (《關於進一步完善個人轉讓上市公司限售股所得個人所得稅有關徵管服務事項的公告》(國家稅務總局財政部中國證監會公告2024年第14號)), the tax payment place for the individual income tax on the income received by individuals from the transfer of listed shares subject to sales limitation shall be the place where the listed company that issued the shares subject to sales limitation is located.

As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-resident individuals on the sale of shares of PRC-resident enterprises listed on overseas stock exchanges (for example, the Stock Exchange).

2. Corporate investors

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementation regulations, where a non-Chinese resident enterprise has not set up any institutions or establishments in China, or it has done so but its income generated in China is irrelevant to the said institutions or establishments, it shall pay the enterprise income tax on the portion of its income generated in China (including gains from the disposal of shares of Chinese resident enterprises) and the tax rate is generally 10%. Such tax may be reduced or eliminated under applicable tax treaties or arrangements. Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (SAT Announcement No. 35 in 2019) (《非居民納稅人享受協定待遇管理辦法》(國家稅務總局公告2019年第35號)), preferential treatment under tax treaties refers to the enterprise income tax and individual income tax payable according to the provisions of the tax laws in China may be reduced or exempted.

3. Tax policies for Shanghai — Hong Kong Stock Connect

On October 31, 2014, the MOF, the SAT and the CRSC jointly promulgated the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No.81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) (hereinafter referred to as “**Shanghai — Hong Kong Stock Connect Taxation Policy**”). Pursuant to the Shanghai — Hong Kong Stock Connect Taxation Policy, the income from the transfer price difference obtained by corporate investors of the Chinese Mainland investing in stocks listed on the Stock Exchange through Shanghai — Hong Kong Stock Connect is included in their total income and enterprise income tax is levied on such income in accordance with the law. The income from dividends and bonuses obtained by corporate investors of the Chinese Mainland investing in stocks listed on the Stock Exchange through Shanghai — Hong Kong Stock Connect is included in their total income. The enterprise income tax is levied on such income

in accordance with the law. Among them, enterprise income tax will be exempt according to law for income from dividends and bonuses obtained by resident enterprises of the Chinese Mainland that hold H Shares for at least 12 consecutive months. The H-share companies do not need to withhold tax on the income from dividends and bonuses obtained by corporate investors of the Chinese Mainland. The tax payable shall be declared and paid by the enterprises themselves.

For dividends and bonuses obtained by individual investors of the Chinese Mainland investing in H Shares listed on the Stock Exchange through Shanghai — Hong Kong Stock Connect, the H-share companies shall apply to China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) (hereinafter referred to as “CSDC”) for provision by the CSDC to the H-share companies the register of individual investors of the Chinese Mainland. The H-share companies shall withhold individual income tax at a rate of 20%.

4. Tax policies for Shenzhen — Hong Kong Stock Connect

On November 5, 2016, the MOF, the SAT and the CRSC jointly issued the Circular on the Relevant Taxation Policy for the Pilot Programme of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) (hereinafter referred to as “**Shenzhen — Hong Kong Stock Connect Taxation Policy**”). Pursuant to the Shenzhen — Hong Kong Stock Connect Taxation Policy, the income from the transfer price difference obtained by corporate investors of the Chinese Mainland investing in stocks listed on the Stock Exchange through Shenzhen — Hong Kong Stock Connect is included in their total income and enterprise income tax is levied on such income in accordance with the law. The income from dividends and bonuses obtained by corporate investors of the Chinese Mainland investing in stocks listed on the Stock Exchange through Shenzhen — Hong Kong Stock Connect is included in their total income. The enterprise income tax is levied on such income in accordance with the law. Enterprise income tax will be exempt according to law for income from dividends and bonuses obtained by resident enterprises of the Chinese Mainland that hold H Shares for at least 12 consecutive months. The H-share companies do not need to withhold tax on the income from dividends and bonuses obtained by corporate investors of the Chinese Mainland. The tax payable shall be declared and paid by the enterprises themselves.

For dividends and bonuses obtained by individual investors of the Chinese Mainland investing in the H Shares listed on the Stock Exchange through Shenzhen — Hong Kong Stock Connect, the H-share companies shall apply to the CSDC for provision by the CSDC to the H-share companies the register of individual investors of the Chinese Mainland, and the H-share companies shall withhold individual income tax at a rate of 20%.

(IV) Stamp Duty

In accordance with the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) that was promulgated on June 10, 2021 and came into effect on July 1, 2022, the entities and individuals that conclude taxable certificates, or conduct securities transactions within the territory of the PRC shall be taxpayers of stamp tax, and shall pay stamp tax in accordance with the provisions of this law. Where entities or individuals, outside the territory of the PRC, conclude taxable certificates that are used within the territory of the PRC, they shall pay stamp tax in accordance with the provisions of this law.

(V) Estate Duty

As of the date of this prospectus, China currently has not imposed any estate tax.

II. FOREIGN EXCHANGE ADMINISTRATION REGULATIONS IN THE PRC

The principal regulations governing foreign currency exchange in the PRC is the Regulations of the PRC on Foreign Exchange Administration which was promulgated by the State Council on January 29, 1996, became effective on April 1, 1996 and was subsequently amended on January 14, 1997 and August 5, 2008 and the Regulations on the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) which was promulgated by the PBOC on June 20, 1996 and became effective on July 1, 1996. Pursuant to these regulations and other PRC rules and regulations on currency conversion, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the SAFE or its local counterparts is obtained.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at financial institutions that carries business of foreign exchange settlement and sale by presenting valid documentation. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the shareholders' general meetings on the distribution of profits, effect payment from foreign exchange accounts or with the purchased foreign exchange at designated foreign exchange banks.

On December 26, 2014, the SAFE issued the Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing (Hui Fa [2014] No. 54) (《國家外匯管理局關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)), pursuant to which a domestic company shall, within 15 working days upon the end of its overseas public offering, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the required materials. Funds raised by a domestic company through overseas listing may be transferred back or deposited overseas, and the use of such funds shall be consistent with those contents mentioned in publicly disclosed documents such as the prospectus.

On February 13, 2015, the SAFE issued the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (Hui Fa [2015] No. 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》(匯發[2015]13號)), which came into effect on June 1, 2015 and was partially repealed on December 30, 2019. The notice has cancelled the approval of foreign exchange registration under domestic direct investment and the approval of foreign exchange registration under overseas direct investment. Instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its local counterparts shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Circular of the SAFE on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (Hui Fa [2016] No. 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》(匯發[2016]16號)) issued by the SAFE on June 9, 2016, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. 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 international balance of payments.

I. PRC LEGAL SYSTEM

The PRC legal system is composed of the Constitution, laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions and international treaties of which the PRC government is a signatory. Court judgments do not constitute binding precedents, although they may be used for the purpose of judicial reference and guidance.

Pursuant to the Constitution of the People's Republic of China (《中華人民共和國憲法》) (hereinafter referred to as the "Constitution", promulgated on December 4, 1982, and last amended and took effect on March 11, 2018) and the Legislative Law of the People's Republic of China (《中華人民共和國立法法》) (adopted on July 1, 2000 and amended on March 15, 2023, hereinafter referred to as the "**Legislation Law**"), the NPC and the NPC Standing Committee are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The NPC Standing Committee formulates and amends laws other than those required to be formulated by the NPC, and partially supplements and amends laws formulated by the NPC during its adjournment, provided that such supplements and amendments shall not be in conflict with the principles of such laws.

The State Council is the highest administrative organs of the state, and has the power to enact administrative regulations under the Constitution and laws.

People's congresses of provinces, autonomous regions and municipalities directly under the central government and their standing committees may formulate local regulations based on the specific circumstances and needs of their respective administrations, provided that such local regulations shall not be in conflict with the Constitution, laws or administrative regulations.

The ministries, commissions, PBOC, the National Audit Office of the People's Republic of China, and the National Supervisory Commission of the People's Republic of China with administrative functions, may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and administrative regulations, decisions and rulings of the State Council. In order to implement the laws, administrative regulations and decisions and rulings of the State Council, provisions of rules and regulations within the jurisdiction are formulated.

People's congresses of cities with districts and their standing committees may enact local regulations based on the specific circumstances and actual needs which shall come into effect upon approval from the respective standing committees of the people's congresses of the provinces and autonomous regions, provided that such local regulations shall not be in conflict with the Constitution, laws, and administrative regulations.

People's congresses of autonomous regions may enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the local nationalities, which shall come into effect upon approval by the NPC Standing Committee. Adaptations of provisions of laws and administrative regulations may be introduced to the autonomous regulations and separate regulations so long as they do not contravene the basic principles of the laws or administrative regulations, and no adaptations shall be made to the specific provisions on national autonomous areas in the Constitution and the law of regional ethnic autonomy, as well as other relevant laws and administrative regulations.

People's governments of provinces, autonomous regions and municipalities directly under the central government and larger cities may formulate rules according to laws, administrative regulations and relevant local regulations.

The Constitution of the People's Republic of China is basis of the PRC legal system and has supreme legal authority, and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The hierarchy of laws is higher than that of administrative regulations, local regulations, and rules. The hierarchy of administrative regulations is higher than that of local regulations and rules. The hierarchy of local regulations is higher than that of the rules of the local governments at or below the corresponding level. The hierarchy of the rules enacted by the people's governments of the provinces or autonomous regions is higher than that of the rules enacted by the people's governments of cities and autonomous prefectures with districts within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the NPC Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by the NPC Standing Committee but which contravene the Constitution or the Legislation Law. The NPC Standing Committee has the power to annul any local regulation that contravenes the Constitution, laws or administrative regulations, and to annul any autonomous regulation or separate regulation which has been approved by NPC Standing Committee of the relevant provinces, autonomous regions or municipalities directly under the central government but contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at the lower level.

According to the Constitution, the authority of the interpretation of laws shall be vested to the NPC Standing Committee. According to the Decision of the Standing Committee of National People's Congress Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, interpretation on the application of laws and decrees in court trials and the procuratorial work of the procuratorates shall be given by the Supreme People's Court and the Supreme People's Procuratorate of the PRC (中華人民共和國最高人民檢察院), respectively. Interpretation of the laws and decrees unrelated to trials and procuratorial work shall be given by the State Council and the competent ministries and commissions.

In the case that clarification or additional provisions shall be made for the local regulations, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the central government which enacted such regulations shall give the interpretation or formulate the additional provisions. Interpretation on the application of local regulations shall be given by the competent departments under the people's government of the respective provinces, autonomous regions and municipalities directly under the central government.

II. PRC JUDICIAL SYSTEM

Under the Constitution of the People's Republic of China and the Organic Law of the People's Court of the People's Republic of China (《中華人民共和國人民法院組織法》) which was promulgated on July 5, 1979, implemented on January 1, 1980 and last amended on October 26, 2018 and took effect on January 1, 2019, the judicial system in PRC is made up of the Supreme People's Court, the local people's courts, military courts and other special people's courts.

The local people's courts are comprised of the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may be organized into civil, criminal, and economic tribunals. The intermediate people's courts may be organized into divisions similar to those of the basic people's courts, and may be further organized into other special divisions. The people's courts at lower levels are subject to the supervision of the people's courts at higher levels. The Supreme People's Court is the highest judicial organ of the PRC and it has the power to supervise the administration of justice by the local people's courts at all levels and all special people's courts. The people's procuratorates also have the right to exercise legal supervision over the trial activities of people's courts at same or lower levels.

The people's courts adopt a "second instance as final" appellate system in the trial of the cases. A party to the case concerned may appeal against the judgement and ruling of the first instance by the local people's courts to the people's courts at the next higher level in accordance with the legal procedures. The people's procuratorates may appeal to the people's court at the next higher level in accordance with the legal procedures. In the absence of any appeal by any parties to the case concerned or any appeal by the people's procuratorates within the stipulated period, the judgement and ruling of the first instance by the local people's courts shall be final and legally binding. Judgements and rulings of the second instance of the intermediate people's courts, the higher people's courts and Supreme

People's Court and the judgements and rulings of the first instance of the Supreme People's Court shall be the final judgements and rulings. If, however, the Supreme People's Court finds some definite errors in a legally effective judgement, ruling or conciliation statement of the people's court at any level, or if the people's court at a higher level finds such errors in a legally effective judgement, ruling or conciliation statement of the people's court at a lower level, it has the authority to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of all levels of people's courts finds some definite errors in a legally effective judgement, ruling or conciliation statement, and considers that a retrial is preferred, such case shall be submitted to the judicial committee of the people's court at the same level for discussion and decision. For death penalties, except those judged by the Supreme People's Court, requests shall be submitted to the Supreme People's Court for approval.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (hereinafter referred to as the “**Civil Procedure Law**”), which was promulgated on April 9, 1991 and last amended on September 1, 2023 and took effect on January 1, 2024, sets forth the criteria for instituting a civil case, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by the people's court located in the defendant's place of domicile. The parties to a contract may, by an express agreement, select a competent court where civil actions may be brought, provided that the competent court has jurisdiction over the plaintiff's or the defendant's place of residence, the place of execution of the contract or the place of performance of the contract, or the object of the action or locations which have substantial connections with the dispute. However, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a stateless person, a foreign enterprise or a foreign organization is given the equal litigation rights and obligations as a citizen, a legal person or other organizations in the PRC when initiating actions or defending against litigations at a PRC court. Should foreign courts impose restrictions on the litigation rights of the citizens, legal persons or other organizations in the PRC, the PRC courts shall impose reciprocal restrictions on the litigation rights of citizens, enterprises and organizations in that country. A foreign individual, a stateless person, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence or conduct other actions on its behalf. All parties to a civil action shall perform the legally effective judgements and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the

stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement on the party.

A party seeking to enforce a judgement or order of a people's court against a party who is not located within the PRC and does not own any property in the PRC, may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgement or order. In the case of an application or request for recognition and enforcement of a legally effective judgement or order of a foreign court, the people's court shall, after having examined it in accordance with the international treaties entered into or acceded to by the PRC or with the principle of reciprocity and having arrived at the conclusion that it does not contravene the primary principles of the laws of the PRC nor violates its sovereignty, security or social and public interests, recognize the validity of the judgement or order, and, if required, issue a writ of enforcement and enforce it in accordance with the relevant regulations. If the application or request contravenes the primary principles of the laws of the PRC or violates its sovereignty, security or social and public interests, the people's court shall not recognize and enforce it.

III. THE PRC COMPANY LAW, THE OVERSEAS LISTING TRIAL MEASURES AND THE GUIDELINES ON THE ARTICLES OF ASSOCIATION FOR LISTED COMPANIES

The Company Law of the PRC which was promulgated on December 29, 1993 by the NPC Standing Committee, last amended on December 29, 2023 and came into effect on July 1, 2024 regulates the organization and operation of companies and protects the legitimate rights and interests of companies, shareholders and creditors. The amendment to the PRC Company Law in 2013 has cancelled the restriction on the minimum registered capital and replaced the registered paid-up share capital system by the registered subscribed capital system.

The Trial Administrative Measures for 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》) (hereinafter referred to as the “**Overseas Listing Trial Measures**”) promulgated by the CSRC on February 17, 2023 with effect from March 31, 2023 are applicable to the overseas securities offering and listing by the PRC domestic companies.

The Guidelines on the Articles of Association for Listed Companies (hereinafter referred to as the “**Articles Guidelines**”) last amended by the CSRC on December 15, 2023 with effect from the same date provide guidance for the company's articles of association.

General

A joint-stock limited liability company (hereinafter referred to as the “**company**”) refers to a corporate legal person established in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties. The liability of the company is limited to the total amount of all assets it owns and the liability of its shareholders is limited to the extent of the shares they subscribe for.

Incorporation

A company may be incorporated by promotion or subscription. A company may be incorporated by a minimum of one but no more than 200 promoters, and at least half of the promoters must have domicile in the PRC. Companies incorporated by promotion are companies with the registered capital entirely subscribed for by the promoters. Where companies are incorporated by subscription, the promoters are required to subscribe for not less than 35% of the total number of shares of a company unless otherwise stipulated by laws and regulations, and the remaining shares can be offered to the public or specific persons, unless otherwise required by law.

For a company incorporated by promotion, the registered capital shall be the total capital subscribed for by all promoters as registered with the company registration authority. The promoters shall subscribe in writing for the shares required to be subscribed for by them and pay up their capital contributions under the company's articles of association. Procedures relating to the transfer of title to non-monetary property shall be duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions in accordance with the foregoing provisions shall assume default liabilities in accordance with the covenants set out in the promoters' agreement. After the promoters have subscribed for the capital contribution under the company's articles of association, a board of directors and a Supervisory Committee shall be elected and the board of directors shall apply for registration of establishment by filing the company's articles of association with the company registration authority, and other documents as required by the law or administrative regulations. The company shall not raise capital from others before the promoters fully pay the capital subscribed by them; for companies established by public subscription, the registered capital is the amount of total paid-up capital as registered with the company registration authority.

After the subscription monies for the issued shares have been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. The promoters shall convene an inaugural meeting within 30 days from the date of full payment of the subscription monies in respect of the issued shares, and shall notify all subscribers or make a public announcement of the date of the inaugural meeting 15 days prior to the holding of such meeting.

The inaugural meeting may be convened only with the presence of shareholders holding shares representing more than 50% of the total issued shares of the company. At the inaugural meeting, matters including the adoption of the company's draft articles of association proposed by the promoter(s) and the election of the board of directors and the Supervisory Committee of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall authorize representatives to apply for registration with the company registration authority. The company is formally established and has the status of a legal person after the approval for registration has been given and a business license has been issued by the relevant registration authority. Where after the incorporation of a company, a promoter fails to pay in full the subscription monies in accordance with the provisions of the company's articles of association, he/she shall pay them in full and the other promoters shall bear joint and several liabilities. Where it is discovered that the actual evaluation of the non-currency property used as capital contributions for the incorporation of the company is obviously less than the evaluation prescribed by the company's articles of association, the promoters shall make up the difference; and the other promoters shall bear joint and several liabilities.

If the shares required to be issued at the time of the establishment of a company are not fully subscribed, or if, after the full payment for the issued shares, the promoters fail to convene the inaugural meeting within 30 days, any subscriber may demand the promoters to refund their subscriptions, plus the interest calculated based on the bank interest rate for the corresponding period.

In cases where the company is not established, the legal consequences shall be borne by the shareholders at the time of establishment; if there are two or more shareholders at the time of establishment, they shall have joint and several claims and bear joint and several liabilities.

If a shareholder at the time of establishment causes harm to another person due to performance of its responsibilities for the establishment of the company, the company or other faultless shareholders may seek to recover any resulting compensation liability borne by them from the shareholder at fault.

Share capital

The promoters may make capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out in accordance with the laws or administrative regulations on valuation without any over-valuation or under-valuation.

Shares shall be issued in a fair and equitable manner. The same class of shares must carry equal rights. Shares of the same class issued at the same time must be issued on the same conditions and at the same price. The same price per share shall be paid by a subscriber, an entity or an individual, and shall be equal to or greater than the nominal value of the share and shall not be less than the nominal value.

A PRC domestic company shall file with the CSRC before offering its shares to the public overseas. Pursuant to the Overseas Listing Trial Measures, the target investors for overseas issuance and listing of a domestic company shall be overseas investors, except as in compliance with the Overseas Listing Trial Measures or otherwise provided by the state.

Under the PRC Company Law, a company shall prepare a shareholder register and place it within its premises which sets forth the following matters:

- (i) the name and domicile of each shareholder;
- (ii) the classes and quantity of subscribed shares for each shareholder;
- (iii) the stock serial numbers for stocks issued in paper form;
- (iv) the date on which each shareholder purchased the shares.

Increase in share capital

According to the PRC Company Law, if a company proposes to issue new shares, resolutions shall be passed at a Shareholders' general meeting in accordance with the articles of association to determine the class, amount and issue price of the new shares.

Save for the above-mentioned shareholder approval requirement, for a public offering of new shares, the PRC Securities Law provides that the company shall:

- (i) have a sound organisational structure with satisfactory operating record;
- (ii) the company is a going concern;
- (iii) the accountants have issued an unqualified audit report on the financial and accounting documents of the company for the past three years;
- (iv) the company and its controlling shareholders and de facto controllers have not had any criminal records in the past three years in relation to corruption, bribery, embezzlement, misappropriation of assets and breach of socialist market economic order; and
- (v) other requirements as prescribed by the securities regulatory authority of the State Council approved by the State Council.

Pursuant to the PRC Company Law, when the company launches a public issuance of new shares with the approval of the securities regulatory authorities of the State Council, it shall publish a document and financial and accounting reports, and prepare the share subscription form. After the new share issuance has been paid up, a company must change its registration with the company registration authority and issue a public notice accordingly.

Reduction of share capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- (i) the company shall prepare a balance sheet and an inventory of the assets;
- (ii) the reduction of registered capital must be approved by shareholders in a Shareholders' general meeting;
- (iii) the company shall inform its creditors of the reduction in registered capital within ten (10) days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days after the resolution approving the reduction has been passed;
- (iv) the creditors of the company may within the statutory prescribed time limit require the company to pay its debts or provide guarantees covering the debts; the creditors shall, within thirty (30) days from the date they receive the written notice, or within forty five (45) days from the date the announcement is made in the case of those who have not received such written notice, have the right to claim full repayment of their debts or provision of a corresponding guarantee from the company; and
- (v) the company must apply to the company registration authority for registration of the reduction in registered capital.

Repurchase of shares

A company may not repurchase its own shares other than for one of the following purposes:

- (i) reducing the registered capital of the company; or
- (ii) merging with another company that hold shares in the company; or
- (iii) grant of shares for the staff shareholding scheme or as share incentives; or
- (iv) shareholders who disagree with the resolutions for the merger and separation of the company made in a Shareholders' general meeting may demand the company to purchase their shares; or
- (v) utilising the Shares for conversion of corporate bonds which are convertible into shares issued by the listed companies; or
- (vi) where it is necessary for the listed companies to safeguard its value and shareholders' interests.

Where the company needs to purchase its own shares under any of the circumstances set out in clauses (i) and (ii) under the preceding article, it shall be subject to a resolution of a Shareholders' general meeting. Where the company needs to purchase its own shares under any of the circumstances set out in clauses (iii), (v) and (vi) under the preceding article, it shall be made as prescribed by the articles or under the authorisation by a Shareholders' general meeting and approved by way of a resolution at the board meeting attended by more than two thirds of the directors of the company.

After the company purchases its own shares under the circumstance set out in clauses (i), it shall cancel the purchased shares within 10 days after the purchase; while under either circumstance set out in clauses (ii) or (iv), transfer them or write them off within six months; while under any of the circumstances set out in clauses (iii), (v) or (vi), the aggregate number of shares of the company held by itself shall not exceed 10% of its total shares in issue and the company shall transfer them or write them off within three years.

A listed company purchasing its own shares shall perform the obligation of information disclosure. A listed company purchasing its own shares under any of the circumstances set out in clauses (iii), (v) and (vi) shall carry out trading in a public and centralised manner.

A company may not accept its own shares as the subject matter of a mortgage.

Transfer of shares

Shares may be transferred in accordance with the relevant laws and regulations.

According to the PRC Company Law, a shareholder may transfer his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Stocks may be transferred after the shareholders endorse the back of the share certificates or in any other manner specified by the laws or administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its share register. No changes of registration in the share register described above shall be effected during a period of 20 days prior to convening a shareholders' general meeting or five days prior to the record date for the purpose of determining entitlements to dividend distributions, subject to any otherwise stipulated legal provisions on the registration of changes in the share register of listed companies.

According to the PRC Company Law, Shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on a stock exchange. Where any laws, administrative regulations, or the securities regulatory authority under the State Council have other provisions regarding the transfer of shares of a listed company by its shareholders or actual controllers, those provisions shall prevail. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and any changes in such shareholdings. During their terms of office, they may transfer no

more than 25% of the total number of shares they hold in the company every year. They shall not transfer the shares they hold within one year of the date of the company's listing on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Shareholders

Under the PRC Company Law and the Articles Guidelines, the rights of holders of ordinary shares of a joint stock limited company include the rights:

- (i) to attend or appoint a proxy to attend shareholders' general meetings and to exercise the voting rights;
- (ii) to transfer the shares according to the laws and administrative regulations and the articles of association;
- (iii) to inspect the articles of association, shareholder register, counterfoil of company debentures, minutes of shareholders' general meetings, board resolutions, resolutions of the Supervisory Committee and financial and accounting reports and to make suggestions or inquiries in respect of the company's operations;
- (iv) to petition the people's court to revoke any resolution passed at a shareholders' general meeting or a meeting of board of directors if the content of such resolution is in violation of the articles of association;
- (v) to receive dividends and other types of interest distributing in respect of the number of shares held;
- (vi) to receive residual properties of the company in proportion to their shareholdings upon the terminating or liquidation of the company; and
- (vii) any other shareholders' rights provided for in laws, administrative regulations, other regulatory documents and the articles of association of the company.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription monies agreed to be paid in respect of the shares taken up by them and any other shareholder obligation specified in laws, administrative regulations, regulatory documents and the articles of association.

Shareholders' general meeting

The Shareholders' general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The Shareholders' general meeting may exercise its powers:

- (i) to elect and remove the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;
- (ii) to review and approve the reports of the board of directors;
- (iii) to review and approve the reports of the Supervisory Committee;
- (iv) to review and approve the company's profit distribution proposals and loss recovery proposals;
- (v) to decide on any increase or reduction of the company's registered capital;
- (vi) to decide on the issue of corporate bonds;
- (vii) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- (viii) to amend the company's articles of association; and
- (ix) to exercise any other authority stipulated in the articles of association.

The shareholders' general meeting may authorize the board of directors to make resolutions regarding the issuance of corporate bonds.

A shareholders' general meeting is required to be held once every year. An extraordinary general meeting is required to be held within two months of the occurrence of any of the following:

- (i) the number of directors is less than the number stipulated by the laws or less than two-thirds of the number specified in the articles of association;
- (ii) the outstanding losses of the company reach one-third of the company's total paid-in share capital;
- (iii) shareholders individually or in aggregate holding 10% or more of the company's shares request that an extraordinary general meeting shall be convened;
- (iv) the board deems necessary;
- (v) the Supervisory Committee so requests;
- (vi) any other circumstances as provided for in the articles of association.

A shareholders' general meeting shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director nominated by half or more of the directors shall preside over the meeting. Where the board of directors is incapable of performing or is not performing its duties to convene the shareholders' general meeting, the Supervisory Committee shall convene and preside over such meeting in a timely manner. If the Supervisory Committee fails to convene and preside over such meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over such meeting.

In accordance with the PRC Company Law, a notice of the general meeting stating the date and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting.

Under the PRC Company Law, a single shareholder who holds, or several shareholders who jointly hold, 1% or more of the shares of the company may submit an interim proposal in writing to the board of directors 10 days before the general meeting is held. The board of directors shall, within two days upon receipt of the proposal, notify the other shareholders, and submit the said interim proposal to the general meeting for deliberation. The contents of the interim proposal shall fall within the scope of powers of the general meeting, and the proposal shall have a clear agenda and specific matters on which resolutions are to be made.

The general meeting shall not make resolutions on matters that are not clearly listed in the notices given to the shareholders.

There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in a shareholders' general meeting.

Shareholders present at a shareholders' general meeting have one vote for each share they hold, except for shareholders of non-ordinary shares, save that shares held by the company are not entitled to any voting rights. Resolutions of the general meeting must be passed by more than half of the voting rights held by shareholders present at the meeting, with the exception of matters relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, which in each case must be passed by at least two-thirds of the voting rights held by the shareholders present at the meeting. Where the PRC Company Law and the articles of association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company must be approved by way of resolution of the general meeting, the directors shall convene a shareholders' general meeting promptly to vote on such matters. An accumulative voting system may be adopted for the election of directors

and supervisors at the general meeting pursuant to the provisions of the articles of association or a resolution of the general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Minutes shall be prepared in respect of matters considered at the general meeting and the shareholders attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of directors

The board of directors of a company shall consist of three or more members, and may include employee representatives among them. In the case of a company with three hundred or more employees, except when a Supervisory Committee has been established including a number of employee representatives among its members as required by law, the company's board of directors shall include employee representatives among its members. An employee representative on the board of directors shall be elected by the company's employees through the employee representative assembly, employee assembly, or other forms of democratic elections. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum.

Under the PRC Company Law, the board of directors may exercise the following powers:

- (i) to convene shareholders' general meetings and report on its work to the shareholders' general meetings;
- (ii) to implement the resolution passed by the shareholders at the shareholders' general meeting;
- (iii) to decide on the company's operational plans and investment proposals;
- (iv) to formulate the company's profit distribution proposals and loss recovery proposals;
- (v) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;

- (vi) to formulate proposals for the merger, division or dissolution of the company or change of corporate form;
- (vii) to decide on the setup of the company's internal management organs;
- (viii) to appoint or dismiss the company's general manager and decide on his/her remuneration and, based on the general manager's recommendation, to appoint or dismiss any deputy general manager and financial officer of the company and to decide on their remunerations;
- (ix) to formulate the company's basic management system;
- (x) to exercise any other authority stipulated in the articles of association or granted by the shareholders' meeting.

Meetings of the board of directors shall be convened at least twice each year. Notices of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the board or the Supervisory Committee. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. The board may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorisation that his/her representative has. The board of directors shall prepare minutes of the meetings of the board of directors and such minutes shall be signed by the directors present at the meeting.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or resolutions of the general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Under the PRC Company Law, the following persons may not serve as a director of a company:

- (i) a person who is unable or has limited ability to undertake any civil liabilities;

- (ii) a person who has been subjected to criminal punishment for corruption, bribery, embezzlement or misappropriation of property, or disruption of the economic order of the socialist market, or who has ever been deprived of political rights due to a criminal conviction, and five years have not elapsed since the term of punishment was completed, or in the case of a suspended sentence, two years have not elapsed since the probation period was completed;
- (iii) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into solvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (iv) any former legal representative of a company or enterprise which has had its business license revoked or been ordered to shut down due to any violation of the law, and where the individual was personally responsible for the situation, and three years have not elapsed since the date of revocation of business license or shutdown order; and
- (v) a person identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election or appointment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

Under the PRC Company Law, the board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

A company may, as stipulated in its articles of association, establish an audit committee within the board of directors composed of directors to exercise the functions and powers prescribed for the Supervisory Committee by this Law, without establishing a Supervisory Committee or supervisors.

Supervisory committee

A company shall establish a Supervisory Committee composed of three or more members. The Supervisory Committee consists of shareholder representatives and an appropriate proportion of employee representatives. The actual proportion shall be determined in the articles of association, provided that the proportion of employee representatives shall not be less than one-third. Employee representatives at the Supervisory Committee shall be democratically elected by the company's staff at the employees' representative congress, general staff meeting or otherwise. Directors and senior management shall not concurrently serve as supervisors. The Supervisory Committee shall appoint a chairman and may appoint a vice chairman. The chairman and vice chairman of the Supervisory Committee shall be elected by more than half of the supervisors.

According to the Reply of the Overseas Listing Department of the CSRC and the Production System Department of the State Commission for Restructuring the Economic System on Opinions Concerning the Supplement and Amendment to Articles of Association by Companies to be Listed in Hong Kong (《中國證監會海外上市部、國家體改委生產體制司關於到香港上市公司對公司章程作補充修改的意見的函》), the chairman of the Supervisory Committee shall be appointed by more than two-thirds of the supervisors.

The chairman of the Supervisory Committee shall convene and preside over Supervisory Committee meetings. Where the chairman of the Supervisory Committee is incapable of performing or is not performing his/her duties, the vice chairman of the Supervisory Committee shall convene and preside over Supervisory Committee meetings. Where the vice chairman of the Supervisory Committee is incapable of performing or is not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over Supervisory Committee meetings. Directors and senior management shall not act concurrently as supervisors.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The Supervisory Committee may exercise its powers:

- (i) to review the company's financial position;
- (ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated any laws, regulations, the articles of association or shareholders' resolutions;

- (iii) to require the directors and senior management to rectify their actions when such actions are detrimental to the company's interests;
- (iv) to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board fails to perform the duty of convening and presiding over shareholders' general meetings under the PRC Company Law;
- (v) to submit proposals to the shareholders' general meetings;
- (vi) to bring actions against the directors and senior management pursuant to the relevant provisions of the PRC Company Law; and
- (vii) to exercise any other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The Supervisory Committee may investigate any irregularities identified in the operations of the company and, if necessary, may engage an accounting firm to assist its work at the cost of the company.

Manager and senior management

A company shall have a general manager who shall be appointed or removed by the board of directors. The general manager shall report to the board of directors and exercise functions and powers as specified in the articles of association or as authorized by the board of directors.

The general manager shall be present at meetings of the board of directors. However, the general manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

According to the PRC Company Law, senior management refers to the general manager, deputy manager, financial officer, secretary to the board of a listed company and other personnel as stipulated in the articles of association.

Duties of directors, supervisors, the general manager and other senior management

Directors, supervisors, the general manager, the deputy general manager and senior management are required under the PRC Company Law to comply with the relevant laws, regulations and the articles of association, and carry out their duties in good faith and with due diligence.

Directors, supervisors, senior management are prohibited from accepting bribes or other unlawful income and from misappropriating the company's property.

Directors and senior management are prohibited from:

- (i) embezzling company property or misappropriating company funds;

- (ii) depositing company funds into accounts opened under their own names or the names of other individuals;
- (iii) personally accepting commissions on transactions to which the company is a party;
- (iv) disclosing the company's confidential information without authorization; and
- (v) committing any other acts in breach of their fiduciary duties to the company.

Any income obtained by directors or senior management in violation of aforementioned provisions shall be returned to the company.

If any director, supervisor or senior management violates any law, regulation or the company's articles of association in the performance of his/her duties causing loss to the company, he/she shall be liable to compensate the company for such loss.

Where a director, supervisor or senior management is required to attend a shareholders' general meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. Directors and senior management shall furnish all true and accurate information and data to the Supervisory Committee, or if a limited liability company has no Supervisory Committee, supervisors, without impeding the discharge of duties by the Supervisory Committee or supervisors.

Where a director or senior management contravenes law, administrative regulation or the articles of association in the performance of his/her duties causing any loss to the company, shareholder(s) holding individually or in aggregate more than 1% of the company's shares consecutively for over 180 days may request in writing that the Supervisory Committee institute litigation at a people's court on its behalf. Where the Supervisory Committee violates the laws or administrative regulations or the articles of association in the discharge of its duties resulting in any loss to the company, such shareholder(s) may request in writing that the board of directors institutes litigation at a people's court on its behalf. If the Supervisory Committee or the board of directors refuses to institute litigation after receiving this written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the company's interests, such shareholder(s) shall have the power to institute litigation directly at a people's court in its own name for the company's benefit. For other parties who infringe the lawful interests of the company resulting in loss to the company, such shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where a director or senior management violates any laws, administrative regulations or the articles of association in infringement of shareholders' interests, a shareholder may also institute litigation at a people's court.

Finance and accounting

The company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council.

The company's financial reports shall be made available for shareholders' inspection at the company 20 days before the convening of an annual general meeting. A joint stock limited company that makes public stock offerings shall publish its financial reports.

When distributing each year's profits after taxation, the company shall set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached 50% or more of the company's registered capital. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the company has made good its losses and made allocations to its discretionary common reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

Profits distributed to shareholders by a resolution of a shareholders' general meeting or the board of directors in violation of the requirements described above must be returned to the company. The company shall not be entitled to any distribution of profits in respect of shares held by it.

The premium received from the issuance of shares by the company at a price exceeding the par value of the shares, the capital obtained from the issuance of non-par value shares not included in the registered capital, and other items stipulated by the financial department of the State Council to be included in the capital reserve, shall be credited to the capital reserves. The common reserve fund of the company shall be used to cover the company's losses, expand its business operations or increase its capital. When using the company's reserves to cover its losses, the balances of the discretionary reserves and statutory reserves shall be used first to cover such losses; if there is still a shortfall, the capital reserves may be used in accordance with regulations. Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the company prior to such transfer.

The company shall have no accounting books other than the statutory books. The company's assets shall not be deposited in any account opened under the name of any individual.

Appointment and removal of accountants

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the company's auditing shall be determined by shareholders at a shareholders' general meeting, the board of directors, or the Supervisory Committee in accordance with the articles of association. The accounting firm should be allowed to present its views when the general meeting or the board of directors vote on the dismissal of the accounting firm at their respective meetings. The company shall provide true and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials to the engaged accounting firm and shall not refuse to provide, conceal, or falsify such materials.

Profit distribution

According to the PRC Company Law, the company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

Amendments to the articles of association

Pursuant to the PRC Company Law, a resolution of the shareholders' general meeting to amend the company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting.

Dissolution and liquidation

Pursuant to the PRC Company Law, the company shall be dissolved under any of the following circumstances:

- (i) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;
- (ii) the shareholders have resolved at a shareholders' general meeting to dissolve the company;
- (iii) the company is dissolved by reason of its merger or division;
- (iv) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or

- (v) the company is dissolved by a people's court in request of shareholders holding shares representing more than 10% of the total voting rights of all shareholders of the company, on the grounds that the operations and management of the company have suffered serious difficulties that cannot be resolved through other means, rendering on-going existence of the company a cause for significant losses to the shareholders.

In cases where a company falls under the circumstances specified in subparagraph (i) or (ii) above and has not yet distributed its assets to shareholders, it may continue its existence by amending its articles of association or by resolution of the shareholders' meeting. Any amendments to the articles of association in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting.

Where the company is dissolved under the circumstances set forth in paragraph (i), (ii), (iv) or (v) above, it should establish a liquidation committee within 15 days of the occurrence of the dissolution event. The liquidation committee shall be composed of directors or any other persons determined by a shareholders' general meeting. If a liquidation committee is not established within the prescribed period, the company's creditors may petition a people's court to appoint relevant personnel to form a liquidation committee to conduct the liquidation. The people's court shall accept such petition and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise following powers during the liquidation:

- (i) to dispose of the company's assets and to prepare a balance sheet and an inventory of assets;
- (ii) to notify the company's creditors or publish announcements;
- (iii) to deal with any outstanding business related to the liquidation;
- (iv) to pay any overdue tax together with any tax arising during the liquidation process;
- (v) to settle the company's financial claims and liabilities;
- (vi) to handle the company's remaining assets after its debts have been paid off; and
- (vii) to represent the company in any civil procedures.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification. A creditor shall, in making his claim, state all matters relevant to his creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or a people's court for endorsement. The remaining assets of the company, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to the shares held by them. The company shall continue to exist during the liquidation period, although it cannot engage in operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before settlements are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration by the people's court, the liquidation committee shall hand over the administration of the liquidation to the people's court.

Upon completion of the liquidation, the liquidation committee shall submit a liquidation report to the shareholders' general meeting or a people's court for confirmation of its completion. Following such confirmation, the report shall be submitted to the company registration authority to cancel the company's registration, and an announcement of its termination shall be published. Members of the liquidation committee are required to perform their duties in good faith and in compliance with relevant laws. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's properties. Members of the liquidation committee are liable to indemnify the company and its creditors in respect of any loss arising from their willful or material default.

Liquidation of a company declaring bankruptcy according to laws shall be processed in accordance with the laws on corporate bankruptcy.

Overseas listing

Pursuant to the Overseas Listing Trial Measures, if a PRC domestic company submits an initial public offering application to an overseas regulatory authority or an overseas stock exchange, the issuer shall file with the CSRC within three business days after submitting the application.

Suspension and termination of listing

The PRC Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

Pursuant to the Overseas Listing Trial Measures, in the case of voluntary or mandatory termination of listing, the issuer shall report the specific situation to the CSRC within three business days from the date of the occurrence and announcement of the relevant event.

Merger and division

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare their respective balance sheets and inventory of assets. The companies shall notify their respective creditors within 10 days from the date of passing the resolution approving the merger and publicly announce the merger within 30 days. Creditors may demand the company to settle any outstanding debts or provide relevant guarantees within 30 days of receiving the notification, or within 45 days of the date of the announcement if no notification was received. In the event of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the newly established company.

In the event of a division, the company's assets shall be divided, and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company shall notify all its creditors within 10 days from the date of passing such resolution and publicly announce the division in newspapers within 30 days. Unless a written agreement is reached with creditors in respect of the settlement of debts, the liabilities of the company which have accrued prior to such division shall be subject to joint liability by the successor companies.

IV. THE PRC SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issuance and trading of our shares and disclosure of information. In October 1992, the State Council established the Securities Committee (國務院證券委員會) and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. On March 29, 1998, the State Council consolidated the aforementioned two departments and reformed the CSRC.

On April 22, 1993, the Provisional Regulations Concerning the Issuance and Trading of Shares (《股票發行與交易管理暫行條例》) were promulgated by the State Council to govern the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, settling and transfer of listed equity securities, as well as the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

On December 25, 1995, the State Council promulgated the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These regulations principally govern the issuance, subscription, trading and declaration of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

The Securities Law of the PRC (《中華人民共和國證券法》) took effect on July 1, 1999 and was revised as at August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. It was the first national securities law in the PRC, and is divided into 14 chapters and 226 articles regulating, among other matters, the issuance and trading of securities, takeovers of listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises must comply with the relevant regulations of the State Council to, directly or indirectly, issue securities or list their securities to be traded outside the PRC. Currently, the issuance and trading of foreign issued securities (including H shares) are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

On August 10, 2023, the CSRC promulgated the Guidance of H-share Companies Applying for “Full Circulation” Business of Unlisted Shares in China ([2023] No. 50) (《H股公司境內未上市股份申請「全流通」業務指引》), which came into effect on the same day. This provision is to regulate the listing and circulation (hereinafter referred to as “**Full Circulation**”) of unlisted domestic shares of H-share companies listed on the Hong Kong Stock Exchange (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued in China after overseas listing and unlisted shares held by foreign shareholders) on the Stock Exchange. Subject to compliance with relevant laws and regulations, as well as the policy requirements of state-owned assets management, foreign investment and industry regulation, the holders of unlisted domestic shares may independently determine the number and proportion of shares for which an application will be filed for circulation, and entrust H-share companies to file with the CSRC. Unlisted domestic joint-stock limited companies may file with the CSRC for “Full Circulation” simultaneously at the time of its overseas initial public offering and listing.

V. ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “**Arbitration Law**”) was passed on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. It is applicable to contract disputes and other property disputes between natural persons, legal persons and other organisations where the parties have entered into a written agreement to refer the matter to arbitration before an arbitration committee constituted in accordance with the Arbitration Law. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association (中國仲裁協會) of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people’s court will refuse to handle the case, unless the arbitration agreement is null and void.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award made by the arbitration body shall be final and conclusive and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement. The people’s court shall enforce the arbitral award upon receipt of the application. A people’s court may refuse to enforce an arbitral award made by an arbitration tribunal after verification by collegial bench formed by the people’s court if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal or arbitration proceedings, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement).

A party seeking to enforce an arbitral award of PRC Arbitration Tribunal against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or participated in by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》, the “**New York Convention**”) adopted on June 10, 1958 pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognised and enforced by other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the State to which the arbitration for enforcement is made. At the time of the PRC’s accession to the New York Convention, the SCNPC declared that (i) the New York Convention will only be applied to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (ii) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and became effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) (Articles 1 and 4 became effective on November 27, 2020, and Articles 2 and 3 became effective on May 19, 2021) promulgated on November 26, 2020, the courts of Hong Kong agree to enforce the awards made pursuant to the Arbitration Law by the arbitral authorities in the Mainland (the list to be supplied by the Legislative Affairs Office of the State Council (國務院法制辦公室) through the Hong Kong and Macao Affairs Office of the State Council (國務院港澳事務辦公室)) and the people's courts of the Mainland agree to enforce the awards made in the Hong Kong pursuant to the Arbitration Ordinance of the Hong Kong. If the people's courts of the Mainland find that the enforcement of awards made by the Hong Kong arbitral bodies in the Mainland will be against public interests of the Mainland, or the courts of Hong Kong decide that the enforcement of the arbitral awards in Hong Kong will be against public policies of Hong Kong, the awards may not be enforced.

VI. JUDICIAL JUDGEMENT AND ENFORCEMENT

According to the Arrangement on Mutual Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Chinese Mainland and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008, in the case of final and enforceable judgement with payment requirement, made by the court of China and the court of Hong Kong in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the people's court of China or the court of Hong Kong for recognition and enforcement of such judgement based on this arrangement. "Written jurisdiction agreement" refers to a written agreement between the parties concerned giving the exclusive jurisdiction of either the people's court of China or the court of Hong Kong in order to resolve dispute relating to particular legal relation occurred or likely to occur. Therefore, the party concerned may apply to the court of China or the court of Hong Kong to recognise and enforce the final judgement made in China or Hong Kong that meet certain conditions of the aforementioned regulations.

On January 18, 2019, the Supreme People's Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgements in wider range of civil and commercial matters between Hong Kong and the PRC. The New Arrangement discontinued the requirement for a written jurisdiction agreement for bilateral recognition

and enforcement. The New Arrangement came into effect on January 29, 2024, after the promulgation of a judicial interpretation by the Supreme People's Court and the completion of the relevant legislative procedures in the Hong Kong. The New Arrangement supersedes the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administration Region Pursuant to Agreed Jurisdiction Agreements between Parties Concerned. It stipulates the application of the new arrangement for the reciprocal recognition and enforcement of effective judgments in civil and commercial matters by the courts of the Mainland and of the Hong Kong Special Administration Region, as well as for the reciprocal recognition and enforcement of effective judgments concerning civil compensation in criminal cases.

I. SHARES**(I) Issuance of Shares**

The shares of the Company shall be in registered form.

The issue of the shares of the Company shall be based on the principles of openness, fairness, and impartiality, and shall rank *pari passu* in all respects with the shares of the same class.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by subscribers.

(II) Increase, Reduction and Repurchase of Shares

In accordance with laws and regulations, the Company may, based on its operating and development needs and the resolution of the general meeting, increase its capital by the following ways:

- (i) issuing shares to unspecified parties;
- (ii) issuing shares to specific parties;
- (iii) distributing bonus shares to existing shareholders;
- (iv) conversion of its capital reserve to share capital;
- (v) other ways required by laws, administrative regulations, and the CSRC.

The Company may reduce its registered capital. Where the Company reduces its registered capital, the shares shall be reduced in proportion to the shares held by shareholders, unless all shareholders unanimously agree not to reduce the registered capital in accordance with the proportion of shares held by the shareholders.

The Company shall not repurchase its own shares, except under any of the following circumstances:

- (i) to reduce the registered capital of the Company;
- (ii) to merge with another company that holds the shares of the Company;
- (iii) to use the shares for Employee Stock Ownership Plan or as equity incentive;
- (iv) shareholders who object to a merger or separation resolution made at the general meeting requesting the Company to acquire their shares;

- (v) to utilize shares to satisfy the conversion of corporate bonds that are convertible into shares issued by the Company;
- (vi) when it is necessary for the Company to protect the company value and the shareholders' equity.

The Company may acquire its shares in any of the following ways:

- (i) offering to buy back shares from all shareholders on a pro rata basis;
- (ii) buying back through open transaction;
- (iii) other circumstances required by laws and administrative regulations.

Where the Company acquires its shares under the circumstances set out in item (I) or (II) of Article 21 hereof, it shall be resolved at the general meeting. Where the Company acquires its shares under the circumstances set out in item (III), (V) or (VI) of Article 21 hereof, it shall be resolved at a Board meeting attended by more than two-thirds of the Directors in accordance with the provisions of the Articles of Association or upon authorization by the general meeting.

After the Company acquires its shares under the circumstances set out in Article 21, in the case of item (I), the shares shall be canceled within ten days from the date of acquisition; in the case of items (II) and (IV), the shares shall be transferred or canceled within six months; in the case of items (III), (V), and (VI), the shares held in the aggregate by the Company shall not exceed 10% of the total issued shares of the Company, and the shares shall be transferred or canceled within three years.

(III) Transfer of shares

Shares issued by the Company prior to its public offering shall not be transferable within one year from the date on which the shares are listed and traded in a stock exchange.

The Directors, supervisors and senior management of the Company shall declare the number of shares held by them and the relevant changes to the Company. The number of shares transferred each year during their term of office as determined at the time of their taking office shall not exceed 25% of the total number of shares of the Company held by them. The shares of the Company held by them shall not be transferable within one year from the date of listing and trading of the shares. The shares of the Company held by them shall not be transferable within six months after their resignation.

For the Company's Directors, supervisors, senior management and shareholders holding more than 5% of the Company's shares, if they have sold the shares of the Company or other securities with an equity nature held by them within six months after purchasing, or if they have purchased such shares or securities again within six months after selling them, the gains obtained therefrom shall be attributed to the Company and be forfeited by the Board of the Company. However, securities companies holding more than 5% of the shares due to the purchase of the remaining shares after underwriting, and other circumstances stipulated by the CSRC are excluded.

II. SHAREHOLDERS AND GENERAL MEETINGS

(I) General Rules of Shareholders

The Company shall maintain a register of shareholders. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Company's shares. The shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. The shareholders holding the same class of shares shall enjoy the equal rights and assume the equal obligations.

Shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other forms of distribution of interests in proportion to their respective shareholdings;
- (ii) to request the convening, organizing, presiding over, attending or appointing a proxy to attend the general meeting and exercise the corresponding voting rights in accordance with the law;
- (iii) to supervise, and make recommendations or inquiries on the operation of the Company;
- (iv) to transfer, bestow or pledge the shares they hold according to the laws, administrative regulations and the Articles of Association;
- (v) to inspect and copy the Articles of Association, the register of shareholders, minutes of general meetings, resolutions of the Board meetings and meetings of the Supervisory Committee, and financial and accounting reports, and to make recommendations or inquiries on the operation of the Company. Shareholders who meet the requirements may inspect the accounting books and accounting vouchers of the Company;
- (vi) to participate in the distribution of the Company's remaining assets in proportion to their shareholdings upon the termination or liquidation of the Company;

- (vii) to require the Company to acquire its shares by the shareholders who object to a resolution of a general meeting on the merger or division of the Company at a reasonable price;
- (viii) other rights as provided by laws, administrative regulations, departmental rules, or the Articles of Association.

The shareholders shall be entitled to request the People's Court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure or voting method of the general meeting or Board meeting violates the laws, administrative regulations or the Articles of Association, or the resolution content breaches the Articles of Association. However, except that there are only minor defects in the convening procedures or voting method of a general meeting or a Board meeting, which do not materially affect the resolution.

Shareholders of the Company shall assume the following obligations:

- (i) complying with the laws, administrative regulations and the Articles of Association;
- (ii) paying the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (iii) no withdrawal of share capital except for the circumstances set out in the laws and regulations;
- (iv) no abuse of shareholder's rights to damage the interests of the Company or other shareholders; no abuse of the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the creditors of the Company;
- (v) other obligations that should be assumed under laws, administrative regulations and the Articles of Association.

If any shareholder of the Company abuses the shareholder's rights and causes loss to the Company or other shareholders, he/she shall be liable for the compensation. If any shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely damage the interests of the creditors of the Company, he/she shall bear joint liability for the debts of the Company.

(II) General Rules of General Meetings

The general meeting is the source of authority of the Company and shall exercise the following functions and powers in accordance to the laws:

- (i) to elect and replace Directors and supervisors, and to decide on matters relating to their remunerations;

- (ii) to consider and approve the reports of the Board;
- (iii) to consider and approve the reports of the Supervisory Committee;
- (iv) to consider and approve the profit distribution plan and loss recovery plan of the Company;
- (v) to make a resolution on the increase or reduction of the Company's registered capital;
- (vi) to make a resolution on the issuance of bonds of the Company, or to authorize the Board to make a resolution on the issuance of bonds of the Company;
- (vii) to make a resolution on matters such as the merger, division, dissolution, liquidation, or change of company form of the Company;
- (viii) to amend the Articles of Association;
- (ix) to make a resolution on the appointment or dismissal of engagement of the accounting firm undertaking the Company's auditing business by the Company;
- (x) to consider and approve the guarantee matters set out in Article 43 hereof;
- (xi) to consider the purchase or disposal of material assets by the Company within one year exceeding 30% of the Company's latest audited total assets;
- (xii) to consider and approve the change of use of proceeds;
- (xiii) to consider equity incentive plans and Employee Stock Ownership Plan;
- (xiv) to consider other matters that should be resolved on by the general meeting according to laws, administrative regulations, departmental rules or the Articles of Association.

The following external guarantees and related transactions made by the Company shall be considered and approved by the Board before being submitted to the general meeting for approval:

- (i) any single guarantee whose amount exceeds 10% of the audited net assets for the latest period;
- (ii) any guarantee provided after the total amount of the external guarantees provided by the Company and its controlled subsidiaries exceed 50% of the audited net assets for the latest period;
- (iii) any guarantee provided after the total external guarantees of the Company exceed 30% of the total audited assets for the latest period;

- (iv) the guarantee provided to the guaranteed object with a debt-to-asset ratio of more than 70%;
- (v) a guarantee amount exceeding 30% of the total audited assets for the latest period of the Company within one year;
- (vi) a guarantee amount exceeding 50% of the total audited assets for the latest period and the absolute amount exceeding RMB50 million of the Company within one year;
- (vii) any guarantee provided to the shareholder, actual controller and its related party;
- (viii) any related transaction between the Company and a related natural person involving an amount exceeding RMB3 million;
- (ix) any related transaction between the Company and an related legal person, where the transaction amount involved exceeds RMB30 million and represents more than 5% of the absolute value of the Company's the audited net assets for the latest period;
- (x) other guarantees and related transactions as stipulated in the Articles of Association.

When the Board considers the above guarantee matters, such matters must be considered and approved by more than two-thirds of the Directors attending the Board meeting. When the general meeting considers the guarantee matters under item (V) of the preceding paragraph, such matters must be approved by more than two-thirds of the voting rights held by the shareholders attending the meeting.

The general meetings shall be classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year, and shall be held within six months after the end of the previous accounting year.

In any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of the occurrence of the circumstance:

- (i) when the number of Directors is less than the number specified in the Company Law or two-thirds of the number required by the Articles of Association;
- (ii) the uncovered loss of the Company reaches one-third of the total share capital;
- (iii) upon request(s) by shareholder(s) individually or collectively holding more than 10% of the Company's shares;

- (iv) when the Board considers it necessary;
- (v) when the Supervisory Committee proposes such a meeting be held;
- (vi) other circumstances specified by laws, administrative regulations, departmental rules or the Articles of Association.

(III) Convening of General Meetings

The independent Directors have the right to propose to the Board to convene an extraordinary general meeting with the approval of a majority of all independent Directors. For the proposal of independent Directors of convening an extraordinary general meeting, the Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written feedback on whether to agree or disagree with convening the meeting within ten days upon receipt of the proposal. When the Board agrees to convene an extraordinary general meeting, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Otherwise, the reasons shall be stated.

The Supervisory Committee shall propose to the Board to convene an extraordinary general meeting, and shall make such proposal in writing. The Board shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, provide a written feedback on whether to agree or disagree with convening the meeting within ten days upon receipt of the proposal. If the Board agrees to convene an extraordinary general meeting, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Changes to the original proposal in the notice shall be subject to the approval of the Supervisory Committee. If the Board does not agree to convene an extraordinary general meeting, or fails to provide a written feedback within ten days upon receipt of the proposal, the Board shall be considered to be unable or fail to perform the duty of convening a general meeting. The Supervisory Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to request the Board to convene an extraordinary general meeting which shall be submitted in writing to the Board. The Board shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, provide a written feedback on making a resolution on whether to convene extraordinary general meeting within ten days upon receipt of the request. If the Board agrees to convene the extraordinary general meeting, the Board shall serve a notice of such meeting within five days after the Board resolution is made. In the event of any change to the original proposal, the consent of relevant shareholder(s) shall be obtained. If the Board disagrees to convene an extraordinary general meeting or fails to give a reply within ten days upon receipt of the request, shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to propose to the Supervisory Committee to convene the extraordinary general meeting and shall submit their request in writing. The Supervisory Committee shall provide a written feedback on making a revolution on whether to convene

extraordinary general meeting within ten days upon receipt of the request. If the Supervisory Committee agrees to convene an extraordinary general meeting, the Supervisory Committee shall, within five days upon receipt of the request, issue a notice calling for the meeting. Changes to the original proposal in the notice shall be subject to the approval of relevant shareholders. If the Supervisory Committee fails to give the notice of the General Meeting within the specified time limit, it shall be deemed that the Supervisory Committee shall not convene and preside over the general meeting, in which case, the shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting by themselves.

When the Supervisory Committee or the shareholders decide to convene a general meeting by themselves, they shall notify the Board in writing. Before a general meeting resolution is made, the shareholding percentage of the convening shareholders shall be not less than 10%. The Board and the secretary of the Board shall align with the general meeting convened by the Supervisory Committee or the shareholders on their own. The Board shall provide the register of shareholders after the close of business on the record date.

(IV) Proposals and Notices of General Meetings

Where the Company convenes a general meeting, the Board, the Supervisory Committee, and the shareholders who individually or collectively hold more than 1% of the Company's shares shall have the right to make proposals to the Company.

The shareholders who individually or collectively hold more than 1% of the Company's shares may raise a temporary proposal and submit it to the Board in writing ten days before the general meeting is held. The Board shall, within 2 days after the receipt of the proposal, notify other shareholders and submit the temporary proposal to the general meeting for approval. However, unless the temporary proposal is in violation of the laws, administrative regulations or the Articles of Association or does not fall within the scope of the general meeting's terms of reference.

The convener will notify each shareholder of an annual general meeting in writing or by other ways of communication 20 days prior to the convening thereof, and notify each shareholder of an extraordinary general meeting in writing or by other ways of communication 15 days prior to the convening thereof. Regarding the calculation of the notice period, the date of the meeting shall not be included.

The notice of the general meeting shall include the following particulars:

- (i) the date, place and duration of the meeting;
- (ii) the matters and proposals to be considered at the meeting;

- (iii) in clear statement that all shareholders are entitled to attend the general meeting and they may appoint a proxy in writing to attend and vote at such meeting on their behalf and that such proxies need not be shareholders of the Company;
- (iv) the date of record for the shareholders who are entitled to attend the general meeting;
- (v) the name and telephone number of the regular contact person for the meeting.

The notice and supplementary notice of general meeting shall fully and completely disclose the details of all proposals.

(V) Convening of General Meetings

All shareholders recorded in the register as at the record date or their proxies shall have the right to attend the general meeting and exercise the voting right in accordance with the relevant laws, regulations and the Articles of Association.

A shareholder may either attend the general meeting in person or appoint a proxy or proxies to attend and vote at such meeting on his/her behalf. An individual shareholder that attends the meeting in person shall produce his or her own ID card or other valid documents or proof evidencing his or her identity. If he or she appoints a proxy to attend the meeting on his or her behalf, the proxy shall produce his or her own valid proof of identity and the instrument of appointment from the shareholder. Shareholders who are legal persons shall attend a meeting by their legal representative or a proxy appointed by the legal representative. If the legal representative attends the meeting, he or she shall produce his or her own ID card and a valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall present his or her own ID card and the power of attorney in writing issued by the legal representative of the corporate shareholder as a legal person in accordance with the laws.

The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall clearly specify the matters, authority, and duration of the proxy's representation, including but not limited to contain the following information:

- (i) the proxy's name;
- (ii) whether the proxy has the voting right;
- (iii) instructions to vote in favor of, against or abstain from voting on each resolution contained in the agenda of general meeting respectively;
- (iv) the date of issuance and effective period of the power of attorney;

- (v) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the power of attorney shall be stamped with the seal of the legal person entity.

Where the general meeting requires directors, supervisors and senior management personnel to attend the meeting, the directors, supervisors and senior management personnel shall attend and accept the shareholders' questions.

The general meeting shall be presided over by the chairperson of the Board. when the chairperson of the Board is unable or fails to perform his/her duty, a director jointly elected by a simple majority of the directors shall preside over the meeting. At a general meeting convened by the Supervisory Committee, the chairperson of Supervisory Committee shall preside over the meeting. When the chairperson of the Supervisory Committee is unable or fails to perform his/her duty, a supervisor jointly elected by more than half of the supervisors shall preside over the meeting. If a general meeting is convened by shareholders, the convener shall elect a representative to preside over the meeting. When a general meeting is held, if the chairperson of the meeting violates the rules of procedure, making continuance of the meeting impossible, with the consent of the shareholders holding more than half of the voting rights present at the meeting, the meeting may elect a person to serve as the chairperson of the meeting and the meeting shall continue.

(VI) Voting and Resolutions at a General Meeting

Resolutions at the general meeting shall be divided into ordinary resolutions and special resolutions. Ordinary resolutions of the general meeting shall be passed by over one-half of the voting rights represented by shareholders' (including proxies) present at the meeting. Special resolutions of the general meeting shall be passed by over two thirds of the voting rights represented by shareholders (including proxies) present at the meeting.

The following matters shall be adopted by an ordinary resolution of the general meeting:

- (i) work reports of the Board and the Supervisory Committee;
- (ii) projects in relation to profit distribution and loss recovery prepared by the Board;
- (iii) the appointment and removal of members of the Board and the Supervisory Committee and their remuneration and payment method thereof;
- (iv) proposed annual preliminary financial budgets, final account proposals of the Company;
- (v) the annual report of the Company;

- (vi) matters other than those requiring the approval by way of special resolutions in accordance with the provisions of the laws, administrative regulations or the Articles of Association.

The following matters shall be adopted by a special resolution of the general meeting:

- (i) increase or reduction in the registered capital of the Company;
- (ii) the division, merger, dissolution and liquidation of the Company;
- (iii) amendments to these Articles of Association;
- (iv) purchase or sale of material assets or guarantees by the Company in excess of thirty per cent of the Company's latest total audited assets within a period of twelve consecutive months;
- (v) share incentive schemes;
- (vi) other matters prescribed by the laws, administrative regulations or these Articles of Association, and those matters determined by a general meeting via ordinary resolution as having a material impact on the Company and are required to be adopted by a special resolution.

Shareholders (including proxies) shall exercise their voting rights in line with the amount of the shares with voting rights they represent, each share shall carry one vote. The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at general meetings. The Board, independent directors and other shareholders who qualify with relevant specified conditions may solicit for the voting shares from shareholders.

When matters in relation to connected transactions are considered at a general meeting, shareholders with connected relationship shall not participate in the voting and the number of shares with voting rights represented by them shall not be counted towards the total number of valid votes; the resolutions of the general meetings shall adequately disclose the votes of non-connected shareholders.

III. THE BOARD

(I) General Provisions for Directors

The directors of the Company shall be natural persons. A person who falls into any of the following circumstances shall not serve as a director of the Company:

- (i) a person without capacity for civil conduct or with restricted capacity for civil conduct;

- (ii) a person who has been sentenced to criminal penalty for corruption, bribery, infringement of property, misappropriation of property or sabotaging the order of socialist market economy, where less than five years have elapsed since the deprivation lapsed, or who has been deprived of his political rights due to criminal offense, where less than five years have elapsed since the deprivation lapsed, or who has been sentenced to probation and a 2-year period has not elapsed since the date of expiration of the probation period;
- (iii) a person who is a director or factory manager or manager of a company or enterprise which has entered into insolvent liquidation and is personally liable for the insolvency of such company or enterprise, where three years have not yet elapsed since the date of completion of the liquidation of the company or enterprise;
- (iv) a person who is a former legal representative of a company or enterprise, the business license of which was revoked or such company or enterprise was ordered to shut down due to violation of law and such person is personally liable for such consequences, where less than three years have elapsed since the date of the revocation of business license or closure by order of such company or enterprise;
- (v) a person who has a relatively large amount of debt which has become overdue and is listed by the People's Court as a dishonest person;
- (vi) a person who is subject to a securities market entry prohibition measure imposed by the CSRC, and the period of the prohibition has not lapsed;
- (vii) other circumstances stipulated by laws, administrative regulations or departmental rules.

Directors shall be elected or changed at the general meeting, and the general meeting may remove any director by a resolution, which shall come into effect from the date on which such resolution is made. A director may serve a term of three years for each session and may serve consecutive terms if re-elected upon the expiry of his term. The term of a director commences from the date on which he assumes office, until the current term of service of the Board ends. If a director's term of service expires but a new director is not yet appointed, the existing director shall continue to fulfill the duties as a director according to the laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director's appointment comes into effect. The senior management personnel may concurrently serve as a director, provided that the total number of directors who also hold the position of senior management personnel and directors who are employee representatives shall not exceed one-half of the total number of directors of the Company.

A director may resign before the expiration of his or her term of office. A resigning director shall submit written resignation report to the Board. The Board will disclose the relevant circumstances within two days. If, as a result of the resignation of a director, the number of directors on the Board of the Company is lower than the minimum number prescribed by the law, the original director shall continue to perform the duties as a director in accordance with laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director assumes office. Except in the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is served on the Board.

(II) Board

The Company shall have a Board, which shall be accountable to the general meeting. The Board shall consist of 9 directors, with 3 independent directors and 1 employee director.

The Board shall exercise the following functions and powers:

- (i) to summon general meetings and report its works to the general meeting;
- (ii) to implement resolutions of the general meeting;
- (iii) to decide on the Company's business plan and investment project;
- (iv) to formulate the Company's projects for profit distribution and loss recovery;
- (v) to formulate projects for the increase or reduction of the registered capital of the Company, the issue of bonds of the Company;
- (vi) to formulate projects for mergers, division, dissolutions and changes in corporate form of the Company;
- (vii) to decide, within the authorisation of the general meeting, on matters such as the issuance of corporate bonds, external investments, acquisition and sale of assets, pledging of assets, external guarantee matters, entrusted wealth management and related party transactions;
- (viii) to decide on the establishment of the internal management structure of the Company;
- (ix) to decide on the appointment or dismissal of the general manager of the Company and their remuneration; to decide on the appointment or dismissal of senior management personnel such as the deputy general manager, the financial controller and their remuneration upon nomination by the general manager;
- (x) to formulate the basic management system of the Company;

- (xi) to formulate the project of amendments to these Articles of Association;
- (xii) to manage corporate information disclosure matters;
- (xiii) to submit to the general meeting a request for the engagement or replacement of the accounting firm auditing for the Company;
- (xiv) to receive reports on the work of the Company's general manager and checking the work of the general manager;
- (xv) to decide on the recommendation, appointment, or replacement of directors, supervisors, and senior management personnel for the Company's holding subsidiaries, joint-stock companies, joint ventures, or associated enterprises;
- (xvi) such other powers granted by laws, administrative regulations, departmental rules and regulations or these Articles of Association.

The Board is vested with the following decision-making authorities:

- (i) the power of authority to make significant investment and transaction decisions, such as external investments with the assets of the Company, equity transfers, asset sales and purchases, and asset swaps, shall be exercised in accordance with the Company's Major Investment and Transaction Decision-Making System;
- (ii) pursuant to the Company's operational circumstances, the Board has the autonomy to decide on borrowing from financial institutions such as banks and the corresponding property guarantees. The authority is limited to: a single loan amount not exceeding 30% of the Company's most recently audited net assets, and the total amount of loans incurred within the year not exceeding the relevant loan quota approved in the annual financial budget by the general meeting;
- (iii) to decide on guarantee matters other than those stipulated in Article 43 of these Articles of Association;
- (iv) to decide on transactions with related parties that reach the following criteria;
 - 1. related-party transactions between the Company and an associated natural person with a transaction amount exceeding RMB300,000 but not exceeding RMB3 million.
 - 2. related-party transactions between the Company and an associated legal entity with a transaction amount exceeding RMB3 million but not exceeding RMB30 million, and accounting for more than 0.5% but not exceeding 5% of the absolute value of the Company's latest audited net assets.

- (v) other investment and decision-making authorities granted by the general meeting.

The Board shall have one chairperson. The chairperson of the Board shall be elected by more than half of all directors.

The chairperson of the Board shall exercise the following duties and powers:

- (i) to preside over general meetings and to summon and preside over meetings of the Board;
- (ii) to supervise and inspect the implementation of resolutions of Board;
- (iii) to sign the share certificates, corporate bonds and other marketable securities issued by the Company;
- (iv) to sign on important documents of the Board and other documents which should be signed by the Company's legal representative;
- (v) to exercise the powers and duties of the legal representative;
- (vi) in the event of emergency of force majeure such as catastrophic natural disaster, to enforce special discretion on the affairs of the Company in accordance with provisions of laws and the interests of the Company and to report to the Board and the general meeting of the Company in a timely manner afterwards;
- (vii) to promptly consult and communicate with the Company's shareholders, directors, and president regarding issues arising in the course of the Company's production and operation;
- (viii) to attend the general manager's office meetings when necessary;
- (ix) to inquire about the situation and propose relevant topics to the working bodies such as committees under the Board of the Company;
- (x) other powers and duties granted by the Board.

Meetings of the Board are divided into regular meetings and extraordinary meetings.

Meetings of the Board shall be held at least twice a year.

The chairman shall convene and preside over extraordinary general meetings of the Board within 10 days after receiving the proposal in any of the following circumstances:

- (i) when the chairman considers necessary;

- (ii) when jointly proposed by more than one-third of the directors;
- (iii) when proposed by shareholders representing more than one-tenth of the voting rights;
- (iv) when proposed by the Supervisory Committee;
- (v) when proposed by the general manager;
- (vi) other circumstances stipulated by the Articles of Association.

In convening the regular and extraordinary meetings of the Board, the office of the Board shall give a notice of the meeting 10 days and 2 days before the meeting date to all directors, supervisors and general manager. If a notice is not given by hand, a subsequent telephone call shall be made for confirmation and corresponding records shall be made. In case of urgency and an extraordinary meeting of the Board is required to be convened as soon as possible, the notice of such meeting shall be given by telephone communication or other verbal means at any time provided that the convener of the meeting shall give relevant explanation at the meeting.

Meetings of the Board shall be held only if more than half of the directors are present. Any resolutions of the Board must be subject to adoption by a simple majority of all directors. Each director shall have one vote for the resolutions of the Board. External guarantee that should be approved by the Board must be reviewed and decided by more than two-thirds of the directors present at the meeting of the Board.

If directors have associated relationship with enterprises involved in any resolution proposed at a meeting of the Board, such directors shall not exercise the voting power on the resolution or exercise the voting power on behalf of other directors. The meeting of the Board may be held with over one-half directors without associated relationship. If the unassociated directors attending the meeting of the Board are less than 3 people, the issues shall be submitted to the general meetings for examination.

(III) Special Committees of the Board

In accordance with the relevant resolutions of the general meeting, the Company's Board shall establish special committees such as the audit committee, the remuneration and appraisal committee and the nomination committee, among which, the members of the special committees are all composed of directors, a majority of the members of the audit committee, the nomination committee and the remuneration and appraisal committee shall be independent directors, and the audit committee shall include at least one independent director who shall be an accounting professional.

(IV) Senior Management Personnel

The Company shall have a general manager, who shall be appointed or dismissed by the Board. The Company shall have a deputy general manager, secretary of the Board, chief financial officer and other senior management personnel who shall be appointed or dismissed by the Board. The general manager shall serve a term of three years and may serve consecutive terms upon reappointment.

IV. SUPERVISORY COMMITTEE**(I) Supervisors**

Directors and senior management personnel shall not concurrently serve as a supervisor. The term of office of the supervisors shall be 3 years for each session. Supervisors are eligible for re-election upon expiry of their term of office.

(II) Supervisory Committee

The Company shall have a Supervisory Committee. The Supervisory Committee shall consist of 3 supervisors and shall have 1 chairperson. The Supervisory Committee shall include shareholder representatives and an appropriate proportion of company employee representatives, of which the proportion of employee representatives shall be one-third.

The Supervisory Committee shall exercise the following functions and powers:

- (i) to review and give written opinions on the periodic reports of the Company prepared by the Board;
- (ii) to examine the Company's financial matters;
- (iii) to supervise the performance by the directors and senior management personnels of their duties to the Company and propose the dismissal of the directors and senior management personnels who violates laws, administrative regulations, the Articles of Association or the resolutions of the general meeting;
- (iv) to demand rectification from the directors and senior management personnels when the acts of such persons are harmful to the Company's interests;
- (v) to propose the convening of extraordinary general meetings; to convene and preside over the general meeting in the event that the Board fails to perform its duties to convene and preside over the general meeting in accordance with the Company Law;
- (vi) to submit proposals to the general meeting;

- (vii) to file lawsuits against the directors and senior management personnels in accordance with Article 189 of the Company Law;
- (viii) in case of any abnormal matters during the business operation of the Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by the Company;
- (ix) to require directors and senior management personnels to submit reports on the performance of their duties.

Meetings of the Supervisory Committee consist of regular meetings and extraordinary meetings. Regular meetings of the Supervisory Committee shall be held once every six months. An extraordinary meeting shall be convened by the chairman of the Supervisory Committee within ten days from the date of occurrence of any of the following circumstances:

- (i) when proposed by any supervisor;
- (ii) when the general meeting or the meeting of the Board passed a resolution that violates the provisions and requirements of laws, rules and regulations, the Articles of Association, the resolutions of general meeting of the Company and other relevant provisions;
- (iii) where the misconduct of directors and senior management personnel is likely to cause material damage to the Company or to cause an adverse effect in the marketplace;
- (iv) when the Company, its directors, supervisors and senior management personnel are sued by shareholders;
- (v) when the Company, its directors, supervisors and senior management personnel are punished by the securities regulatory authority or publicly condemned by the stock exchange;
- (vi) other circumstances specified in the Articles of Association.

V. FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

(I) Financial and Accounting System

The Company shall prepare the annual financial and accounting reports within 4 months after the end of each financial year; prepare the interim financial and accounting reports within 2 months after the end of the first 6 months of each financial year; and prepare the quarterly financial and accounting reports within 1 month after the end of the first 3 months and the first 9 months of each financial year.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocation is required.

After the resolution on the profit distribution is approved at the general meeting of the Company, the Board of the Company shall complete the distribution within six months after the approval of the resolution of the general meeting.

(II) Internal Audit

The Company shall implement an internal audit system, where dedicated auditors carry out the internal audit and supervision over the revenue and expenditure and the economic activities of the Company. The internal audit system of the Company and the duties of the auditing staff shall be subject to the approval of the Board. The officer in charge of audit shall be accountable to the Board and report his/her work to the same.

(III) Engagement of an Accounting Firm

The Company shall engage accounting firms “qualified for securities related business” to audit its accounting statements, verify its net assets, and provide other relevant consulting services. The term of appointment shall be 1 year and the term of office may be renewed. The Company’s appointment of an accounting firm shall be decided by the general meeting. The Board shall not appoint any accounting firm prior to a decision made by the general meeting.

VI. NOTICE

Notices of the Company may be served as follows:

- (i) by personal delivery;
- (ii) by post;
- (iii) by announcement;
- (iv) by email;
- (v) by other means specified in the Articles of Association.

Where a notice of the Company is served by announcement, the notice shall be deemed as received by all the relevant persons once the notice is announced.

Any notice convening the general meeting of the Company shall be delivered by hand, fax, mail, email, announcement, telephone or other verbal means. Any notice convening a Board meeting of the Company shall be delivered by hand, fax, mail, email, announcement, telephone or other verbal means. Any notice convening a meeting of the Supervisory Committee of the Company shall be delivered by hand, fax, mail, email, announcement, telephone or other verbal means.

If the notice of the Company is delivered by hand, the addressee shall sign (or stamp) on the receipt of service, and the date of signature of the addressee shall be the date of service; if the notice of the Company is sent by mail, the date of service shall be 5th working day after the date of delivery to the post office; if the notice of the Company is sent by email, the date of service shall be the date the email reaches the designated electronic mailbox of the addressee. Where a notice of the Company is sent by way of an announcement, the date of publication of the first announcement shall be the date of service.

VII. MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION, DISSOLUTION, AND LIQUIDATION

(I) Merger, Division, Capital Increase and Reduction

A merger of the Company may take the form of merger by absorption or merger by new establishment. A company absorbing other companies is a merger by adsorption, and the absorbed company is dissolved. The merger of two or more companies to create a new company is a merger by new establishment, and the merging parties are dissolved. In the case of a merger, parties related to the merger shall execute a merger agreement, and shall prepare the balance sheets and a list of assets. The Company shall notify its creditors within ten days since the date on which the resolution to proceed with the merger is adopted, and publish an announcement within 30 days in the newspapers and on the websites designated by the Company for information disclosure, or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days since the date of receiving the notice, or creditors who do not receive the notice shall, within 45 days since the date of the public announcement, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

If the Company is to be divided, its property shall be divided accordingly. In the case of a division, the balance sheets and a list of assets shall be prepared. The Company shall notify its creditors within ten days since the date on which the resolution to proceed with the division is adopted, and publish an announcement within 30 days in the newspapers and on the websites designated by the Company for information disclosure, or on the National Enterprise Credit Information Publicity System. Debts owed by the Company prior to the division shall be assumed by the companies in existence after the division jointly and severally, except as otherwise stated in the written agreement entered into between creditors and the Company for debt service prior to the division.

In case of a reduction in the Company's registered capital, the Company shall prepare a balance sheet and a list of assets. The Company shall notify its creditors within ten days since the date on which the resolution to proceed with the reduction in the registered capital is adopted, and publish an announcement within 30 days in the newspapers and on the websites designated by the Company for information disclosure, or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days since the date of receiving the notice, or creditors who

do not receive the notice shall, within 45 days since the date of the announcement, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

(II) Dissolution and Liquidation

The Company shall be dissolved in any of the following circumstances:

- (i) the business term stipulated in the Articles of Association has expired or other circumstances for dissolution specified in the Articles of Association arise;
- (ii) the general meeting has resolved to dissolve the Company by way of resolution;
- (iii) the merger or division of the Company requires a dissolution;
- (iv) the business license is revoked or the Company is ordered to close down or is cancelled in accordance with the law;
- (v) if the Company gets into serious trouble in operations and management and its continuation may incur material losses of the interests of the Shareholders, and no solution can be found through any other means, the Shareholders holding more than 10% of the total voting rights of the Company may request the People's Court to dissolve the Company.

When causes for the dissolution as stipulated in the preceding paragraph occur, it shall disclose the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Where the Company is in the situation described in items (i) and (ii) of Article 191 and has not distributed any property to shareholders, it may continue to exist by amending the Articles of Association or a resolution passed by the general meeting. The amendments to the Articles of Association in accordance with the provisions in the preceding article shall require the approval of at least two-thirds of the voting rights held by Shareholders attending the general meeting.

Where the Company is dissolved as a result of aforesaid requirements, it shall be liquidated. If the Directors are the liquidation obligors of the Company, they shall establish a liquidation committee within fifteen days after the causes for the dissolution arise and carry out liquidation. The liquidation committee shall consist of directors or persons determined by the general meeting. If the Company fails to set up the liquidation committee to liquidate within the aforesaid period or fails to liquidate after establishing a liquidation committee, the interested parties may apply to the People's Court for appointment of relevant persons to form a liquidation committee so as to proceed with liquidation.

The liquidation committee shall notify all creditors within 10 days after its establishment and shall publish an announcement within 60 days in the newspapers and on the websites designated by the Company for information disclosure, or on the National Enterprise Credit Information Publicity System. The creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notice or within 45 days from the date of the announcement if they have not received the notice. A creditor declaring a claim shall state the matters to which the claim relates and provide supporting documents. The liquidation committee shall register the claim. During the period of declaration of claims, the liquidation group shall not make any settlement to the creditors.

The liquidation committee shall formulate a liquidation plan after dealing with the Company's assets and compiling a balance sheet and a list of assets, and report it to a general meeting or the People's Court for confirmation. The remaining assets of the Company after paying the liquidation expenses, employees' wages, social insurance costs and statutory compensation, paying the outstanding taxes and settling the Company's debts respectively, shall be distributed to the shareholders of the Company in proportion to their shareholding. During the liquidation period, the Company shall exist, but cannot engage in operating activities that are not related to the liquidation. The assets of the Company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

If the liquidation committee, after examining the assets of the Company and preparing the balance sheet and a list of assets, finds that the assets of the Company are insufficient to satisfy its debts, it shall, in accordance with the law, apply to the People's Court for bankruptcy liquidation. Following a ruling by the People's Court that the Company is declared bankrupt, the liquidation committee shall hand over all matters relating to the liquidation to the bankruptcy administrator appointed by the People's Court.

Following the completion of the liquidation of the Company, the liquidation committee shall make a liquidation report, report to the general meeting or the People's Court for confirmation, and submit it to the company registration authority, apply for cancellation of the company registration.

VIII. AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following cases:

- (i) after the PRC Company Law or relevant laws, administrative regulations have been amended, the matters provided for in the Articles of Association are conflict with the provisions of the amended laws, administrative regulations;
- (ii) the circumstances of the Company have changed and are inconsistent with the matters recorded in the Articles of Association;
- (iii) the general meeting decides to amend the Articles of Association.

Where the matters of amendment of the Articles of Association adopted by resolution of the general meeting need the examination and approval of the competent authorities, these matters shall be submitted to the competent authorities for approval; if they involve matters of the Company's registration, the registration of the changes shall be made in accordance with the law.

A. FURTHER INFORMATION ABOUT OUR GROUP**1. Incorporation**

Our Company was established under the laws of the PRC as a limited liability company on September 4, 2009 with an initial registered capital of RMB10,000,000. On April 21, 2016, our Company was converted to a joint stock company with limited liability under the PRC Company Law. The registered address and headquarter of our Company in the PRC is at Economic Development Zone, Fanchang County, Wuhu City, Anhui Province, the PRC. A summary of our Articles is set out in “Appendix V — Summary of Articles of Association”.

We have established a place of business in Hong Kong at 40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong, and was registered with the Companies Registry in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on March 12, 2025. Ms. Au Wai Ching, being our joint company secretary has been appointed as the authorized representative of our Company for the acceptance of service of process and notice in Hong Kong. Our address for acceptance of service of process is 40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong.

As our Company was incorporated in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in Appendix IV and V, respectively.

2. Changes in Share Capital of our Company

Our Company was incorporated on September 4, 2009 with registered capital of RMB10,000,000 under the laws of the PRC as a limited liability company. Save as disclosed in “History, Development and Corporate Structure”, there has been no alteration in our total issued share capital within the two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in “History, Development and Corporate Structure — Our Principal Operating Subsidiaries” and Note 1 to the Accountants’ Report as set out in Appendix I to this prospectus. Save for the establishment of Zhangzhou Nida, a wholly-owned subsidiary of the Company, with a registered capital of RMB10 million, there has been no change in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

4. Resolutions of our Shareholders in relation to the Global Offering

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on March 28, 2025, it was resolved, among others:

- (a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares to be listed on the Stock Exchange;
- (b) the number of H Shares to be issued pursuant to the Global Offering, and the grant to the overall-coordinator of the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;
- (c) the net proceeds from the Global Offering shall be applied for the purposes as disclosed in “Future Plans and Use of Proceeds”;
- (d) subject to the CSRC’s approval, upon completion of the Global Offering, 67,347,108 Domestic Unlisted Shares in aggregate of our Company will be converted into H Shares;
- (e) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association which shall become effective upon the Listing; and
- (f) authorization of our Board and its authorized persons to handle all matters relating to, among other things, the Global Offering and the Listing.

5. Restrictions on Repurchase

See “Appendix IV — Summary of Principal Legal and Regulatory Provisions” and “Appendix V — Summary of Articles of Association” for details.

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) have been entered into by us within the two years preceding the date of this prospectus and are or may be material:

- (a) the share repurchase agreement, dated June 25, 2024, entered into among our Company, Beijing Sequoia, Mr. Yang, Ms. Li, Jurun Investment, Kaixuan Star and Kailai Star, pursuant to which our Company repurchased the Shares from Beijing Sequoia at a consideration of RMB135,000,000 plus interest;

- (b) the capital increase agreement, dated December 8, 2024, entered into between our Company, Mr. Yang, Ms. Li, Jurun Investment, Kaixuan Star, Kailai Star, Shenzhen Junrong, Nuoxiang Jinhong, Nuoxiang Dongchen, Huaan Fund and Xingnong Fund, pursuant to which Huaan Fund subscribed for RMB1,210,646 of the registered capital of the Company at a consideration of RMB40,000,000 and Xingnong Fund subscribed for RMB1,059,315 of the registered capital of the Company at a consideration of RMB35,000,000;
- (c) the cornerstone investment agreement, dated June 3, 2026, entered into among our Company, Wuhu Fanchang District Rural Revitalization Development Group (Hong Kong) Limited (“**Fanchang Revitalization**”), Wuhu Fanchang District Rural Revitalization Development Group Co., Ltd.* (蕪湖市繁昌區鄉村振興發展集團有限公司), CITIC Securities (Hong Kong) Limited, Guoyuan Capital (Hong Kong) Limited, CLSA Limited and Guoyuan Securities Brokerage (Hong Kong) Limited, pursuant to which Fanchang Revitalization agreed to subscribe for 1,610,000 H Shares at the Offer Price (exclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee);
- (d) the cornerstone investment agreement, dated June 3, 2026, entered into among our Company, Top New Development Limited (“**Top New**”), CITIC Securities (Hong Kong) Limited, Guoyuan Capital (Hong Kong) Limited, CLSA Limited and Guoyuan Securities Brokerage (Hong Kong) Limited, pursuant to which Top New agreed to subscribe for such number of H Shares (rounded down to the nearest whole board lot of 100 H Shares) at the Offer Price that may be purchased for an amount of USD10,000,000 (inclusive of the brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee); and
- (e) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights of Our Group

(a) *Patents*

As of the Latest Practicable Date, our Group has registered the following patents which, in the opinion of the Directors, are material to our business:

<u>No.</u>	<u>Patent</u>	<u>Patentee</u>	<u>Patent number</u>	<u>Application date</u> (yyyy/mm/dd)	<u>Expiry date</u> (yyyy/mm/dd)
1.	A Manual Punching Device for Fruit Pickling (一種水果醃製用手動打孔裝置)	Liuliu Research Institute	ZL201720250645.X	2017/03/15	2027/03/14

No.	Patent	Patentee	Patent number	Application date	Expiry date
				(yyyy/mm/dd)	(yyyy/mm/dd)
2.	An Air-Blowing Packaging Device for Snacks (一種零食用吹空包裝裝置)	Liuliu Research Institute	ZL201720249799.7	2017/03/15	2027/03/14
3.	A Stirring Barrel for Candied Fruit Pickling (一種蜜餞醃製用攪拌桶)	Liuliu Research Institute	ZL201720249753.5	2017/03/15	2027/03/14
4.	An Anti-Rollover Gantry for Candied Fruit Transportation (一種蜜餞運輸用防翻滾龍門架)	Liuliu Research Institute	ZL201720249771.3	2017/03/15	2027/03/14
5.	A Punching Machine for Fruit Pickling (一種水果醃製用打孔機)	Liuliu Research Institute	ZL201720250644.5	2017/03/15	2027/03/14
6.	An Adjustable Steering Device for Candied Fruit Transportation (一種蜜餞運輸用可調轉向裝置)	Liuliu Research Institute	ZL201720250661.9	2017/03/15	2027/03/14
7.	An Automatic Material Distribution Device for Candied Fruit (一種蜜餞用自動分料裝置)	Liuliu Research Institute	ZL201720249755.4	2017/03/15	2027/03/14
8.	A Punching Machine for Candied Fruit Pickling (一種蜜餞醃製用打孔機)	Liuliu Research Institute	ZL201720249800.6	2017/03/15	2027/03/14
9.	An Automatic Cleaning Equipment for Green Plums (一種青梅自動清洗設備)	Plum Jelly Tech	ZL201711416501.8	2017/12/22	2037/12/21
10.	A Fruit Sorting and Conveying Device (一種果品篩選輸送裝置)	Anhui Plum	ZL201711408986.6	2017/12/22	2037/12/21
11.	A Barrel Tipping Machine for Automatic Unloading of Sugar-Soaking Barrels (一種用於糖漬桶自動倒料的翻桶機)	Guangxi Liuliu	ZL201822171588.3	2018/12/24	2028/12/23
12.	A Forming Mechanism for Sealing Plastic Packaging Bag (一種用於塑料包裝袋封口的成型機構)	Our Company	ZL201920167562.3	2019/01/18	2029/01/17

No.	Patent	Patentee	Patent number	Application date	Expiry date
				(yyyy/mm/dd)	(yyyy/mm/dd)
13.	A Lower Roll Film Tray Bracket (一種下卷膜托盤支架)	Our Company	ZL201920167578.4	2019/01/18	2029/01/17
14.	A Discharge Hopper with Diverting and Blocking Rods (一種具有分流擋料桿的下料斗)	Our Company	ZL201920086419.1	2019/01/18	2029/01/17
15.	A Receiving Box for the Automatic Packaging Machine (一種自動包裝機接料盒)	Guangxi Liuliu	ZL201920090348.2	2019/01/21	2029/01/20
16.	An Elevated Roller Transport Device (一種高空輥筒運輸裝置)	Our Company	ZL201920090457.4	2019/01/21	2029/01/20
17.	A Defective Product Removal Device for Food Packaging (一種用於食品包裝的不良品去除裝置)	Our Company	ZL201920139789.7	2019/01/28	2029/01/27
18.	A Grid Filtration Device for the Sugar-Draining Machine (一種瀝糖機格柵過濾裝置)	Our Company	ZL201920139974.6	2019/01/28	2029/01/27
19.	A Continuous Cooking Machine (一種連續煮製機)	Our Company	ZL201920139784.4	2019/01/28	2029/01/27
20.	A Selection and Conveying Line for Fruit Product Processing (一種水果製品加工挑選輸送線)	Guangxi Liuliu	ZL201920139782.5	2019/01/28	2029/01/27
21.	A Quantitative Seasoning Device for Candied Fruit Processing (一種用於蜜餞加工的定量調味裝置)	Liuliu Research Institute	ZL201921003183.7	2019/07/01	2029/06/30
22.	A Sorting and Classification System for Candied Fruit Processing (一種用於蜜餞加工的挑選分類系統)	Liuliu Research Institute	ZL201921011145.6	2019/07/02	2029/07/01
23.	A Defective Product Removal Device for Candied Fruit (一種蜜餞的不良品剔除裝置)	Liuliu Research Institute	ZL201921033425.7	2019/07/04	2029/07/03

No.	Patent	Patentee	Patent number	Application date	Expiry date
				(yyyy/mm/dd)	(yyyy/mm/dd)
24.	A Method and System for the Extraction and Recovery of Amygdalin from Green Plums (一種用於青梅中苦杏仁苷析出與回收的方法以及系統)	Our Company	ZL202010485550.2	2020/06/01	2040/05/31
25.	A Method for Extracting Aromatic and Aliphatic Organic Acids from Green Plums (一種青梅中芳香族和脂肪族有機酸的提取方法)	Our Company	ZL202011212395.3	2020/11/03	2040/11/02
26.	A Method for Preparing Green Plum Essence with Rich Mumefural and High-Purity Green Plum Mumefural (一種富含梅素的青梅精及高純度青梅梅素的製備方法)	Our Company	ZL202011242366.1	2020/11/09	2040/11/08
27.	A Plum Vibration Grading Machine (一種梅坯振動分級機)	Our Company, Zhaoan Liuliu	ZL202121440689.1	2021/06/28	2031/06/27
28.	An Elevator with Filtration Function (一種帶有過濾功能的提升機)	Our Company, Zhaoan Liuliu	ZL202121680478.5	2021/07/23	2031/07/22
29.	A Processing Method for Increasing the Mumefural Content in Smoked Plums (一種提高烏梅中梅素含量的加工方法)	Our Company	ZL202211248372.7	2022/10/12	2042/10/11
30.	An Anti-Blockage Drainage Filtration Mechanism (一種防堵型排水過濾機構)	Our Company, Liuliu Research Institute, Plum Jelly Tech	ZL202223376733.4	2022/12/14	2032/12/13
31.	A Raw Liquid Extraction Device Used in Food Processing (一種食品加工中使用的原液抽取裝置)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202322376855.1	2023/08/31	2033/08/30

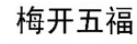
No.	Patent	Patentee	Patent number	Application date	Expiry date
				(yyyy/mm/dd)	(yyyy/mm/dd)
32.	A Detachable Automatic Fruit Sorting and Receiving Device (一種拆卸式果實自動篩選接料裝置)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202322948237.X	2023/11/01	2033/10/31
33.	An Automatic Packaging Sorting Device with an Automatic Discharge Structure (一種帶有自動下料結構的包裝自動分揀裝置)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202323035984.0	2023/11/10	2033/11/09
34.	A Rapid Food Packaging Detection Device with Adjustable Feeding Positions (一種可調整進料位置的食品包裝快速檢測裝置)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202323053595.0	2023/11/13	2033/11/12
35.	A Quick-Freezing Bayberry Sorting Machine (一種速凍楊梅篩選機)	Our Company, Plum Jelly Tech, Zhaoan Liuliu	ZL202323135758.X	2023/11/21	2033/11/20
36.	An Intermittent Multi-Stage Processing Machine for Controlling Feeding Speed with Pitting and Peeling Functions (一種便於控制下料速度的間歇式多級加工去核去皮機)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202323459227.6	2023/12/19	2033/12/18
37.	An Automatic Feeding Fruit Punching Device with Debris Collection Function (一種便於收集碎屑的自動上料果實打孔裝置)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202323548027.8	2023/12/26	2033/12/25
38.	A Multi-Functional Rapid Food Safety Detection and Analysis Device with an Anti-Shaking Structure (一種具有防晃動結構的多功能食品安全快速檢測分析裝置)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202420002088.X	2024/01/02	2034/01/01

No.	Patent	Patentee	Patent number	Application date (yyyy/mm/dd)	Expiry date (yyyy/mm/dd)
39.	A New Type of Microbial Fermentation Device with Inner Wall Cleaning Function (一種具有內壁清理功能的新型微生物發酵裝置)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202420038054.6	2024/01/08	2034/01/07
40.	A Pesticide Residue Detection Device for Food Ingredients (一種食品原料農藥殘留檢測裝置)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202420085961.6	2024/01/15	2034/01/14
41.	An Automatic Lid Opening and Closing and Vacuum-Packing Device for Food Packaging (一種可自動開合蓋的食品包裝抽真空裝置)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202420293553.X	2024/02/18	2034/02/17
42.	A Metal Component Detection Mechanism for Food (一種食品金屬成分檢測機構)	Our Company, Liuliu Research Institute, Plum Jelly Tech, Zhaoan Liuliu	ZL202420347399.X	2024/02/26	2034/02/25

(b) Trademarks

As of the Latest Practicable Date, our Group has registered the following trademarks which, in the opinion of the Directors, are material to our business:

No.	Trademark	Class	Place of registration	Registration number	Registered owner	Validity period (yyyy/mm/dd)
1.		29, 30, 31, 32, 33, 35	Hong Kong	306734593	Our Company	2024/11/22– 2034/11/21
2.		29	Hong Kong	301762623	Our Company	2010/11/12– 2030/11/11
3.		29	Hong Kong	302068515	Our Company	2011/10/26– 2031/10/25

No.	Trademark	Class	Place of registration	Registration number	Registered owner	Validity period (yyyy/mm/dd)
4.		29	Hong Kong	304139497	Anhui Liuliu	2017/05/15– 2027/05/14
5.		29	Hong Kong	304139505	Our Company	2017/05/15– 2027/05/14
6.		29	Hong Kong	304139514	Our Company	2017/05/15– 2027/05/14
7.		29	PRC	67043465	Our Company	2023/05/07–2033/ 05/06
8.		29	PRC	16452885	Our Company	2016/05/28– 2036/05/27
9.		29	PRC	16926905	Our Company	2016/08/14– 2036/08/13
10.		41	PRC	17408646	Our Company	2016/09/07– 2036/09/06
11.		29	PRC	18520932	Our Company	2017/01/14– 2027/01/13
12.		29	PRC	19381474	Our Company	2017/04/28– 2027/04/27
13.		29	PRC	11963776	Our Company	2017/05/21– 2027/05/20
14.		29	PRC	22225732	Our Company	2018/01/28– 2028/01/27
15.		29	PRC	22327652	Our Company	2018/01/28– 2028/01/27
16.		29	PRC	22328036	Our Company	2018/01/28– 2028/01/27
17.		29	PRC	23124023	Our Company	2018/03/07– 2028/03/06

No.	Trademark	Class	Place of registration	Registration number	Registered owner	Validity period (yyyy/mm/dd)
18.		29	PRC	25731212	Our Company	2018/07/28– 2028/07/27
19.		33	PRC	26101800	Our Company	2018/09/21– 2028/09/20
20.		29	PRC	26085345	Our Company	2018/11/21– 2028/11/20
21.	梅日一罐	29	PRC	28915068	Our Company	2018/12/21– 2028/12/20
22.		29	PRC	30066794	Our Company	2019/01/28– 2029/01/27
23.		29	PRC	30723552	Our Company	2019/02/21– 2029/02/20
24.	不烦梅	29	PRC	30248044	Our Company	2019/03/07– 2029/03/06
25.		29	PRC	32429665	Our Company	2019/04/14– 2029/04/13
26.	溜溜大顺	29	PRC	32838643	Our Company	2019/05/07– 2029/05/06
27.	法兰蜜西	29	PRC	26443551	Our Company	2019/07/28– 2029/07/27
28.	小辣梅	29	PRC	36076886	Our Company	2019/09/07– 2029/09/06
29.		29	PRC	35756650	Our Company	2019/09/14– 2029/09/13
30.	皇梅	29	PRC	34316575	Our Company	2019/10/07– 2029/10/06
31.	韩话梅	29	PRC	35915800	Our Company	2020/05/21– 2030/05/20
32.	梅茶	32	PRC	35129167	Our Company	2020/07/14– 2030/07/13

No.	Trademark	Class	Place of registration	Registration number	Registered owner	Validity period (yyyy/mm/dd)
33.		29	PRC	36831290	Our Company	2020/07/21– 2030/07/20
34.	井梅	29	PRC	48602754	Our Company	2021/06/28– 2031/06/27
35.	红梅报春桶	29	PRC	51896671	Our Company	2021/07/28– 2031/07/27
36.	咔哩梅	29	PRC	55660351	Our Company	2021/11/21– 2031/11/20
37.	 哇哩脆	29	PRC	56562541	Our Company	2021/12/21– 2031/12/20
38.	竹内	32	PRC	54416451	Our Company	2021/12/28– 2031/12/27
39.	梅冻	29	PRC	62118561	Our Company	2022/07/14– 2032/07/13
40.		29	PRC	65892649	Our Company	2023/05/14– 2033/05/13
41.		29	PRC	71762649	Our Company	2024/01/14– 2034/01/13
42.	每日彩虹	29	PRC	74850137	Our Company	2024/04/14– 2034/04/13
43.	江南梅乡	29	PRC	11963813	Our Company	2024/06/14– 2034/06/13
44.	厚清梅	29	PRC	76856202	Our Company	2024/09/07– 2034/09/06
45.	西梅纤生	29	PRC	72363837	Our Company	2024/10/07– 2034/10/06
46.		29	PRC	76807093	Our Company	2024/10/14– 2034/10/13

(c) Copyrights

As of the Latest Practicable Date, our Group has registered the following copyrights which, in the opinion of the Directors, are material to our business:

No.	Copyright name	Owner	Copyright number	First publication date (yyyy/mm/dd)	Place of registration
1.	Cartoon Characters for Liuliumei Mascot and Twelve Constellations (溜溜梅吉祥物及12星座卡通形象)	Our Company	Guozuodengzi-2016-F-00283571	2016/08/30	PRC
2.	Cartoon Character for Uncle Liu (溜叔卡通形象)	Our Company	Guozuodengzi-2016-F-00283572	2016/08/30	PRC
3.	Main Character for Sister Meishi and Cartoon Characters for Magic Spell Cards of Twelve Constellations (梅事姐主形象及12星座魔法咒語卡卡通形象)	Our Company	Guozuodengzi-2016-F-00283573	2016/08/30	PRC
4.	Nita Cartoon Character (尼塔卡通形象)	Our Company	Guozuodengzi-2016-F-00283927	2016/09/13	PRC
5.	China Plum (中國梅)	Our Company	Guozuodengzi-2016-F-00325849	2016/10/17	PRC
6.	China's Plum Festival on June 6 (6.6中國青梅節)	Our Company	Guozuodengzi-2016-F-00325848	2016/10/17	PRC
7.	Enjoying Your Fruits (有你好果子吃)	Our Company	Guozuodengzi-2017-F-00377678	2017/04/17	PRC
8.	Worry Dogs (有事汪)	Our Company	Guozuodengzi-2017-F-00377679	2017/04/17	PRC
9.	No Worry Cats (沒事喵)	Our Company	Guozuodengzi-2017-F-00377680	2017/04/17	PRC
10.	Cartoon Characters for No Worry Cats (沒事喵卡通形象)	Our Company	Guozuodengzi-2017-F-00490563	2017/08/17	PRC
11.	Enjoying Your Fruits Jungle Series Packaging Bag (有你好果子吃叢林裝系列包裝袋)	Our Company	Guozuodengzi-2018-F-00532771	2018/04/17	PRC
12.	Cards Showing No Worry Cats (炫喵沒事卡)	Our Company	Guozuodengzi-2018-F-00532772	2018/04/17	PRC
13.	Trouble-Free Plum Can Series Packaging (不煩梅罐裝系列包裝)	Our Company	Guozuodengzi-2018-F-00614230	2018/09/10	PRC
14.	Thick Plum Cake Series Packaging (厚梅糕系列包裝)	Our Company	Guozuodengzi-2018-F-00657339	2018/11/01	PRC
15.	Plum Nourishment Series Packaging (梅養系列包裝)	Our Company	Guozuodengzi-2018-F-00657338	2018/11/01	PRC

No.	Copyright name	Owner	Copyright number	First publication date (yyyy/mm/dd)	Place of registration
16.	Marinated Plum Series Packaging (泡梅系列包裝)	Our Company	Guozuodengzi-2018-F-00657342	2018/11/01	PRC
17.	Just Tease Me Series Packaging (沒事撩一下系列包裝)	Our Company	Guozuodengzi-2018-F-00657343	2018/11/01	PRC
18.	Two of Us Series Packaging (我倆系列包裝)	Our Company	Guozuodengzi-2018-F-00657341	2018/11/01	PRC
19.	Queen Plum Series Packaging (女王梅系列包裝)	Our Company	Guozuodengzi-2018-F-00657340	2018/11/01	PRC
20.	Liuliumei's Haute Couture Gift Box (溜溜梅高定禮盒)	Our Company	Guozuodengzi-2020-F-01016686	2020/04/08	PRC
21.	Green Plums are Now in Season (青梅上市了)	Our Company	Guozuodengzi-2020-F-01117424	2020/09/07	PRC
22.	Liuliumei's Traditional Chinese Style Series (溜溜梅國風系列)	Our Company	Guozuodengzi-2021-F-00043667	2021/02/24	PRC
23.	Green Plum Experience Station — T Station (青梅體驗站 — T站)	Our Company	Guozuodengzi-2021-F-00086638	2021/04/16	PRC
24.	Liuliumei's Bucket Series for Red Plum Welcoming Spring (溜溜梅紅梅報春桶系列)	Our Company	Guozuodengzi-2021-F-00090574	2021/04/22	PRC
25.	Green Plum Experience Station — C2 Station (青梅體驗站 — C2站)	Our Company	Guozuodengzi-2021-F-00122391	2021/06/02	PRC
26.	Sour Preserved Plum (酸話梅)	Our Company	Guozuodengzi-2021-F-00139967	2021/06/23	PRC
27.	Traditional Chinese Style 6-Flavor Green Plum Family Bucket (國風6味青梅全家桶)	Our Company	Guozuodengzi-2022-F-10026986	2022/02/08	PRC
28.	Liuliumei's Joyful Plum Bucket (溜溜梅喜上梅梢桶)	Our Company	Guozuodengzi-2022-F-10085334	2022/04/22	PRC
29.	Plum Flavor Unleashed Bucket — Sour (梅味大開桶 — 酸)	Our Company	Guozuodengzi-2022-F-10114955	2022/06/09	PRC
30.	Plum Flavor Unleashed Bucket — Plum (梅味大開桶 — 梅)	Our Company	Guozuodengzi-2022-F-10114950	2022/06/09	PRC
31.	720g 5-Flavor Plum Jelly Assorted Package (720g5味梅凍繽紛裝)	Our Company	Guozuodengzi-2022-F-10114951	2022/06/09	PRC

No.	Copyright name	Owner	Copyright number	First publication date (yyyy/mm/dd)	Place of registration
32.	800g Liuliumei's Green Plum Seasonal Story Gift Box (800g溜溜梅青梅時節物語禮盒)	Our Company	Guozuodengzi-2022-F-10168166	2022/08/17	PRC
33.	Crispy Green Plum Packaging (脆青梅包裝)	Our Company	Guozuodengzi-2022-F-10236954	2022/11/11	PRC
34.	Kari Crispy Green Plum Series Honey Flavor Packaging (卡哩脆青梅系列蜂蜜味包裝)	Our Company	Guozuodengzi-2022-F-10236960	2022/11/11	PRC
35.	Green Plum Treasure Bucket (青梅寶藏桶)	Our Company	Guozuodengzi-2023-F-00005044	2023/01/10	PRC
36.	Liuliumei's Green Tea Plum (溜溜梅綠茶青梅)	Our Company	Guozuodengzi-2023-F-00065216	2023/04/14	PRC
37.	Plum Jelly Cubes (梅凍凍仔)	Our Company	Guozuodengzi-2023-F-00068909	2023/04/19	PRC
38.	1.78kg Bucketed Plum Jelly (1.78千克桶裝梅凍)	Our Company	Guozuodengzi-2023-F-00073419	2023/04/24	PRC
39.	120g Heart-shaped Packaging Natural Green Plum Jelly + Grape-flavored Konjac Jelly (120g凍心裝天然青梅+葡萄蒟蒻果凍)	Our Company	Guozuodengzi-2023-F-00078461	2023/04/28	PRC
40.	Plum Jelly Dream Factory Gift Box (梅凍夢工廠禮盒)	Our Company	Guozuodengzi-2023-F-00087785	2023/05/12	PRC
41.	Logo for Jiangnan Plum Village (江南梅鄉logo)	Our Company	Guozuodengzi-2023-F-00144275	2023/07/14	PRC
42.	80g Sharing Packaging Herbal-flavored Preserved Plums (80g分享裝草本話梅)	Our Company	Guozuodengzi-2023-F-00145608	2023/07/17	PRC
43.	Jiangnan Plum Village — Trouble-Free Plum (江南梅鄉 — 不煩梅)	Our Company	Guozuodengzi-2023-F-00145609	2023/07/17	PRC
44.	80g Small Can Packaging Herbal-flavored Preserved Plums (80g小罐梅草本話梅)	Our Company	Guozuodengzi-2023-F-00145603	2023/07/17	PRC
45.	Jiangnan Plum Village — Wife Plum (江南梅鄉 — 老婆梅)	Our Company	Guozuodengzi-2023-F-00145604	2023/07/17	PRC

No.	Copyright name	Owner	Copyright number	First publication date (yyyy/mm/dd)	Place of registration
46.	180g Prune Enzyme Jelly Packaging (180g西梅酵素果凍包裝)	Our Company	Guozuodengzi-2023-F-00220253	2023/10/09	PRC
47.	Liuliumei Hopes Everything is Going Well when Back to School (溜溜梅開學啥都6)	Our Company	Guozuodengzi-2023-F-00229520	2023/10/16	PRC
48.	Jiangnan Plum Village Series Product Packaging Design — Queen Plum (江南梅鄉系列產品包裝設計 — 女王梅)	Our Company	Guozuodengzi-2023-F-00265477	2023/11/08	PRC
49.	No-additive Pitted Prune — Packaging Bag (0添加無核西梅 — 包裝袋)	Our Company	Guozuodengzi-2023-F-00301203	2023/12/15	PRC
50.	Liuliumei's Korean-Style Preserved Plum (溜溜梅韓話梅)	Our Company	Guozuodengzi-2023-F-00309805	2023/12/22	PRC
51.	Japanese Plum Cake Packaging (日式梅餅包裝)	Our Company	Guozuodengzi-2024-F-00001097	2024/01/03	PRC
52.	Aged Citrus Peel Plum Cake Packaging (陳皮梅餅包裝)	Our Company	Guozuodengzi-2024-F-00001098	2024/01/03	PRC
53.	Liuliumei's Heart Selection Series — Salted Plum Strips (溜溜梅心選系列 — 鹽津梅條)	Our Company	Guozuodengzi-2024-F-00005283	2024/01/09	PRC
54.	Daily Rainbow Plum Packaging Bag (每日彩虹梅包裝袋)	Our Company	Guozuodengzi-2024-F-00045022	2024/02/05	PRC
55.	200g Plum Tea, Green Plum and Snow Pear Tea Soup Packaging Box (200g梅茶青梅雪梨茶湯包裝盒)	Our Company	Guozuodengzi-2024-F-00093164	2024/04/03	PRC
56.	200g Plum Tea, Smoked Plum and Ginger Tea Soup Packaging Box (200g梅茶烏梅薑茶湯包裝盒)	Our Company	Guozuodengzi-2024-F-00093166	2024/04/03	PRC
57.	200g Plum Tea, Smoked Plum and Ginger Tea Soup Packaging Bag (200g梅茶烏梅薑茶湯包裝袋)	Our Company	Guozuodengzi-2024-F-00093165	2024/04/03	PRC

No.	Copyright name	Owner	Copyright number	First publication date	Place of registration
				(yyyy/mm/dd)	
58.	60g Leisure Packaging Real Smoked Plums (60g休閒裝真烏梅)	Our Company	Guozuodengzi-2024-F-00097461	2024/04/10	PRC
59.	Orange and Grapefruit Fruit Nectar Jelly Packaging Bag (香橙西柚果漿果凍包裝袋)	Plum Jelly Tech	Guozuodengzi-2024-F-00111973	2024/04/28	PRC
60.	Snow Pear and Loquat Fruit Nectar Jelly Packaging Bag (雪梨枇杷果漿果凍包裝袋)	Plum Jelly Tech	Guozuodengzi-2024-F-00111972	2024/04/28	PRC
61.	221g Pitted Prune Packaging Bag (221g無核西梅包裝袋)	Our Company	Guozuodengzi-2024-F-00238865	2024/08/12	PRC
62.	221g Pitted Prune Roll Film (221g無核西梅卷膜)	Our Company	Guozuodengzi-2024-F-00238864	2024/08/12	PRC
63.	Liuliumei's Super Green Plum Music Festival KV (溜溜梅超級青梅音樂節KV)	Our Company	Guozuodengzi-2024-F-00251431	2024/08/23	PRC
64.	2.0 Prune Products — 100g Chilean Pitted Prunes (2.0西梅產品 — 100g智利無核西梅)	Our Company	Guozuodengzi-2024-F-00260782	2024/09/02	PRC
65.	Liuliumei's Guizhou Sour-spicy Plum (溜溜梅貴州酸辣梅)	Our Company	Guozuodengzi-2024-F-00260773	2024/09/02	PRC
66.	Liuliumei's Pineapple-flavored Bobo Plum (溜溜梅鳳梨啾啾梅)	Our Company	Guozuodengzi-2024-F-00260774	2024/09/02	PRC
67.	Liuliumei's Japanese Plum Cake (溜溜梅日式梅餅)	Our Company	Guozuodengzi-2024-F-00285121	2024/09/27	PRC
68.	500g 3-Flavor Lactic Acid Bacteria Fruit Nectar Plum Jelly (500g3味乳酸菌果漿梅凍)	Plum Jelly Tech	Guozuodengzi-2024-F-00295110	2024/10/10	PRC
69.	140g + 30g Free Prunes (140g + 贈30g西梅)	Our Company	Guozuodengzi-2024-F-00308226	2024/10/18	PRC
70.	Premium Plum (皇梅)	Our Company	Guozuodengzi-2024-F-00308818	2024/10/18	PRC
71.	610g Eye-Catching Package — Joyful Plum (610g顯眼包 — 喜上梅梢)	Our Company	Guozuodengzi-2024-F-00348825	2024/12/03	PRC

<u>No.</u>	<u>Copyright name</u>	<u>Owner</u>	<u>Copyright number</u>	<u>First publication date</u> (yyyy/mm/dd)	<u>Place of registration</u>
72.	50g Korean-Style Preserved Plum Packaging Bag (50g韓話梅包裝袋)	Our Company	Guozuodengzi-2024-F-00348827	2024/12/03	PRC
73.	50g Queen Plum Packaging Bag (50g女王梅包裝袋)	Our Company	Guozuodengzi-2024-F-00348829	2024/12/03	PRC
74.	40g Salted Plum Strip Packaging Bag (40g鹽津梅條包裝袋)	Our Company	Guozuodengzi-2024-F-00348824	2024/12/03	PRC
75.	40g Flavorful Preserved Plum Packaging Bag (40g開味話梅包裝袋)	Our Company	Guozuodengzi-2024-F-00348828	2024/12/03	PRC
76.	520g Green Plum Family Bucket — The Edition Wishing Everything Goes Smoothly during the Chinese New Year (520g青梅全家桶 — CNY新年666款)	Our Company	Guozuodengzi-2024-F-00348826	2024/12/03	PRC
77.	Electrolyte-infused Slushy Jelly (電解質沙冰)	Plum Jelly Tech	Guozuodengzi-2025-F-00136706	2025/05/07	PRC

(d) Domain Names

As of the Latest Practicable Date, our Group has registered the following domain which, in the opinion of the Directors, is material to our business:

<u>No.</u>	<u>Domain</u>	<u>Owner</u>	<u>Expiry date</u> (yyyy/mm/dd)
1.	liuliumei.com	Our Company	2029/03/06

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' and Supervisors' Service Contracts

Each of the Directors and Supervisors has entered into a service contract with our Company for an initial term of three years, and each of the service contracts is 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 or Supervisors has entered, or has proposed to enter, a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation other than statutory compensation).

2. Remuneration of Directors and Supervisors

Save as disclosed in “Directors, Supervisors and Senior Management” and Note 9 to the Accountants’ Report, no Director or Supervisor received other remuneration or benefits in kind from our Company in 2023, 2024 and 2025.

3. Disclosure of interests

(a) Disclosure of interests of Directors, Supervisors and chief executive of our Company

Immediately following the completion of the Global Offering and assuming no exercise of the Over-allotment Option, the interest and/or short position (as applicable) of our Directors, Supervisors and chief executives of our Company in the shares, underlying shares and debentures of our Company or its 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 interest 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 therein, 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 H Shares are listed, will be as follows:

Interests in our Company

Name	Nature of interest	Shares held in the total share capital of our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)		
		Class of Shares	Number of Shares	Shareholding percentage (Approximate %)
Mr. Yang ⁽¹⁾	Beneficial owner, interest held by controlled corporations, interest of spouse	Domestic Unlisted Shares	59,108,359	75.00%

Notes:

(L) All the interests stated are long positions.

- (1) As of the Latest Practicable Date, Jurun Investment is owned as to 90% by Mr. Yang, who is our executive Director, and 10% by Ms. Li, the spouse of Mr. Yang. By virtue of the SFO, Mr. Yang is deemed to be interested in the Shares held by Jurun Investment. Kaixuan Star is owned as to approximately 1.39% by Mr. Yang and 5.56% by Ms. Li, and Mr. Yang is the general partner of Kaixuan Star. By virtue of the SFO, Mr. Yang is deemed to be interested in the Shares held by Kaixuan Star. Kailai Star, our Pre-IPO Share Incentive Platform, is owned as to approximately 1.00% by Mr. Yang as general partner, approximately 41.67% by Liuliu Star and approximately 12.50% by Liuliu LIUM. Liuliu Star was held as to approximately 14.90% by Mr. Yang as general partner, approximately 36.00% by Liuliu Orchard and approximately 15.00% by Liuliu Ren. Mr. Yang, as general partner, held approximately 24.67% of Liuliu LIUM, 23.33% of Liuliu Orchard, and 12.70% of Liuliu Ren. By virtue of the SFO, Mr. Yang is deemed to be interested in the Shares held by Kailai Star.

Save as disclosed above, none of the Directors, Supervisors or the chief executive of our Company will, immediately following the completion of the Global Offering and the conversion of the Domestic Unlisted Shares into H Shares, have an interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of our Company or any interests and/or short positions (as applicable) in the shares, underlying shares or debentures of our Company's associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) 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, in each case once the Shares are listed on the Stock Exchange.

(b) Disclosure of interests of substantial shareholders

Save as disclosed in "Substantial Shareholders", immediately following the completion of the Global Offering and assuming that the Over-allotment Option is not exercised, our Directors are not aware of any person (not being a Director or chief executive of our Company) who will have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company or any other members of our Group.

4. Agency Fees or Commissions Received

Save as disclosed in "Underwriting", no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this prospectus in connection with the issue or sale of any capital or security of any member of our Group.

5. Disclaimers

- (a) save as disclosed in “Substantial Shareholders” and this appendix, none of our Directors, Supervisors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed;
- (b) save as disclosed in “History, Development and Corporate Structure” and this appendix, none of our Directors, Supervisors or any of the experts listed in “E. Other Information — 12. Qualification of Experts” in this appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;
- (c) save as disclosed in “Substantial Shareholders” and this appendix, so far as is known to our Directors, Supervisors or the chief executive of our Company, no person (not being a Director, Supervisor or chief executive of our Company) will, immediately following the completion of the Global Offering, have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and
- (d) none of our Directors, Supervisors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

D. PRE-IPO SHARE INCENTIVE PLAN

The following is a summary of the principal terms of the Pre-IPO Share Incentive Plan approved and adopted by our Company on December 17, 2025 for the purpose of attracting and retaining talents for our Group. Under the Pre-IPO Share Incentive Plan, eligible participants are granted interests in Kailai Star, Liuliu Star, Liuliu LIUM, Liuliu Orchard or Liuliu Ren (“**Pre-IPO Share Incentive Platform(s)**”). As of the Latest Practicable Date, Kailai Star held approximately 3.56% of our total issued Shares. See “History, Development and Corporate Structure”. The Pre-IPO Share Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Share Incentive Plan does not involve the grant of options by our Company to subscribe for new Shares or award of Shares upon Listing. As of the Latest Practicable Date, there were no outstanding options or awards under the Pre-IPO Share Incentive Plan, and no such options or awards will be outstanding upon Listing.

(a) Purpose

The purpose of the Pre-IPO Share Incentive Plan is to attract and retain talents for our Group. The Pre-IPO Share Incentive Plan fosters shared interests between our Shareholders and our management team, thereby furthering our Company’s focus on long-term development.

(b) Form of the Pre-IPO Share Incentive Plan

The grantees, as limited partners of the Pre-IPO Share Incentive Platforms, shall subscribe for partnership interest therein according to the amount approved by the Board (the “**Awards**”), and make the corresponding contribution in accordance with the arrangement of the Board, thereby holding indirect interest in the Shares.

(c) Eligible participants

Persons eligible to participate in the Pre-IPO Share Incentive Plan are the employees of our Group who have made contribution to the development of our Group. The Board decides on the list of grantees and allocation of the Awards after considering, among other things, the job nature, professional qualities, employees’ years of service, historical performance and contribution to our Group, growth potential and recognition with our corporate values.

(d) Term

Subject to any early termination due to, among others, the liquidation or cessation of business of our Company, the Pre-IPO Share Incentive Plan shall be valid and effective from the adoption date of the plan and expire on the date of completion of the reduction of all the participants’ shareholdings or the completion of the repurchase and cancellation of such shareholdings.

(e) Scheme administration

Mr. Yang has been authorized by the Board to act as the scheme administrator, and has the authority to, among others, determine the eligible participants of the schemes, the number of shares to be granted, the grant price, and the repurchase of shares from grantees.

(f) Voting rights

All grantees under the Pre-IPO Share Incentive Plan are informed and acknowledge that Mr. Yang, the general partner of Kailai Star, Liuliu Star, Liuliu LIUM, Liuliu Orchard and Liuliu Ren, is entitled, pursuant to the partnership agreements, to represent Kailai Star at our Company's shareholders' meetings and to independently exercise voting rights, respectively.

(g) Transfer restrictions

The Awards granted to the grantees will be unlocked in the following manners subject to the achievement of the certain performance targets of the Company and the grantee respectively (individually and collectively):

For grantees who are granted no more than 10,000 Awards (inclusive)

- Upon the expiry of 12 months from the Listing Date, up to 40% of the total Awards may be unlocked during the period from the first trading day following the 12-month anniversary of the Listing Date to the last trading day before the 24-month anniversary.
- Upon the expiry of 24 months from the Listing Date, up to an additional 30% may be unlocked during the period from the first trading day following the 24-month anniversary to the last trading day before the 36-month anniversary.
- Upon the expiry of 36 months from the Listing Date, the remaining 30% may be unlocked during the period from the first trading day following the 36-month anniversary to the last trading day before the 48-month anniversary.

For grantees who are granted more than 10,000 Awards

- Upon the expiry of 12 months from the Listing Date, up to 25% of the total Awards may be unlocked during the period from the first trading day following the 12-month anniversary to the last trading day before the 24-month anniversary.

- Upon the expiry of 24 months from the Listing Date, up to an additional 25% may be unlocked during the period from the first trading day following the 24-month anniversary to the last trading day before the 36-month anniversary.
- Upon the expiry of 36 months from the Listing Date, up to an additional 20% may be unlocked during the period from the first trading day following the 36-month anniversary to the last trading day before the 48-month anniversary.
- Upon the expiry of 48 months from the Listing Date, up to an additional 20% may be unlocked during the period from the first trading day following the 48-month anniversary to the last trading day before the 60-month anniversary.
- Upon the expiry of 60 months from the Listing Date, the remaining 10% may be unlocked during the period from the first trading day following the 60-month anniversary to the last trading day before the 72-month anniversary.

(together, the “**Time-based Unlocking Schedule**”)

The Remuneration and Appraisal Committee of the Board shall review and determine the fulfillment of the performance targets, and report to the Board accordingly.

(h) Repurchase of the Awards

The general partner of the Pre-IPO Share Incentive Platforms or any person designated by the general partner of the Pre-IPO Share Incentive Platforms, has the right to repurchase all Awards held by the grantees, if (i) the Awards failed to be unlocked during the Time-based Unlocking Schedule; (ii) due to faults of the grantees, such as violation of the applicable regulations and laws, violation of contracts, negligence, or other actions causing negative impact on our Company; and (iii) the employment relationship between the grantees and our Company terminates due to non-fault actions of the grantees such as, among other things, death, loss of civil or labour capability, non-fault dismissal.

(i) Details of the Awards granted

Set out below are the details of the partnership interests in the Pre-IPO Share Incentive Platforms and/ or list of the grantees under the Pre-IPO Share Incentive Plan that are granted with the Awards:

Name of grantee	Percentage of capital contribution in Pre-IPO Share Incentive Platforms					As of the Latest Practicable Date and immediately prior to the Global Offering	
	Kailai Star	Liuliu Star	Liuliu LIUM	Liuliu Orchard	Liuliu Ren	Approximate shareholding percentage	Approximate number of Shares corresponding to the Awards held by the grantee ^{Note}
Directors							
Mr. Yang	1.00%	14.90%	24.67%	23.33%	12.67%	350,000	0.52%
Mr. Mei Huixiang	8.33%	–	–	–	–	199,998	0.30%
Mr. Ning Pengfei	6.25%	–	–	–	–	150,000	0.22%
Ms. Hu Yan	2.08%	–	–	–	–	49,998	0.07%
Supervisors of the Company							
Ms. Zhang Wenxia	1.25%	–	–	–	–	30,000	0.04%
Senior management of the Company (other than the Directors)							
Mr. Zhang Shuai	–	10.00%	–	–	–	100,000	0.15%
Other grantees being employees of our Group							
	25.88%	18.50%	75.33%	76.67%	87.33%	1,520,004	2.25%

Note: For illustrating the indirect interests of grantee in our Company, the number of Shares are presented and calculated by multiplying their respective percentage of limited partnership interests by the total number of Shares held by the Pre-IPO Share Incentive Platforms.

All Awards granted had been vested and all partnership interests in Kailai Star, Liuliu Star, Liuliu LIUM, Liuliu Orchard and Liuliu Ren have been subscribed by and fully paid up by the grantees, and the relevant registration had been completed. No further Awards will be granted after the date of this prospectus and the Pre-IPO Share Incentive Plan will not cause any dilution of the shareholding of our Shareholders after the Listing.

E. OTHER INFORMATION**1. Estate Duty**

We have been advised that no material liability for estate duty under PRC law is likely to fall upon the Group.

2. Litigation

Except as disclosed in “Business — Legal Proceedings and Compliance”, as of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our Group’s results of operations or financial condition, taken as a whole.

3. Application for Listing

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 (i) the Domestic Unlisted Shares to be converted into H Shares; and (ii) the H Shares to be issued as mentioned in this prospectus. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

4. Joint Sponsors’ Independence

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor fees payable to the Joint Sponsors in connection with the Listing by our Company is HK\$6.4 million in aggregate.

5. Compliance Advisor

Our Company has appointed Guoyuan Capital (Hong Kong) Limited as our compliance advisor in compliance with Rules 3A.19 and 19A.05 of the Listing Rules.

6. Preliminary Expenses

As of the Latest Practicable Date, our Company had not incurred material preliminary expenses.

7. Promoter

See “History, Development and Corporate Structure — Corporate Development — Conversion into a Joint Stock Limited Company in April 2016” for details of our promoters when we were established as a joint stock limited company.

Save as disclosed in “History, Development and Corporate Structure”, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit have been paid, allotted or given or have been proposed to be paid, allotted or given to the above promoter in connection with the Global Offering or related transactions herein.

8. Consents of Experts

Each of the experts as listed in “E. Other Information — 12. Qualification of Experts” in this appendix has given and has not withdrawn its consent to the issuance of this prospectus with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

9. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

10. Bilingual document

The English language and Chinese language versions of this prospectus are being published separately in reliance on the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This prospectus is written in the English language and contains a Chinese translation for information purposes only. Should there be any discrepancy between the English language of this prospectus and the Chinese translation, the English language version of this prospectus shall prevail.

11. Taxation of Holders of H Shares***(a) Hong Kong***

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

(b) Consultation with Professional Advisors

Intending holders of the H Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the H Shares. It is emphasized that none of our Company, our Directors, Supervisors or the other parties involved in the Global Offering will accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the H Shares or exercise of any rights attaching to them.

12. Qualification of Experts

The followings are the qualifications of the experts who have given opinion or advice which are contained herein:

Name	Qualifications
CITIC Securities (Hong Kong) Limited	A licensed corporation under the SFO to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Guoyuan Capital (Hong Kong) Limited	A licensed corporation under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
AllBright Law Offices	Legal advisors as to PRC laws
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan	Independent industry consultant

13. No Material Adverse Change

Our Directors believe that there has been no material adverse change in the financial or trading position since December 31, 2025 (being the date to which the latest audited consolidated financial statements of the Group were prepared).

14. Miscellaneous

Save as disclosed in “History, Development and Corporate Structure”, “Share Capital” and this appendix:

- (a) within the two years immediately preceding the date of this prospectus, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue founder, management or deferred shares or any deferred debentures;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special term has been granted or agreed to be granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries;
- (f) within the two years immediately preceding the date of this prospectus, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;
- (g) there is no arrangement under which future dividends are waived or agreed to be waived;
- (h) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and
- (i) our Company is not presently listed on any stock exchange or traded on any trading system.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Appendix VI — Statutory and General Information — B. Further Information about our Business — A. Summary of Material Contracts”; and
- (b) the written consents referred to in “Appendix VI — Statutory and General Information — E. Other Information — 8. Consents of Experts”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of our Company at www.liuliumei.com and on the website of the Stock Exchange at www.hkexnews.hk during a period of 14 days from the date of this prospectus:

- (a) the Articles of Association;
- (b) the accountant’s report from Ernst & Young, the text of which is set out in Appendix I to this prospectus;
- (c) the audited consolidated financial statements of our Group for the three years ended December 31, 2023, 2024 and 2025;
- (d) the unaudited pro forma financial information of our Group from Ernst & Young, the text of which is set forth in Appendix II to this prospectus;
- (e) the industry report issued by Frost & Sullivan referred to in “Industry Overview”;
- (f) the PRC legal opinions issued by AllBright Law Offices, our PRC Legal Advisors;
- (g) the material contracts referred to “Appendix VI — Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts”;
- (h) the service contracts referred to in “Appendix VI — Statutory and General Information — C. Further Information about our Directors, Supervisors and Substantial Shareholders — 1. Particulars of Directors’ and Supervisors’ Service Contracts and Appointment Letters”;
- (i) the written consents referred to in “Appendix VI — Statutory and General Information — E. Other Information — 8. Consents of Expert”; and
- (j) the PRC Company Law, the PRC Securities Law, the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.



溜溜梅股份有限公司
Liuliumei Co., Ltd.