Post Hearing Information Pack of

SHEIN Global Holdings Limited
希音国际控股有限公司

(the "Company")

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

WARNING

The publication of this PHIP is required by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Securities and Futures Commission (the "**Commission**") solely for the purpose of providing information to the public in Hong Kong.

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IMPORTANT

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SHEIN Global Holdings Limited
希音国际控股有限公司

(*A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability*)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] Class B Shares (subject to [REDACTED] and the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] Class B Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] Class B Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**[REDACTED]**
Nominal value	**:**	**US$[0.000002] per Share**
[REDACTED]	**:**	**[REDACTED]**

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

Goldman Sachs 高盛 Morgan Stanley J.P.Morgan

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We expect to determine the [**REDACTED**] of the [**REDACTED**] by agreement between the [**REDACTED**] (for themselves on behalf of the [**REDACTED**]) and the Company on the [**REDACTED**]. The [**REDACTED**] is expected to be on or around [**REDACTED**] and, in any event, not later than [**REDACTED**]. The [**REDACTED**] will be not more than HK$[**REDACTED**] per [**REDACTED**] and is currently expected to be no less than HK$[**REDACTED**] per [**REDACTED**] unless otherwise announced. If, for any reason, we do not agree with the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) on the [**REDACTED**] of the [**REDACTED**], the [**REDACTED**] will not proceed and will lapse.

The [REDACTED] (on behalf of the [REDACTED]) may, with the Company's consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. Further details are set out in "Structure of the [REDACTED]" and "[REDACTED]" in this document.

The obligations of the [**REDACTED**] under the [**REDACTED**] to subscribe for, and to procure subscribers for, the [**REDACTED**], are subject to termination by the [**REDACTED**] (on behalf of the [**REDACTED**]) if certain events shall occur prior to 8:00 a.m. on the [**REDACTED**]. Such grounds are set out in the section headed "[**REDACTED**]" in this document.

The Company will be controlled through weighted voting rights upon [REDACTED]. Prospective [REDACTED] should be aware of the potential risks of [REDACTED] in a company with a WVR structure, in particular that the WVR Beneficiary, whose interests may not necessarily be aligned with those of our Shareholders as a whole, will be in a position to exert significant influence over the outcome of Shareholders' resolution. For further information about the risks associated with our WVR structure, please refer to the section headed "Risk Factors — J. Risks Related to Our Class B Shares and the [REDACTED]." Prospective [REDACTED] should make the decision to [REDACTED] in the Company only after due and careful consideration.

Prior to making an [**REDACTED**] decision, prospective [**REDACTED**] should consider carefully all of the information set out in this document, including the risk factors set out in the section headed "Risk Factors".

The [**REDACTED**] have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be [**REDACTED**] or sold within or to the United States, or for the account or benefit of U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [**REDACTED**] are being [**REDACTED**] and sold (i) solely to QIBs pursuant to an exemption from registration under Rule 144A of the U.S. Securities Act and (ii) outside the United States in offshore transactions in accordance with Regulation S.

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to [**REDACTED**] in the [**REDACTED**].

There are risks associated with any [**REDACTED**]. Some of the particular risks in [**REDACTED**] in the [**REDACTED**] are set out in the section headed "Risk Factors". You should read that section carefully before you decide to [**REDACTED**] in the [**REDACTED**].

We are a global online fashion and lifestyle company serving approximately 273 million active customers in approximately 160 markets in 2025. We have reimagined the pursuit of fashion by offering a large, inclusive selection of constantly refreshed products that satisfy consumers' diverse needs, with great value for money. We help people embrace trendy lifestyles and express their individuality.

We have pioneered a proprietary operating model, Large-scale Automated Test and Reorder (LATR), which is the ultimate solution for resolving the industry's longstanding trilemma. This model enables us to achieve an optimal balance among product selection variety, design refreshment speed and inventory management efficiency. We have a global network of partners. As we make our supply chain more agile, strong and resilient, we empower our partners to thrive and grow together with us.

Our commitment to sustainable and responsible growth is woven into the fabric of our business model. By calibrating supply to demand in real time, we minimise our inventory waste to drive not only industry sustainability, but also our own profitability. We believe in doing well by doing good.

Our achievements so far include:

Leadership **Largest** Online Fashion Destination Globally[1]	Reach **273 million** Active Customers[2] in 2025 (21.2% 2023-2025 CAGR)	Selection **2 million+** Apparel styles[3] as of 31 December 2025
Scale **US$41.8 billion** Net Revenues in 2025	Growth **14.2%** 2023-2025 Net Revenues CAGR	Profitability **US$2,064 million** Net Income in 2025

Notes:

1. In terms of apparel and footwear retail sales value in 2025.

2. The term "active customers" for a given period refers to customer accounts that placed one or more orders on our apps or websites in that period, including orders of products of our own brands and products on our marketplace.

3. Refers to apparel products sold through our first-party model, where each apparel style refers to a distinct product variation, characterised by specific attributes such as design or colour. For example, t-shirts of the same design offered in three different colours would constitute three separate styles. Our first-party model refers to a selling model where we sell products to consumers, while our marketplace refers to a selling model where we facilitate sales of products by third-party sellers to customers through our online marketplace.

HOW WE GOT HERE

The pursuit of fashion is universal. We set out to make fashion more accessible and affordable. To make this possible, we started with an online direct-to-consumer business model. Over the years, we have built a proprietary infrastructure to drive the growth of our fashion brands. This infrastructure was purpose-built to enable LATR, which is underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network. We believe these innovations are integral to broadening access to fashion.

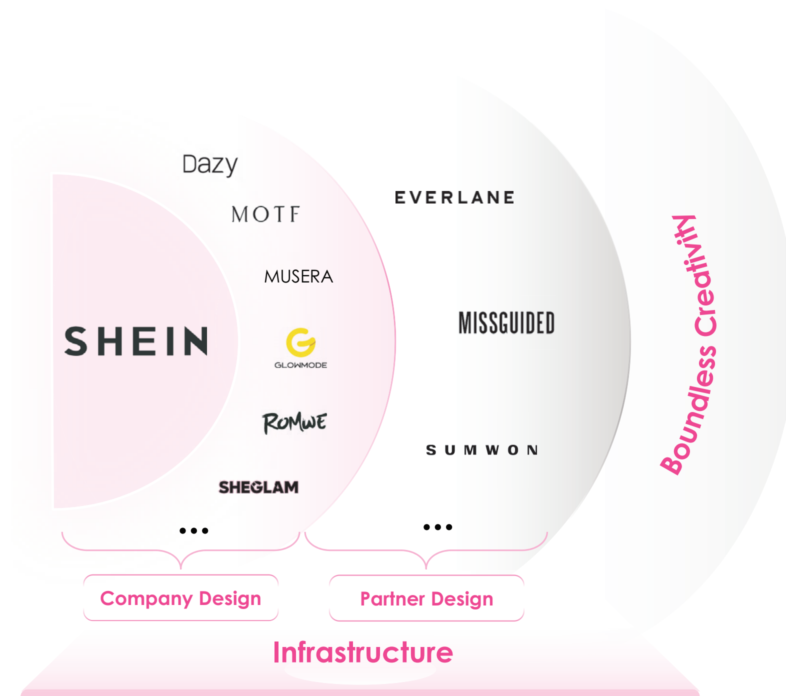
LATR enables us to quickly iterate and deliver products that delight our customers. It entails testing new products by launching them in small initial batches of approximately 100 to 200 items, evaluating customer feedback in real time, and restocking products that are in demand in as few as five days. The test and reorder strategy is not novel, but it is highly challenging to implement it at scale with cost efficiency. Leveraging our end-to-end intelligent supply chain that maximises efficiency and capacity utilisation, we deploy test and reorder at unprecedented scale to a large number of products. LATR structurally minimises production costs and keeps our inventory levels low while reducing wastage, allowing us to pass on savings to our customers. This is how we offer customers a vast and constantly refreshed fashion selection with great value for money. LATR also thrives with our global fulfilment network. With our strategic inventory placement and smart freight routing, we optimise inventory turnover, fulfilment speed and efficiency.

WHERE WE ARE GOING

We put our customers front and centre.

We started our journey under our flagship brand, SHEIN, and have expanded to a portfolio of our own brands to cover more price points, distinctive styles and broadened categories. As we aspire to enrich our fashion selection, we have developed close partnerships with many brands and designers through the SHEIN Xcelerator Programme and empower their profitable growth with our infrastructure. Some brands carry strong brand appeal and customer mindshare, yet operationally face challenges and supply chain bottlenecks. Others are smaller, early-stage players with ambitious brand visions, but lack the expertise and resources to scale up effectively. Enabled by our proprietary infrastructure, we allow more brands and designers to unleash their full potential and transform boundless creativity into reality with speed and certainty.

We believe we are uniquely positioned to empower the next generation of fashion brands, which is instrumental to our mission to make fashion accessible to all.



HOW WE ARE DIFFERENT

Better for Customers

We help people around the world access fashion, embrace trendy lifestyle and celebrate their individuality.

Our wide selection of offerings helps everyone in our diverse customer base feel seen, included and valued.

Wide selection of constantly refreshed, affordable offerings. Our vast product selection consisted of over 2 million apparel styles as of 31 March 2026, and our customers were able to discover an average of approximately 4,700 new apparel styles each day during the three months ended 31 March 2026 through our first-party model. In addition to apparel, we have added new product categories to our offerings, which now include footwear, accessories, beauty, home, and lifestyle products. By connecting long-tail demand with supply, we address our customers' diverse and evolving needs.

Experiences that customers enjoy. We have developed bonds with our customers. Within the fashion industry, we are an early adopter of leveraging online communities and influencers to engage customers. We complement our online engagement with offline activities such as marketing events, fashion shows, pop-ups and showrooms to strengthen our connection with customers. Our inclusive product selection makes it possible for people to enjoy the beauty of fashion.

Strong customer satisfaction and engagement. We have established an engaged, vibrant and global online community. Our customers have generally been staying with us for longer and shopping across more categories. Our active customers increased from approximately 186 million in 2023 to approximately 273 million in 2025 at a CAGR of 21.2%, and increased from approximately 241 million in the twelve months ended 31 March 2025 to approximately 281 million in the twelve months ended 31 March 2026. Annual customer order frequency remained broadly stable at 3.8, 4.0, 4.0, 4.0 and 3.9 for the years ended 31 December 2023, 2024 and 2025 and the twelve months ended 31 March 2025 and 2026, respectively. These metrics are a testament to our strong customer loyalty and engagement. We believe we are only in the early innings of unlocking our potential.

Better for Supply Chain Partners

We bring together a diverse group of supply chain partners globally. These include over 7,500 contract manufacturers in 2025 as well as large numbers of merchants, independent designers and other suppliers. Most of our partners are SMEs. See "Business — Supply Chain Management" in this document for further information on our supply chain network, system and management.

Deep technology integration enables win-win. We empower our suppliers with our proprietary technology solutions to solve traditional industry pain points in capacity utilisation and workflow management. Our intelligent supply chain management system automatically allocates orders to suitable suppliers, based on expertise, price and capacity, amongst other factors. Deep technology integration with suppliers fosters transparency, production efficiency, visibility and flexibility, and enables repeat orders, cost savings and reduced inventory and waste. Benefitting from the significant order volume afforded by our scale and customer reach, our suppliers typically enjoy more predictable order flow, improved asset utilisation and higher returns on investment, even with small batch production.

Empowering supply chain partners through our proprietary infrastructure. We allow supply chain partners of all types to focus on the tasks that they excel at, and add value by bridging the gaps along the value chain. We turn designs into real products for independent designers, streamline operations and improve working capital management for suppliers, and provide marketing and logistics support for merchants. In 2021, we launched the SHEIN X programme, which aimed to empower individual designers and artists. Over the years, we have continued to explore ways to evolve and expand this programme. In October 2025, we officially upgraded and expanded the SHEIN X programme to the SHEIN Xcelerator Programme, which aims to supercharge the growth of more brands. Through this initiative, we provide brands with a suite of differentiated supply chain services and an established global sales platform so that they can achieve lower design risk, reduced inventory risk, and faster time to market. The SHEIN Xcelerator Programme supports brands of different sizes, incubating new brands and revitalising existing ones through flexible collaboration models. The brands within the Xcelerator Programme are able to reach meaningful annualised sales milestones much faster than other leading global Direct-to-Consumer brands, with a significantly healthier financial profile. For example, one of the brands in the Xcelerator

Programme increased sales by approximately 15 times in its second year with the programme, while improving operating margin by over 30 percentage points during the same period. This brand also saw its inventory turnover days decrease by approximately two-thirds. The provision of brand enablement services is also driving better profitability for us, with brand enablement operating margin approximately twice as high as our group operating margin. As we empower more partners of all sizes to thrive, our partner base becomes increasingly efficient, flexible and resilient, which in turn enriches the selection for our customers and fuels our growth.

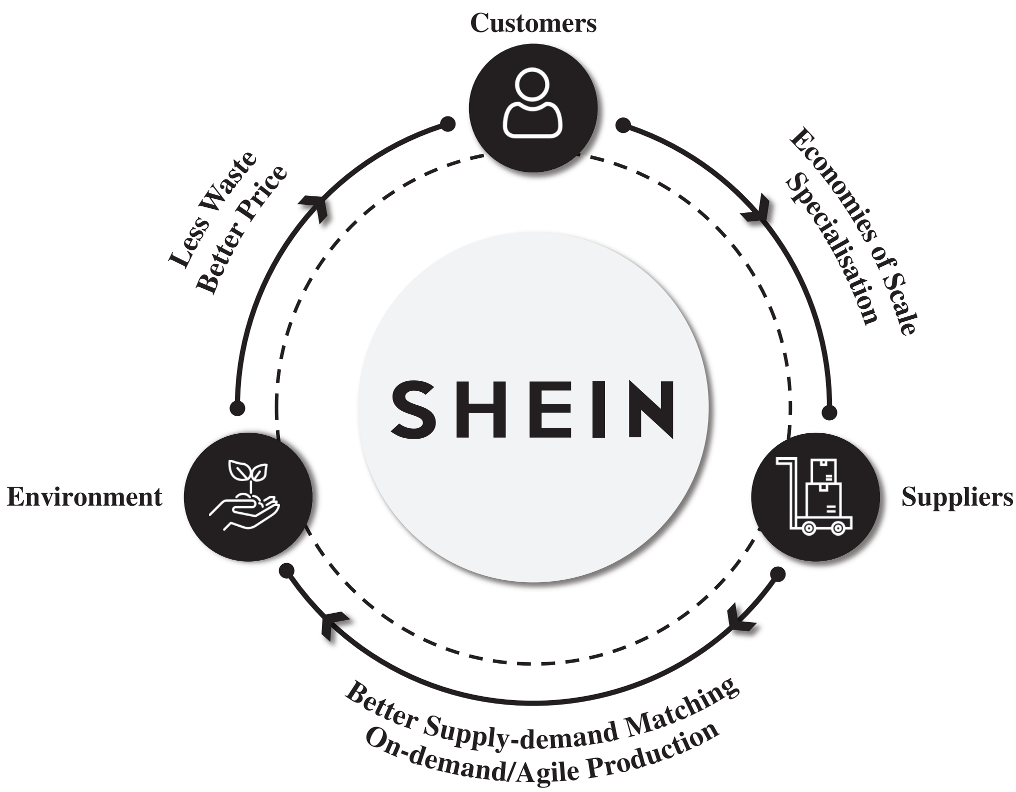
Better for the Environment

We are committed to minimising our impact on the planet we all share. The evoluSHEIN roadmap is our enterprise-wide sustainability strategy to drive our environmental and social impact initiatives focusing on people, planet and process. We believe that we can grow our business while promoting sustainable and responsible growth. We have made some progress in our sustainability journey, and will continue to refine our practices and address the challenges faced by our industry.

Innovative operating model minimises waste. We have pioneered LATR, a technology-enabled, demand-driven operating model that features small-batch production. Underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network, this model allows us to minimise overproduction, reduce inventory waste and deliver quality products to consumers around the world. This in turn helps us reduce our environmental impact and pass on savings to consumers.

Initiatives across the value chain. We actively seek ways to create positive environmental impact across the value chain, from pre-consumption to post-consumption, covering responsible design, material sourcing, manufacturing, circularity programmes and decarbonisation goals.

Equitable empowerment. We respect and embrace individuality across cultures, identities and body types through our inclusive product offerings. We promote inclusive growth by creating business opportunities for SMEs, as well as minority and women entrepreneurs. We strive to improve the lives of our employees, supply chain partners and communities.



OUR MARKET OPPORTUNITIES

We started our business by serving fashion-conscious consumers, particularly young women, offering them a wide selection of fashion items. What people wear goes beyond fulfilling their basic needs — it is a reflection of their cultures and identities. The growth in the global economy and consumption expenditure has propelled the global fashion market, encompassing apparel, footwear and accessories, into a massive market worth US$1.7 trillion in 2025, which is expected to further increase to US$2.0 trillion in 2030. This market is highly competitive, and we primarily compete with both global fashion retailers and, to a lesser extent, e-commerce platforms with fashion offerings.

The fashion industry is shifting from offline to online, driven by digital innovation and a shift in consumer preferences towards online shopping that was accelerated by the COVID-19 pandemic. Empowered by technology and agile supply chains, digital-first fashion players are offering curated shopping experiences that drive engagement and loyalty. The online fashion market grew from US$522 billion in 2021 to US$606 billion in 2025, and is expected to further increase to US$792 billion in 2030. This growth is driven by an increase in online penetration rate, which rose from 33.4% in 2021 to 34.9% in 2025 and is expected to further increase to 38.7% in 2030. Leveraging our leadership in the global fashion market, we have successfully expanded into other categories such as home & living, beauty & personal care and appliances & electronics products, amongst others.

For a detailed discussion about our market opportunities, see "Industry Overview" elsewhere in this document.

OUR COMPETITIVE STRENGTHS

We believe that the following strengths differentiate us from our peers and contribute to our competitive advantage versus our peers: (i) global scale and success, (ii) value propositions that drive strong customer satisfaction and engagement, (iii) our proprietary LATR operating model, underpinned by our end-to-end intelligent supply chain and an agile global fulfilment network, (iv) thriving network of supply chain partners, and (v) founder-led team and enduring culture driving innovation and growth.

OUR GROWTH STRATEGIES

We are pursuing the following strategies to capture the tremendous growth opportunities that we see: (i) attract new customers and increase customer engagement, (ii) further expand category and product offerings, (iii) continue our commitment to advancing sustainability and social impact, (iv) create more opportunities for designers and brands, (v) further strengthen our supply chain and fulfilment infrastructure, and (vi) continue to invest in talent and technology.

KEY OPERATING AND FINANCIAL METRICS

The table below sets out certain key financial metrics for the periods indicated.

	For the Years Ended 31 December						For the Three Months Ended 31 March			
	2023		2024		2025		2025		2026	
							(unaudited)			
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(in millions, except for percentages)									
Total net revenues	**32,103**	**100.0**	**38,748**	**100.0**	**41,847**	**100.0**	**8,952**	**100.0**	**9,052**	**100.0**
Net revenues by type:										
Product revenues	31,235	97.3	35,351	91.2	37,107	88.7	7,765	86.7	7,757	85.7
Service revenues	868	2.7	3,397	8.8	4,740	11.3	1,187	13.3	1,295	14.3
Net revenues by region:										
United States	9,454	29.4	10,464	27.0	10,101	24.1	2,380	26.6	2,040	22.5
Europe	10,214	31.8	13,603	35.1	14,802	35.4	2,843	31.7	2,908	32.1
Rest of the world	12,435	38.8	14,681	37.9	16,944	40.5	3,729	41.7	4,104	45.4
Net revenues by category:										
Apparel	22,080	68.8	25,068	64.7	26,707	63.8	5,548	62.0	5,562	61.4
Others	10,023	31.2	13,680	35.3	15,140	36.2	3,404	38.0	3,490	38.6
Net income/(loss)	**2,789**		**3,365**		**2,064**		**395**		**(99)**	

Following the removal of the U.S. *de minimis* exemption and the EU's EUR 150 customs duty exemption for low-value consignments, we adopted formal customs clearance procedures and a framework of price increases, localised inventory and fulfilment, and enhanced trade compliance in the U.S., with similar measures expected in the EU. Since May 2025, the removal of the U.S. *de minimis* exemption has had an adverse impact on our sales in the U.S. and the overall growth of our net revenues, and has contributed to an increase in our fulfilment expenses as a percentage of net revenues, although we have since observed signs of normalisation in consumer purchasing behaviour and sales trends in the U.S. In the EU, products purchased from us or through our marketplace and shipped to Europe that previously relied on the EUR 150 exemption are subject to increased costs, which may have a material adverse effect on our business, financial condition and results of operations, as we generated approximately one-third of our net revenues from Europe in 2025 and for the three months ended 31 March 2026. Although it remains too early to fully assess, it is possible that trends in the EU could be generally in line with or exceed the impact observed in the U.S. after the removal of the U.S. *de minimis* exemption. For more details, see "Summary — Recent Developments and No Material Adverse Change — Tariff Update" and "Risk Factors — B. Risks Related to International Trade and Taxation."

The tables below set out certain key operating metrics for the periods indicated.

	For the Years Ended 31 December			For the Twelve Months Ended 31 March	
	2023	2024	2025	2025	2026
Active customers (millions)	186	230	273	241	281
Customer order frequency	3.8	4.0	4.0	4.0	3.9
Total orders (millions)	715	919	1,078	970	1,090
Fulfilment expenses per order (US$)	18.9	18.3	17.7	17.7	17.9

For the years ended 31 December 2023, 2024 and 2025, we saw an increase in each of the number of active customers and total orders as our business continued to grow. Meanwhile, fulfilment expense per order decreased during this period due to a combination of factors, including enhancements in warehouse automation and process standardisation, delivery route optimisation, and improvements in operational efficiency. For the twelve months ended 31 March 2025 and 2026, we recorded an increase in the number of active customers and total orders as our business continued to grow. Meanwhile, fulfilment expense per order increased slightly during this period primarily due to the impact of evolving tariff and customs duty policies since 2025. See "Summary — Recent Developments and No Material Adverse Change — Tariff Update".

WEIGHTED VOTING RIGHTS AND RANKING

Our Company is applying for [**REDACTED**] pursuant to Rule 8A.06(2). Our Company has adopted a weighted voting rights structure and will maintain this weighted voting rights structure following the completion of the [**REDACTED**]. Under this structure, our Company's share capital will comprise Class A Shares and Class B Shares. Each Class A Share will entitle the holder to exercise ten votes, and each Class B Share will entitle the holder to exercise one vote, on any resolution tabled at our Company's general meetings, except for resolutions with respect to the Reserved Matters, in relation to which each Share is entitled to one vote.

Immediately upon the completion of [**REDACTED**] (assuming the Assumptions), the WVR Beneficiaries will be Mr. Sky Yangtian Xu, Ms. Molly Miao Miao, Ms. Maggie Xiaoqing Gu and Mr. Tony Xiaoqing Ren, whose respective shareholdings and voting rights with respect to shareholder resolutions relating to matters other than the Reserved Matters will be as follows:

(i) Mr. Sky Yangtian Xu will beneficially own [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares, representing approximately [**REDACTED**]% voting rights in the Company;

(ii) Ms. Molly Miao Miao will beneficially own [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares, representing approximately [**REDACTED**]% voting rights in the Company;

(iii) Ms. Maggie Xiaoqing Gu will beneficially own [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares, representing approximately [**REDACTED**]% voting rights in the Company; and

(iv) Mr. Tony Xiaoqing Ren will beneficially own [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares, representing approximately [**REDACTED**]% voting rights in the Company.

The WVR Beneficiaries will hold these Class A Shares through holding vehicles. For further details, see "Share Capital — Weighted Voting Rights Structure."

OUR INNOVATIONS

We believe that our success is attributable to our innovative business model and technologies, which differentiate us from our peers. We were one of the earliest adopters of an online direct-to-consumer business model, which we have deployed at unprecedented scale. Under this model, we use our own apps and websites to offer a large selection of constantly refreshed company-branded products manufactured by our contract manufacturers. These products are then delivered directly to consumers across the world. To make this possible, we have pioneered LATR, a unique operating model that is underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network. This model fully integrates and empowers our supply chain partners using proprietary technologies and tailored value-add. It also enables us to quickly iterate and deliver products that delight our customers and enables our supply chain partners to thrive.

Our transforming LATR

We have leveraged our end-to-end intelligent supply chain and agile global fulfilment network to pioneer LATR, a highly scalable operating model that features on-demand, small-batch production. Highly nimble and responsive to market demand, LATR enables us to resolve the industry's longstanding trilemma, achieving large selection, rapid design refreshment and efficient inventory management at the same time, which has historically not been possible for traditional retailers.

LATR entails testing new products by launching them in small initial batches of approximately 100 to 200 items, and then evaluating customer feedback in real time. If a product sells well, we order more of it. This process of testing and re-ordering is highly automated, and we apply the model at scale to a vast number of different new products.

LATR enables us to economically and rapidly address shifting consumer preferences at scale. By using a small initial production batch, we can quickly launch a large number of new products with minimal upfront commitment, inventory risk, and resource waste. If a product sells well, we can rapidly scale up its production to meet consumer demand. We can rapidly launch small initial batches, and restock products that are in demand in as few as five days.

The test and reorder strategy is highly challenging to implement at scale with cost efficiency. By successfully doing so, we have differentiated ourselves from our peers. With more than 2 million apparel styles as of 31 December 2025 and 31 March 2026, our product selection is among the largest in the industry. This selection is also refreshed faster, as we uniquely are able to restock products in as few as five days. Additionally, LATR enables us to operate highly efficiently. Our unsold inventory percentage is in the low single digits, and our inventory turnover days were just 36 days in 2025.

Our LATR operating model is built on two foundational infrastructure pillars: our end-to-end intelligent supply chain that maximises efficiency and capacity utilisation and our agile global fulfilment network that optimises inventory turnover and fulfilment speed.

Our end-to-end intelligent supply chain

Our end-to-end intelligent supply chain is one of the pillars of our LATR operating model. This is unique because it digitalises and integrates every step of the full supply chain, and intelligentises trend identification and merchandise planning, design and development, order allocation and production optimisation, demand insights and user interactions, smart routing and fulfilment, and customer feedback. This is differentiated from traditional fashion retailers and e-commerce platforms, which only focus on a few elements of the supply chain. Traditional fashion retailers typically focus only on merchandise planning and design, while e-commerce platforms typically focus only on sales and fulfilment.

Our supply chain is intentionally built for continual and intelligent optimisation. This begins with end-to-end integration, which allows for full visibility across the supply chain, supporting actionable, data-driven decisions together with automatic order allocation and process monitoring. Building on this foundation, our predictive intelligence generates granular, personalised demand signals and enables real-time forecasting and reordering. This allows us to dynamically orchestrate the entire supply chain and facilitate intelligent resource allocation and optimised capacity and inventory management. We strive to achieve a full-stack AI uplift that supercharges operational efficiency across every layer of the supply chain.

As a result, our end-to-end intelligent supply chain is differentiated by being able to pool, coordinate, and integrate supply chain partners across the entirety of the value chain to maximise transparency and efficiency. This allows us to more effectively deliver the latest in-demand products while minimising inventory risks and waste.

Our agile global fulfilment network

Complementing our end-to-end intelligent supply chain, our agile and efficient global fulfilment network extends our reach across the world's principal consumer markets, spanning North and South America, Europe, the Middle East, Africa, South and Southeast Asia, and Oceania. Our network is built on a distributed footprint of supply chain and fulfilment locations anchored by a central logistics hub in China. This network delivers global fulfilment reach, an optimised freight mix and flexible assortment dispatch, enabling us to route and deliver products efficiently across the globe. Taken together, these capabilities allow us to serve a broad and geographically diverse customer base with agility and cost efficiency.

Our innovative technologies

We are focused on using technology to empower fashion. We have developed a proprietary technological ecosystem that empowers us to implement our unique LATR operating model. LATR is technologically demanding because it requires the full digitalisation of the supply chain to realise a very high level of operating efficiency and precise matching of supply and demand.

Our technological ecosystem is a vast and complex system of custom, proprietary software designed to make our end-to-end intelligent supply chain, agile global fulfilment network and LATR possible. We own and operate a significant number of independently developed software systems that collectively form a proprietary technological ecosystem. In addition, we provide suppliers with a set of cloud-based software solutions that helps them manage all steps of the production process, including receiving orders, production, quality assurance, and shipping. This software is provided to suppliers for free, and enables suppliers who have limited technology capabilities to manage their production processes digitally, providing effective workflow management solutions that help solve the issue of inefficient process management. Additionally, our cloud-based software solutions enable suppliers to be fully digitally integrated with our supply chain. This allows us to automatically and intelligently allocate orders to suppliers based on expertise, price, capacity and other factors, helping suppliers maximise capacity utilisation. End-to-end digital integration with our intelligent supply chain also means suppliers benefit from our predictive insights into what products are, or are likely to be, popular with customers. By having visibility into demand, suppliers experience less working capital volatility, as they can maintain a "just right" level of inventory stock.

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks include, among others, the following:

- We have grown rapidly since our inception, and there is no assurance that our growth will continue. In particular, we recorded a net loss of US$99 million for the three months ended 31 March 2026, and there is no assurance that we will achieve or maintain profitability in the future.

- If we are unable to acquire, retain and serve customers effectively, our business, financial condition and results of operations may be materially and adversely affected.

- Escalation of tensions in international relations and the resulting changes in international trade policies may affect our product sales to the global markets and have an adverse impact on our business, financial condition and results of operations.

- The modification or removal of the *de minimis* or other similar exemptions from import duties, or the increase of tariffs, value-added taxes or other duties, may materially and adversely affect our business and financial condition.

- We face intense competition and may fail to compete effectively with our competitors in attracting customers and suppliers, in which case our business and growth prospects may be materially and adversely affected.

- Failure to comply with tax and customs laws and regulations in our multi-jurisdictional operations may subject us to government investigations, fines, injunctions and other penalties, which may have a material adverse effect on our business, financial condition and results of operations.

- Government regulation of the internet and e-commerce globally is evolving, and unfavourable changes or failure by us to comply with the applicable regulations could hinder our ability to market and sell our products and subject us to legal liabilities and reputational damage.

- Our multi-jurisdictional operations and the regulatory environment of those jurisdictions may subject us to significant compliance obligations and costs and heightened risks of non-compliance.

- In expanding our business and operations into new markets, we may face challenges arising from local market conditions, competitive landscape and regulations and policies, as well as other risks inherent in operating global businesses, all of which may hinder our ability to continue to expand and grow our business.

- The new products or new product categories that we introduce may fail to meet evolving customer preferences and may expose us to additional legal and other challenges and risks.

- Negative publicity associated with our brand, business partners or industry may reduce the value and attractiveness of our brand and products, which would have a material adverse impact on our business, financial condition and results of operations.

- If we are unable to identify fashion trends or react to changing consumer preferences in a timely manner, our product offerings may become less attractive to consumers, and our business, financial condition and results of operations may be materially and adversely affected as a result.

- Our business is affected by fluctuations in consumer spending as a result of changes in economic conditions.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial statements for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this document, including the related notes. Our consolidated financial statements are prepared in accordance with IFRS.

Summary of Our Consolidated Results of Operations

The following table sets forth a summary of our consolidated results of operations in absolute amount and as a percentage of our total net revenues for the periods indicated.

	For the Years Ended 31 December						For the Three Months Ended 31 March			
	2023		2024		2025		2025		2026	
							(unaudited)			
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(in millions, except for percentages)									
Net revenues	**32,103**	**100.0**	**38,748**	**100.0**	**41,847**	**100.0**	**8,952**	**100.0**	**9,052**	**100.0**
Operating expenses:										
Cost of sales[(1)]	(12,777)	(39.8)	(15,249)	(39.4)	(13,433)	(32.1)	(3,339)	(37.3)	(2,679)	(29.6)
Fulfilment expenses[(2)]	(13,501)	(42.1)	(16,847)	(43.5)	(19,072)	(45.6)	(3,831)	(42.8)	(4,322)	(47.7)
Marketing expenses[(2)]	(3,453)	(10.8)	(4,159)	(10.7)	(6,191)	(14.8)	(1,088)	(12.2)	(1,430)	(15.8)
Technology and content expenses[(2)]	(668)	(2.1)	(849)	(2.2)	(896)	(2.1)	(220)	(2.5)	(241)	(2.7)
General and administrative expenses[(2)]	(328)	(1.0)	(678)	(1.7)	(548)	(1.3)	(126)	(1.4)	(122)	(1.3)
Total operating expenses	**(30,727)**	**(95.7)**	**(37,782)**	**(97.5)**	**(40,140)**	**(95.9)**	**(8,604)**	**(96.1)**	**(8,794)**	**(97.1)**

	For the Years Ended 31 December						For the Three Months Ended 31 March			
	2023		2024		2025		2025		2026	
							(unaudited)			
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(in millions, except for percentages)									
Operating income	**1,376**	**4.3**	**966**	**2.5**	**1,707**	**4.1**	**348**	**3.9**	**258**	**2.9**
Fair value changes of convertible redeemable preferred shares	1,231	3.8	2,431	6.3	328	0.8	–	–	(328)	(3.6)
Share of income/(losses) from associates	(36)	(0.1)	(171)	(0.4)	3	0.0	(21)	(0.2)	(16)	(0.2)
Interest income	472	1.5	597	1.5	621	1.5	135	1.5	150	1.7
Exchange gain/(loss)	(34)	(0.1)	(55)	(0.1)	(95)	(0.2)	47	0.5	(72)	(0.8)
Others, net	(14)	(0.0)	1	0.0	(50)	(0.1)	(14)	(0.2)	(12)	(0.1)
Income/(loss) before income taxes	**2,995**	**9.3**	**3,769**	**9.7**	**2,514**	**6.0**	**495**	**5.5**	**(20)**	**(0.2)**
Income tax expense	(206)	(0.6)	(404)	(1.0)	(450)	(1.1)	(100)	(1.1)	(79)	(0.9)
Net income/(loss)	**2,789**	**8.7**	**3,365**	**8.7**	**2,064**	**4.9**	**395**	**4.4**	**(99)**	**(1.1)**

Notes:

(1) Includes inventory written down and loss on inventory obsolescence of US$121 million, US$199 million and US$185 million for the years ended 31 December 2023, 2024 and 2025, respectively, and US$53 million and US$47 million for the three months ended 31 March 2025 and 2026, respectively.

(2) Share-based compensation expenses were allocated as follows:

	For the Years Ended 31 December			For the Three Months Ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
	US$	*US$*	*US$*	*US$*	*US$*
			(in millions)		
Fulfilment expenses	15	17	28	7	9
Marketing expenses	9	17	16	4	5
Technology and content expenses	12	14	13	3	4
General and administrative expenses	13	23	28	8	8
Total	**49**	**71**	**85**	**22**	**26**

Our net income increased from US$2,789 million in 2023 to US$3,365 million in 2024, which was mainly attributable to (i) an increase in our net revenues, primarily due to the increase in total orders as a result of our success in driving better customer engagement; (ii) an increase in fair value changes of convertible redeemable preferred shares in 2024, mainly due to changes in the valuation of our Company; and (iii) a decrease in our cost of sales as a percentage of net revenues in 2024, reflecting a greater contribution from service revenues and cost optimisation efforts.

Despite an increase of US$0.7 billion in our operating income in 2025, our net income decreased from US$3,365 million in 2024 to US$2,064 million in 2025, which was mainly attributable to a decrease in fair value changes of convertible redeemable preferred shares from US$2.4 billion in 2024 to US$0.3 billion in 2025 due to changes in the valuation of our Company.

We recorded a net loss of US$99 million in the three months ended 31 March 2026, compared to net income of US$395 million in the three months ended 31 March 2025, which was mainly attributable to fair value losses on our convertible redeemable preferred shares of US$328 million in the three months ended 31 March 2026.

Summary of Our Consolidated Statements of Financial Position

The following table sets forth the components of our current assets and liabilities as at the dates indicated:

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
		(in millions)		
Current assets				
Cash and cash equivalents and restricted cash	3,931	3,390	5,031	4,873
Short-term investments	6,265	8,086	9,723	9,929
Receivables and prepayments	1,096	1,783	1,252	1,577
Inventories	1,637	1,500	1,261	1,384
Other current assets	88	127	326	383
Total current assets	**13,017**	**14,886**	**17,593**	**18,146**
Current liabilities				
Accounts payable	2,749	2,935	3,019	3,234
Accrued expenses and other current liabilities	1,958	2,814	3,268	4,134
Contract liabilities	694	770	789	1,016
Income tax payable	707	771	933	972
Convertible redeemable preferred shares, current portion	–	–	18,048	17,294
Total current liabilities	**6,108**	**7,290**	**26,057**	**26,650**
Total assets	**14,818**	**17,321**	**20,033**	**20,609**
Total liabilities	27,329	26,418	26,930	27,567
Total shareholders' deficit	(12,511)	(9,097)	(6,897)	(6,958)
Total liabilities and shareholders' equity	**14,818**	**17,321**	**20,033**	**20,609**
Net current assets/ (liabilities)	**6,909**	**7,596**	**(8,464)**	**(8,504)**

We had net current assets as of 31 December 2023 and 2024, and recorded net current liabilities as of 31 December 2025 and 31 March 2026. The increase in net current assets from 31 December 2023 and further to 31 December 2024 was primarily due to an increase in short-term investments as we purchased more short-term investments with the cash generated from our growing business. The change from net current assets as of 31 December 2024 to net current liabilities as of 31 December 2025 was primarily because we recorded the current portion of convertible redeemable preferred shares as of 31 December 2025, mainly attributable to the reclassification of convertible redeemable preferred shares from non-current liabilities to current liabilities. The increase in net current liabilities from 31 December 2025 to 31 March 2026 was primarily due to an increase in accrued expenses and other current liabilities. Upon the [**REDACTED**], the convertible redeemable preferred shares will be reclassified from liabilities to equity, which will result in a net current asset position and a net asset position.

Our shareholders' deficit decreased from US$12,511 million as of 31 December 2023 to US$9,097 million as of 31 December 2024 and further to US$6,897 million as of 31 December 2025, primarily attributable to our net income generated in the relevant years. Our shareholders' deficit slightly increased from US$6,897 million as of 31 December 2025 to US$6,958 million as of 31 March 2026, primarily attributable to the net loss of US$99 million recorded during this period, which was mainly driven by fair value losses on convertible redeemable preferred shares of US$328 million.

The following table sets forth the breakdown of our non-current assets and non-current liabilities as at the dates indicated:

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
		(in millions)		
Non-current assets				
Property and equipment	396	551	619	634
Right of use assets	497	959	1,105	1,122
Intangible assets	40	39	38	38
Non-current restricted cash	78	34	32	29
Deferred tax assets	81	94	102	103
Investments in associates	470	251	266	246
Investments at fair value through profit or loss	82	169	158	163
Long-term time deposits	–	211	–	–
Other non-current assets	157	127	120	128

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
		(in millions)		
Non-current liabilities				
Convertible redeemable preferred shares, non-current portion	20,807	18,376	–	–
Deferred tax liabilities	1	7	5	5
Lease liabilities	407	744	868	891
Other long-term liabilities	6	1	–*	21

* Less than US$1 million

Summary of Our Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the periods presented:

	For the Years Ended 31 December			For the Three Months Ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
	US$	*US$*	*US$*	*US$*	*US$*
			(in millions)		
Selected Consolidated Statements of Cash Flow Data:					
Net cash generated from operating activities	1,757	1,405	2,838	1,058	392
Net cash used in investing activities	(4,168)	(1,820)	(1,066)	(310)	(122)
Net cash generated from/(used in) financing activities	1,599	(206)	(284)	(66)	(429)
Effect of exchange rate changes on cash and cash equivalents	36	32	88	(6)	(9)
Net (decrease)/increase in cash and cash equivalents	(776)	(589)	1,576	676	(168)
Cash and cash equivalents at beginning of the year/period	4,270	3,494	2,905	2,905	4,481
Cash and cash equivalents at end of the year/period	3,494	2,905	4,481	3,581	4,313

During the Track Record Period and up to the Latest Practicable Date, our primary sources of liquidity have been cash flows from operations and proceeds from equity financings. Cash and cash equivalents consist of cash on hand, demand deposits and highly liquid investments with original maturity of three months or less that are unrestricted from withdrawal or use. Restricted cash mainly represents security deposits held in designated bank accounts for issuance of bank acceptance and letter of guarantee for logistics services and for warehouse leases. Short-term investments consist primarily of fixed-term deposits that are offered by high credit rating international banks with maturity dates ranging from three months to one year. The substantial majority of our customers pay for goods in advance, which, coupled with our asset-light business model, allows us to maintain good operating cash flow.

The cash resources we consider in cash management include, but are not limited to, cash and cash equivalents, restricted cash, short-term investments, and long-term time deposits. As of 31 December 2023, 2024 and 2025 and 31 March 2026, the aggregate amounts of our cash resources were US$10,274 million, US$11,721 million, US$14,786 million and US$14,831 million, respectively.

Our Directors are of the view that, taking into account the financial resources available to us, including cash and cash equivalents, our available banking facilities, cash flows from operating activities and [**REDACTED**] from the [**REDACTED**], we have sufficient working capital for at least 12 months from the date of this document.

KEY FINANCIAL RATIOS

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

	For the Years Ended 31 December			**For the Three Months Ended 31 March**	
	2023	**2024**	**2025**	**2025**	**2026**
				(unaudited)	
Net revenues growth .	41.1%	20.7%	8.0%	N/A	1.1%
Operating margin[(1)] . .	4.3%	2.5%	4.1%	3.9%	2.9%
Net margin[(2)]	8.7%	8.7%	4.9%	4.4%	(1.1)%

Notes:

(1) Calculated using operating income divided by net revenues for the year/period.

(2) Calculated using net income/loss divided by net revenues for the year/period.

[**REDACTED**]

[REDACTED] EXPENSES

Our [**REDACTED**] expenses mainly include [**REDACTED**] fees of HK$[**REDACTED**] and professional fees paid to legal, accounting and other advisors of HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**], respectively, for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**]. Assuming full payment of the [**REDACTED**], the estimated total [**REDACTED**] expenses (based on the mid-point of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately HK$[**REDACTED**], accounting for approximately [**REDACTED**]% of our gross [**REDACTED**]. An estimated amount of HK$[**REDACTED**] for our [**REDACTED**] expenses, accounting for approximately [**REDACTED**]% of our gross [**REDACTED**], has been and is expected to be expensed through the statement of profit or loss and the remaining amount of HK$[**REDACTED**] is expected to be recognised directly as a deduction from equity upon the [**REDACTED**]. HK$[**REDACTED**] of such expenses has been recognised and charged during the Track Record Period.

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] of between HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses paid and payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts as follows: (i) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to enhance our technological capabilities; (ii) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to enhance brand awareness and strengthen global presence; (iii) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used in our initiatives to promote corporate responsibility; and (iv) the balance, approximately HK$[**REDACTED**], is expected to be used for general corporate purposes.

See the section headed "Future Plans and Use of [**REDACTED**]" in this document for further information relating to our future plans and use of [**REDACTED**] from the [**REDACTED**], including the adjustment on the allocation of the net [**REDACTED**] in the event that the final [**REDACTED**] is set to be above or below the mid-point of the [**REDACTED**].

OUR CONTROLLING SHAREHOLDERS

Immediately after the completion of the [**REDACTED**] (assuming the Assumptions), Mr. Sky Yangtian Xu, our Founder, executive Director and Chief Executive Officer, will be interested in and will control, through his intermediaries, an aggregate of [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares, representing approximately [**REDACTED**]% of our issued Shares, and will be entitled to exercise approximately [**REDACTED**]% of the voting rights of our issued Shares in general meetings (except for resolutions with respect to the Reserved Matters, in relation to which each Share is entitled to one vote).

Mr. Sky Yangtian Xu holds his interests in the Company through Apex Sight Holdings Limited which is wholly-owned and controlled by XYT Holdings Limited, and Mr. Sky Yangtian Xu is the sole director of Apex Sight Holdings Limited. XYT Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Mr. Sky Yangtian Xu is the settlor of this trust, and he and his family members are the beneficiaries of this trust. Therefore, Mr. Sky Yangtian Xu, Apex Sight Holdings Limited and XYT Holdings Limited will constitute the Controlling Shareholders of our Company after the [**REDACTED**].

For further details, see "Relationship with the Controlling Shareholders."

PRE-[REDACTED] INVESTORS

We received multiple series of equity financing from our Pre-[**REDACTED**] Investors to support our expanding business operations. See "History, Reorganisation and Corporate Structure — Pre-[**REDACTED**] Investments" for details.

[**REDACTED**]

DIVIDEND POLICY

We intend to adopt, before the [**REDACTED**], a dividend policy pursuant to which we target to declare and distribute dividends on an annual basis after the [**REDACTED**] in an amount not less than 50% of our net profit generated in a fiscal year after deducting any significant capital expenditures or as otherwise authorized by the Board.

Our Board has absolute discretion on whether to declare and distribute dividends, subject to Cayman Islands laws and the Articles of Association. Even after the adoption of the above dividend policy, the decision on whether to declare dividends and the exact amount of any such distributions in any year will be based upon our Company's operations and earnings, cash flow, financial condition, general business conditions and strategies, capital requirements, future business prospects, statutory and contractual restrictions applying to the payment of dividends and other factors that our Board may consider relevant, and will be subject to adjustment and determination by the Board and compliance with applicable laws and regulations. In addition, our Shareholders in general meeting may declare dividends, but no dividend may be declared in excess of the amount recommended by our Board. In either case, all dividends are subject to certain restrictions under Cayman Islands law, namely that we may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in us being unable to pay our debts as they fall due in the ordinary course of business. As advised by our legal adviser as to Cayman Islands law, the financial position of accumulated losses does not necessarily prohibit a Cayman Islands company from declaring and paying dividends, as dividends may be declared and paid out of the share premium account notwithstanding the company's profitability.

During the Track Record Period, no dividends were paid or declared by us. See "Risk Factors — J. Risks Related to Our Class B Shares and the [**REDACTED**] — We cannot assure you that we will declare and distribute any amount of dividends in the future, and the return on your [**REDACTED**] in our Class B Shares will likely depend on [**REDACTED**] of our Class B Shares."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Tariff Update

Since early 2025, U.S. President Trump has implemented significant changes to U.S. trade policy with China. Amongst other things, the *de minimis* exemption was terminated for imports from China, effective on 2 May 2025. Shipments under US$800 from China and delivered to the United States (except for shipments sent through the international postal network which are subject to a specific duty) are no longer entitled to tariff exemptions and are subject to tariffs based on product categories. Shipments from China via the international postal network became subject to a 54% ad valorem tax or, alternatively, a flat fee of US$100 per postal item. On 30 July 2025, President Trump signed another executive order suspending the *de minimis* exemption for imports from all countries (except for shipments sent through the international postal network which are subject to a specific duty), which took effect on 29 August 2025. The suspension was reaffirmed by an executive order signed by President Trump on 20 February 2026, which confirmed its continued effectiveness following the U.S. Supreme Court's recent ruling on tariffs. These developments significantly affect cross-border retailers. In addition, President Trump has sought to impose additional tariffs on Chinese imports. Initially, 145% additional tariffs were imposed on Chinese imports, which were later suspended, and 30% additional tariffs were applied instead. In November 2025, China and the United States reached an agreement that extended the suspension through 10 November 2026 and lowered the applicable additional tariffs by 10%. The removal of the U.S. *de minimis* exemption and the increased tariffs subject us to a significantly higher level of duties and taxes in the U.S. market. Currently, the China-origin products purchased from us or through our marketplace and shipped to the United States have become subject to tax rates ranging from 10% to 87.5% (increased from 0-62.5% during the Track Record Period prior to the removal of the *de minimis* exemption and the Trump Administration's recent imposition of additional tariffs). In February 2026, the U.S. Supreme Court struck down certain sweeping tariffs imposed by the Trump administration. As of the date of this document, there remains uncertainty regarding the implementation of the court decision and the future trajectory of U.S. tariffs. In response to the increased duties and taxes, we are pursuing a wide range of options, including increasing our prices in the U.S. market to offset a portion of the increased costs. While our pricing is dynamic and subject to fluctuations, we expect to pass on the majority of the increased costs under our cost-plus pricing strategy, which sets the final price of our products by adding a markup to the total cost of production and distribution. Since May 2025, we have begun passing on the majority of the additional tariff costs by increasing our prices in the U.S. market. We are also adjusting our import and export practices as necessary. For example, for products previously eligible for the *de minimis* exemption, we have transitioned from a simple customs entry process for *de minimis* packages to a customs clearance process that requires more extensive documentation and procedures. Amongst other things, we have adopted necessary protocols for the formal entry process to ensure compliance with the more stringent documentation and other procedural requirements. Since May 2025, we observed a negative impact on our net revenues from the U.S. market in the remainder of 2025. Our global net revenues increased in the second half of 2025 compared to the same period of 2024.

On 20 February 2026, the U.S. Supreme Court issued a ruling invalidating certain tariff measures imposed pursuant to the IEEPA. On 20 April 2026, U.S. Customs and Border Protection ("**CBP**"), launched the Consolidated Administration and Processing of Entries ("**CAPE**") portal and related refund process, which enable eligible entities to submit refund claims for IEEPA tariffs previously paid. CAPE was implemented through a phased development approach.

In addition, in February 2026, the EU formally approved a regulation that terminated the EUR 150 customs duty exemption for low-value consignments, which became effective on 1 July 2026. Under the new framework, a flat-rate customs duty of EUR 3 is initially levied on each distinct item category contained in consignments valued at or below EUR 150. Furthermore, an additional EU-wide administrative handling fee is scheduled to take effect in the second half of 2026. These measures will increase the relevant costs and expenses associated with the sales in the EU. Similar to the U.S. market, we expect to pursue a wide range of options in response to the developments in the EU, including increasing our prices to offset a portion of the increased costs. Our Directors are of the view that there might be a short-term adverse impact on our sales volume in Europe as we increase prices to offset a portion of the increased costs, while the long-term impact remains too early to fully assess. Based on the due diligence conducted by the Joint Sponsors, including, among other things, discussions with the management of the Company to understand that the wide range of options in response to the developments in the EU, nothing has come to the Joint Sponsors' attention that would cause them to cast reasonable doubt on the Directors' view above.

See "Risk Factors — B. Risks Related to International Trade and Taxation — Tariffs and International Trade Policy — The modification or removal of the *de minimis* or other similar exemptions from import duties, or the increase of tariffs, value-added taxes or other duties, may materially and adversely affect our business and financial condition."

Iran War

The recent Iran war has affected consumer demand in the Middle East market, disrupted key shipping routes including through the Strait of Hormuz, increased oil prices and freight costs, and caused delays and disruptions in global supply chains, which has affected our business by reducing market demand for our products, increasing logistics expenses and material costs, and extending delivery times to certain markets.

Specifically, we experienced a year-over-year decline in business activity in the Middle East, particularly during the initial few months, which is expected to result in a low single-digit percentage point impact on our net revenues in 2026. In addition, international crude oil prices increased significantly during this period, resulting in upward pressure on our logistics and freight expenses, which is mitigated by our long-term agreements to secure air-freight capacity. Our Directors are of the view that the Iran war has not had and is not currently expected to have a material adverse impact on our overall business operations and financial performance over the long term. Based on the due diligence conducted by the Joint Sponsors, including, among other things, discussions with the management of the Company to understand that the decline in business activity in the Middle East has a relatively limited impact on the Company's performance, as well as taking into account the Company's long-term cooperation with its logistics suppliers, nothing has come to the Joint Sponsors' attention that would cause them to cast reasonable doubt on the Directors' view above.

Our net revenues, operating income and net income in 2026 may be adversely affected by the foregoing developments in Europe and the Middle East, including increased custom duties, taxes and related fees, potential pricing pressure, reduced regional demand and higher logistics, freight and material costs.

No Material Adverse Change

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, other than as disclosed in this document, up to the date of this document, there have been no material adverse changes in our financial, operational, or trading position or prospects since 31 March 2026, which is the end date of the periods reported on in the Accountants' Report set out in Appendix I to this document, and there is no event since 31 March 2026 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary of Technical Terms."

"**Accountants' Report**"	the audited consolidated financial statements of our Company, as included in the Accountants' Report in Appendix I
"**affiliate(s)**"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"**AFRC**"	the Accounting and Financial Reporting Council
"**Articles**" or "**Articles of Association**"	the amended and restated articles of association of the Company conditionally adopted by special resolutions passed on [●], with effect from the [**REDACTED**]
"**associate(s)**"	has the meaning ascribed to it under the Listing Rules
"**Assumptions**"	the assumptions that: (i) the Share Redesignation is completed; (ii) the [**REDACTED**] is not exercised; (iii) the Conversion Adjustment (the details of which are disclosed in the section headed "History, Reorganisation and Corporate Structure") has been implemented; and (iv) there are no other share capital changes in the Company since the Latest Practicable Date other than under the [**REDACTED**]
"**Board**"	the board of Directors
"**business day**"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"**BVI**"	the British Virgin Islands

[**REDACTED**]

"**Cayman Companies Act**" or "**Companies Act**"	the Companies Act (As Revised) of the Cayman Islands, as amended or supplemented from time to time

[**REDACTED**]

"**China Insights Consultancy**"	China Insights Industry Consultancy Limited (灼識行業諮詢有限公司), a market research and consulting company, an Independent Third Party

"**Class A Shares**"	class A ordinary shares of the share capital of the Company with a par value of US$0.000002 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to ten votes per share on any resolution tabled at the Company's general meeting, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share
"**Class B Shares**"	class B ordinary shares of the share capital of the Company with a par value of US$0.000002 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company's general meeting
"**Companies Ordinance**"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Companies (Winding Up and Miscellaneous Provisions) Ordinance**"	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Company**", "**our Company**", or "**the Company**"	SHEIN Global Holdings Limited (希音国际控股有限公司) (formerly known as ELITE DEPOT LIMITED (匯萃有限公司)), an exempted company incorporated in the Cayman Islands with limited liability on 12 May 2014
"**connected person(s)**"	has the meaning ascribed to it under the Listing Rules
"**connected transaction(s)**"	has the meaning ascribed to it under the Listing Rules
"**Controlling Shareholder(s)**"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Sky Yangtian Xu, Apex Sight Holdings Limited and XYT Holdings Limited, as further detailed in the section headed "Relationship with the Controlling Shareholders"
"**Conversion Adjustment**"	has the meaning ascribed to it under the section headed "History, Reorganisation and Corporate Structure — Pre-[**REDACTED**] Investments — Special Rights of the Pre-[**REDACTED**] Investors" in this document
"**Conversion Adjustment Mechanisms**"	has the meaning ascribed to it under the section headed "History, Reorganisation and Corporate Structure — Pre-[**REDACTED**] Investments — Special Rights of the Pre-[**REDACTED**] Investors" in this document
"**CSRC**"	the China Securities Regulatory Commission of the People's Republic of China (中國證券監督管理委員會)
"**Director(s)**"	the director(s) of our Company
"**Europe**"	member states of the European Union and the United Kingdom of Great Britain and Northern Ireland

DEFINITIONS

"**Extreme Conditions**"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong or any extreme conditions or events, the occurrence of which will cause interruption to the ordinary course of business operations in Hong Kong or that may affect the [**REDACTED**]

[**REDACTED**]

"**Governmental Authority**"	any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organisation, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational
"**Group**", "**our Group**", "**the Group**", "**we**", "**us**", or "**our**" .	our Company and its subsidiaries, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time

[**REDACTED**]

[**REDACTED**]

"**Hong Kong dollars**" or "**HK dollars**" or "**HK$**"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

"**Hong Kong Takeovers Code**" or "**Takeovers Code**"	Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

DEFINITIONS

"**IFRS**"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"**Independent Third Party(ies)**"	a person or entity which, to the best of our Directors' knowledge, information, and belief having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules

[**REDACTED**]

"**Joint Sponsors**"	Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited and J.P. Morgan Securities (Far East) Limited

"**Latest Practicable Date**" ..... [3] July 2026, being the latest practicable date for ascertaining certain information in this document before its publication

"**Laws**" .... all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, orders, judgments, decrees, or rulings of any Governmental Authority (including, without limitation, the Stock Exchange and the SFC) of all relevant jurisdictions

[**REDACTED**]

"**Listing Committee**" .... the Listing Committee of the Stock Exchange

[**REDACTED**]

"**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

"**Main Board**"............... the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange

"**Memorandum**" or "**Memorandum of Association**" .... [the [seventh] amended and restated memorandum of association of the Company conditionally adopted by special resolutions passed [●], with effect from the [**REDACTED**]]

[**REDACTED**]

DEFINITIONS

[**REDACTED**]

"**Post-[REDACTED] Share Scheme**"	the post-[**REDACTED**] first share scheme conditionally approved and adopted by our Company on [●], the principal terms of which are set out in the section headed "Statutory and General Information — D. Share Incentive Plans — 2. Post-[**REDACTED**] Share Scheme" in Appendix IV to this document
"**PRC Legal Adviser**"	King & Wood, our legal adviser on Chinese mainland law
"**Pre-[REDACTED] ESOP**"	the 2018 stock incentive plan of our Company adopted on 30 November 2018 and further amended in October 2021, January 2023 and April 2024, the principal terms of which are set out in "Statutory and General Information — D. Share Incentive Plans — 1. Pre-[**REDACTED**] ESOP" in Appendix IV to this document
"**Pre-[REDACTED] Investment(s)**"	the investment(s) in our Company undertaken by the Pre-[**REDACTED**] Investors prior to this [**REDACTED**], the details of which are set out in the section headed "History, Reorganisation and Corporate Structure"
"**Pre-[REDACTED] Investor(s)**"	the investors in our Company prior to our [**REDACTED**], as set out in the section headed "History, Reorganisation and Corporate Structure"
"**Pre-[REDACTED] Preferred Shares**", "**Preferred Shares**" or "**preferred shares**"	collectively, the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares, the Series C+ Preferred Shares, the Series Pre-D Preferred Shares, the Series D Preferred Shares and the Series D+ Preferred Shares
"**Preferred Shares Redesignation**"	the conversion of all Pre-[**REDACTED**] Preferred Shares into Class B Shares by way of reclassification and redesignation immediately before the completion of the [**REDACTED**], the details of which are set out in "History, Reorganisation and Corporate Structure"

[**REDACTED**]

"**QIB**"	a qualified institutional buyer within the meaning of Rule 144A
"**Regulation S**"	Regulation S under the U.S. Securities Act
"**Reorganisation**"	the corporate restructuring of our Group in preparation for the [**REDACTED**], as described in "History, Reorganisation and Corporate Structure — Reorganisation"
"**Reserved Matters**"	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles of Association, being: (i) any amendment to the Memorandum or Articles, including the variation of the rights attached to any class of shares, (ii) the appointment, election or removal of any independent non-executive Director, (iii) the appointment or removal of the Company's auditors, and (iv) the voluntary liquidation or winding-up of the Company
"**RSU(s)**"	restricted stock unit(s)
"**SFC**"	Securities and Futures Commission of Hong Kong
"**SFO**" or "**Securities and Futures Ordinance**"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Share(s)**" or "**Ordinary Share(s)**"	the Class A Shares and/or Class B Shares in the share capital of the Company, as the context so requires
"**Share Incentive Plans**"	the Pre-[**REDACTED**] ESOP and the Post-[**REDACTED**] Share Scheme
"**Share Redesignation**"	the Preferred Share Redesignation and the WVR Redesignation
"**Share Split**"	the 1:50 share split of all issued and unissued shares of all classes in the share capital of our Company on [●] 2026, the details of which are set out in "History, Reorganisation and Corporate Structure"
"**Shareholder(s)**"	holder(s) of our Share(s)
	[**REDACTED**]
"**Stock Exchange**" or "**Hong Kong Stock Exchange**"	The Stock Exchange of Hong Kong Limited
"**subsidiary**" or "**subsidiaries**"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"**substantial shareholder(s)**"	has the meaning ascribed to it in the Listing Rules

"**Track Record Period**"	the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026

[**REDACTED**]

"**U.S. Securities Act**"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"**US dollars**", "**U.S. dollars**", "**US$**" or "**USD**"	United States dollars, the lawful currency of the United States
"**VAT**"	value-added tax
"**weighted voting right**"	has the meaning ascribed to it in the Listing Rules
"**WVR Beneficiaries**" or "**Founders**"	Mr. Sky Yangtian Xu, Ms. Molly Miao Miao, Ms. Maggie Xiaoqing Gu, and Mr. Tony Xiaoqing Ren, our co-founders, executive Directors, and the holders of the Class A Shares entitling them to weighted voting rights as detailed in "Share Capital — Weighted Voting Rights Structure"
"**WVR Redesignation**"	the conversion of certain Class A Shares controlled by the WVR Beneficiaries to Class B Shares immediately before the completion of the [**REDACTED**] by way of reclassification and redesignation, the details of which are set out in "History, Reorganisation and Corporate Structure"
"**WVR Structure**"	has the meaning ascribed to it in the Listing Rules
"**%**"	per cent

Unless otherwise specified, in this document:

- Certain amounts and percentage figures have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them; and

- for ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions, and may not be comparable to similar terms adopted by other companies.

"**active customers**"	customer accounts that placed one or more orders on our apps or websites in that period, including orders of products of our own brands and products on our marketplace for a given period
"**apparel styles**"	apparel products sold through our first-party model, where each apparel style refers to a distinct product variation, characterised by specific attributes such as design or colour; for example, t-shirts of the same design offered in three different colours would constitute three separate styles
"**CAGR**"	compound annual growth rate
"**CIGM**"	SHEIN Centre of Innovation for Garment Manufacturing
"**company brands**"	brands owned by the Group, including SHEIN
"**contract manufacturers**"	suppliers of finished products under our company brands with whom we have entered into direct procurement contracts
"**EEAB**"	SHEIN ESG External Advisory Board
"**IRVs**"	Immediate Remediation Violations
"**ISO**"	International Standards Organization
"**ITVs**"	Immediate Termination Violations
"**LATR**"	Large-scale Automated Test and Reorder, a highly scalable, proprietary operating model that features small-batch, on-demand production
"**NIST**"	National Institute of Standards and Technology
"**order frequency**"	the average number of orders placed by an active customer during a period
"**PCI DSS**"	Payment Card Industry's Digital Security Standard
"**SMEs**"	small- and medium-sized enterprises
"**SRS**"	SHEIN Responsible Sourcing
"**supply chain partners**"	our supply chain partners in aggregate, which include our contract manufacturers, merchants, independent designers and other suppliers

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will," "expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection," "could," "vision," "goals," "aim," "aspire," "objective," "target," "schedules" and "outlook") are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this document), uncertainties and other factors some of which are beyond our Company's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to: (a) our operations and business prospects; (b) our business and operating strategies and our ability to implement such strategies; (c) our ability to develop and manage our operations and business; (d) developments in the international trade environment affecting the global markets in which we operate; (e) our ability to identify and satisfy market demands and consumer preferences; (f) our ability to maintain good relationships with our customers, supply chain partners and other partners; (g) the expected growth and the competition in our industry; (h) our ability to control costs and expenses; (i) changes to regulatory and operating conditions in the industry and geographical markets in which we operate; and (j) all the other risks and uncertainties described in the section headed "Risk Factors".

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution [**REDACTED**] against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

An [**REDACTED**] in our Class B Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [**REDACTED**] in our Class B Shares. The following is a description of what we consider to be our material risks. Any of the following risks could materially and adversely affect our business, financial condition, and results of operations. The market price of our Class B Shares could significantly decrease due to any of these risks, and you may lose all or part of your [**REDACTED**].

We believe that there are certain risks involved in our operations, many of which are beyond our control. We have categorised these risks and uncertainties into:

A. risks related to our business and growth prospects;

B. risks related to international trade and taxation;

C. risks related to our supply chain partners and other third parties;

D. risks related to data security, IP and technology;

E. risks related to labour practices;

F. environmental, social and governance risks;

G. risks related to our financial performance, capital resources and internal control;

H. risks related to consumer protection and marketing;

I. general regulatory and litigation risks; and

J. risks related to our Class B Shares and the [**REDACTED**].

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition and operating results. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

A. RISKS RELATED TO OUR BUSINESS AND GROWTH PROSPECTS

Growth, Profitability and Competition

We have grown rapidly since our inception, and there is no assurance that our growth will continue. In particular, we recorded a net loss of US$99 million for the three months ended 31 March 2026, and there is no assurance that we will achieve or maintain profitability in the future.

We have grown rapidly since our business commenced in 2012. Our total orders increased from 715 million in 2023 to 919 million in 2024 and further to 1,078 million in 2025, and increased from 970 million for the twelve months ended 31 March 2025 to 1,090 million for the twelve months ended 31 March 2026. Our net revenues increased from US$32.1 billion in 2023 to US$38.7 billion in 2024 and further to US$41.8 billion in 2025, and increased from US$9.0 billion in the three months ended 31 March 2025 to US$9.1 billion in the same period in 2026. There is no assurance that we will continue to grow at the same rate or at all. For example, our growth will suffer if we fail to continue to expand into new markets and product categories or grow our marketplace business. A number of other factors may also cause our growth rate to decline, some of which are beyond our control, including increasing competition, emergence of alternative business models, declining growth of our overall market or industry, changes in general economic conditions, decreasing consumer spending, and changes in rules, regulations and government policies or the implementation and interpretation thereof. Our results of operations and financial condition may be materially and adversely affected if we experience slower growth.

To sustain and effectively manage our growth, we must continue to execute our strategies and operational plans, improve and expand our infrastructure, and expand, train and manage our employees. We are required to manage numerous relationships with a vast network of supply chain partners and other third parties. There is no assurance that we will be able to execute our growth strategies and effectively manage the further development of our operations, supply chain, fulfilment systems, technology systems or internal controls and procedures to support our continued growth. Our financial condition, including profitability, may be affected as we expand into new markets, new product categories or new business models, or when competition further intensifies. For example, our marketing expenses may increase significantly as a result of our sales and marketing efforts in the new markets, for new product categories or for new business models. If we fail to execute our growth strategies, sustain our growth or manage our growth effectively, our business, financial condition and results of operations may be materially and adversely affected.

Although we recorded net income in 2023, 2024 and 2025, respectively, we cannot assure you that we will sustain profitability in the future, and you should not rely on our historical profitability as an indication of our future performance. We recorded a net loss of US$99 million in the three months ended 31 March 2026, compared to net income of US$395 million in the same period of 2025, primarily due to fair value losses on our convertible redeemable preferred shares recorded in the three months ended 31 March 2026. Our future profitability may continue to be adversely affected by various factors beyond our control.

If we are unable to acquire, retain and serve customers effectively, our business, financial condition and results of operations may be materially and adversely affected.

Our future growth depends on our ability to retain existing customers, drive order frequency and spending and attract new customers. If we fail to generate repeat purchases from existing customers, or fail to attract new customers or do so in a cost-effective manner, our business, financial condition and results of operations may be materially and adversely affected. We believe that our ability to acquire, retain and serve customers effectively depends on several factors, including whether we are able to:

- continue to provide a wide selection of products embodying the latest trends, at attractive pricing and meeting the increasing demand for the sustainability of our products;
- conduct effective quality control;
- ensure reliable and timely delivery of our products;
- offer a reliable and user-friendly online interface for our customers to browse and purchase our products; and
- provide effective after-sales services.

If we fail to continue to work effectively with our supply chain partners and other third parties to provide a wide selection of products, or should we or our fulfilment service providers fail to deliver our products or process returns in a convenient and reliable manner, our reputation, attractiveness and customer loyalty could be negatively affected. Our sales may also be negatively affected if our mobile apps and websites are severely interrupted or otherwise fail to meet our customer requests. In addition, we depend on our call centre and online customer service representatives to provide live assistance to our customers via online chats or other means. If our customer service representatives fail to meet customer expectations, our reputation, the attractiveness of our products, and customer loyalty could be negatively affected, and we may lose potential or existing customers. If we are unable to continue to provide high-quality customer service, we may not be able to attract new purchases from existing customers or attract new customers, which may have a material adverse effect on our business, financial condition and results of operations.

Furthermore, our ability to attract new customers also depends in part on our ability to successfully expand into new product categories or geographic markets. We may not be able to provide a good consumer experience when expanding into new markets or product categories, due to unfamiliarity with the local market or product category, differences in consumer preferences and payment habits, local logistics infrastructure, and supply chain challenges. Cultural or social differences amongst different markets may also affect consumer perception and acceptance of our brands and products. If we fail to provide a good consumer experience when expanding into new markets or product categories, our customer satisfaction and loyalty will be affected, which may have a material adverse effect on our business, financial condition and results of operations.

We face intense competition and may fail to compete effectively with our competitors in attracting customers and suppliers, in which case our business and growth prospects may be materially and adversely affected.

We operate in a highly competitive industry. We primarily compete with global fashion retailers. To a certain extent, we also compete with online marketplaces that have fashion offerings.

Some of our existing and potential competitors may have longer operating histories, larger fulfilment infrastructures, greater technological capabilities, greater financial, marketing, institutional and other resources and larger customer bases than we do. These factors may allow our competitors to derive greater revenue and profits from their repeat customer bases, acquire customers at lower costs or respond more quickly than we can to new or emerging technologies and changes in fashion trends and consumer shopping behaviour. These competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns, and adopt more aggressive pricing policies, which may allow them to build larger customer bases or generate revenue from their repeat customer bases more effectively than we do. If we fail to compete effectively with these competitors, we may fail to attract new customers or lose our existing customers to our competitors, in which case our business and growth prospects will be adversely affected.

Furthermore, we also compete with our competitors in attracting supply chain partners, and if we fail to compete effectively in this regard, we may fail to maintain and grow a strong base of supply chain partners. We may lose our supply chain partners to competitors and may fail to find suitable alternatives. If this were to happen, it would impact our ability to offer a wide selection of products at competitive prices, and, as a result, our business, financial condition and results of operations may be materially affected.

In expanding our business and operations into new markets, we may face challenges arising from local market conditions, competitive landscape and regulations and policies, as well as other risks inherent in operating global businesses, all of which may hinder our ability to continue to expand and grow our business.

We face challenges and risks associated with expanding our business and operations into an increasing number of markets. New markets that we expand into from time to time may have competitive conditions, consumer tastes, and discretionary spending patterns that are more difficult to predict or satisfy than our existing markets, and may have materially different regulations to comply with. In addition, in certain markets, we have relatively little operating experience and may not benefit from any past experience or otherwise succeed. In new and existing markets, we may face protectionist policies that could hinder our ability to execute our business strategies and put us at a competitive disadvantage relative to domestic companies. Local companies may have a substantial competitive advantage because of their greater knowledge of, and focus on, local customers, as well as their more established local brand names, requiring us to build brand awareness in the local market through greater investments in advertising and promotional activity. We may also face competition from other established global retailers with a presence in the local markets. Some of these competitors may have greater resources and brand recognition than we do, and we may not be able to successfully compete with them, which could result in our failure to establish a strong presence in the new market. The expansion of our business will also expose us to risks and challenges inherent in operating businesses globally, including:

- lack of acceptance of our products, and challenges of localising our products, services and technologies to appeal to local preferences;

- failure to effectively or efficiently locate and cooperate with local suppliers and other third parties;

- failure to attract and retain capable talent with international perspectives who can effectively manage and operate local businesses;

- availability, reliability and security of international and local payment systems and logistics infrastructure and services and failure to effectively manage the associated costs;

- challenges of maintaining efficient and consolidated internal systems, including technology infrastructure, and of achieving customisation and integration of these systems with the other parts of our technology platform;

- national security policies that restrict our ability to utilise technologies that are deemed by local governmental regulators to pose a threat to their national security;

- differing, complex and uncertain import/export and tax laws, rules and regulations or other trade barriers or restrictions, compliance obligations relating to any of the foregoing and consequences of any non-compliance or perceived non-compliance, and any new developments in these areas;

- the need for increased resources to manage regulatory compliance across our global businesses, and the potential need to terminate relationships with existing supply chain partners for purposes of regulatory compliance and to find alternative supply chain partners, and the associated risks and additional costs;

- compliance with environmental and social laws and privacy and data security laws, compliance costs across different legal systems, and consequences of non-compliance or perceived non-compliance with such laws;

- heightened restrictions and barriers on the transfer of data between different jurisdictions;

- business licensing or certification or market access requirements in local markets;

- exchange rate fluctuations;
- geopolitical tensions; and
- political instability and general economic or political conditions in particular countries or regions, including territorial or trade disputes, war and terrorism.

Failure to manage these risks and challenges could negatively affect our ability to expand into new markets and to continue to grow our business and operations, which in turn may materially and adversely affect our business, financial condition and results of operations.

The new products or new product categories that we introduce may fail to meet evolving customer preferences and may expose us to additional legal and other challenges and risks.

We continually expand our product offerings by increasing our assortment within existing categories and entering into new categories to fulfil a greater variety of customer needs. Our introduction of new products within existing categories or new product categories involves new risks and challenges. Our past results of operations should not be taken as indicative of our future performance. Our lack of relevant experience or a track record relating to these product categories may make it more difficult for us to keep pace with evolving customer demands and preferences. In addition, our expanded or new product categories may be subject to governmental regulation and registration requirements and may expose us to regulatory investigations and/or product liability claims.

If we cannot successfully manage our expansion into new product categories, we may not be able to recover the costs of our investments associated with any such expansion and may fail to attract customers and sustain our business growth, and our business, financial condition and results of operations may be materially and adversely affected.

Brand, Reputation and Products

Negative publicity associated with our brand, business partners or industry may reduce the value and attractiveness of our brand and products, which would have a material adverse impact on our business, financial condition and results of operations.

From time to time, we receive customer complaints, inquiries from authorities or negative publicity about, amongst other things, our products, supply chain, product delivery, return and refund policies, our mobile apps and websites, our marketing practices, our security practices, our customer support, and the retail fashion industry in which we operate in general. For example, we have been subject to negative publicity and lawsuits related to alleged plagiarism in product designs. See "— D. Risks Related to Data Security, IP and Technology — Intellectual Property and Technology Infrastructure — We are from time to time subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business operations". These complaints, inquiries and negative publicity could negatively impact our sales and result in harm to our brands. Damage to our reputation or loss of customer confidence for these or other reasons may reduce demand for and purchases of our products and require us to expend additional resources to rebuild our reputation.

Our business could be adversely impacted if negative publicity in relation to our brand, the industry we are in, our business model, the Company or our business partners diminishes the appeal of our brand to consumers. For example, we do not control the practices of our contract manufacturers, or the merchants on our marketplace, and a violation or alleged violation by such supply chain partners of our policies, laws and regulations or accepted practices (or the failure of such supply chain partner to prevent any such violation by its own suppliers) could interrupt or otherwise disrupt our sourcing, damage our brand or lead to inquiries or investigations from governmental authorities directed at us. See "— C. Risks Related to Our Supply Chain Partners and Other Third Parties — Supply Chain and Logistics — The behaviour of our supply chain partners may adversely affect our business and reputation". Negative publicity regarding production methods, alleged practices or workplace or related conditions of any of our supply chain partners or other business partners could adversely affect our reputation and sales and force us to engage alternative supply chain partners or other business partners. In certain markets, we may license our brand and other intellectual property to local business partners, and the behaviour of such partners, and any negative publicity associated with them, could harm our brand image and hinder our business in those markets. We have been subject to a significant amount of such negative publicity in relation to our brand, the industry we are in, our business model, us or our business partners, such as negative reports from non-governmental organisations and the media, and we may in the future receive additional such negative publicity. In addition, we, our directors and/or management have been, and may in the future be, the subject of unverified, inaccurate or misleading information in the press, such as in relation to our environmental and social practices or those of our supply chain partners. Any of such negative publicity, even if untrue or inaccurate, may affect our reputation, brand image and consumer willingness to purchase products from us, which may affect our product sales and in turn would have a material adverse impact on our business, financial condition and results of operations.

If we are unable to identify fashion trends or react to changing consumer preferences in a timely manner, our product offerings may become less attractive to consumers, and our business, financial condition and results of operations may be materially and adversely affected as a result.

Our success largely depends on our ability to consistently gauge customer tastes and fashion trends and provide a wide selection of products that satisfy customer demands in a timely manner. This is made possible by our proprietary LATR operating model, which is underpinned by our end-to-end intelligent supply chain, and agile global fulfilment network. Any failure to anticipate, identify or react appropriately or in a timely manner to fashion trends or changes in customer preferences and tastes could render our product offerings less attractive to our customers, negatively impact our sales, and result in diminished brand loyalty. Moreover, this could also cause excess inventory or inventory shortages, markdowns and write-offs, which may materially and adversely affect our financial condition and results of operations.

Our business is affected by fluctuations in consumer spending as a result of changes in economic conditions.

Our business is subject to global economic conditions and their impact on consumer discretionary spending. Consumer purchases of discretionary items, including fashion and lifestyle products, may decline during periods of economic uncertainty, when disposable income decreases or when there is a reduction in consumer confidence. In that case, the overall consumer willingness to purchase our products may decline, and our sales and results of operations may suffer as a result. Some of the factors that may negatively influence consumer spending include inflation, fluctuating currency exchange rates, high levels of unemployment, higher consumer debt levels, reductions in net worth, declines in asset values and related market uncertainty, fluctuating interest rates and credit availability, fluctuating commodity prices and general uncertainty regarding the overall future political and economic environment. In challenging and uncertain economic environments, we cannot predict when adverse macroeconomic changes may arise, whether or when such circumstances may improve or worsen or to what extent such circumstances could harm our business.

If we are unable to launch or expand business initiatives, such as providing brand enablement services leveraging our proprietary infrastructure, or execute our strategies effectively, our business may be materially and adversely affected.

We expect to further expand our business, including by launching new initiatives. Doing so is likely to increase the complexity of our operations and strain our management, operational and financial resources, and may expose us to additional risks and costs. For example, we have begun to make our infrastructure more widely available to designers and brands, such as through the expansion of the SHEIN X and SHEIN Xcelerator programmes, and we intend to intensify our efforts in this regard. We cannot assure you that these efforts will be successful. There is no guarantee that we will be able to effectively launch, expand, manage or operate this or any other new initiative. Any new initiatives may increase our expenses without resulting in a commensurate increase in our revenues, fail to achieve market acceptance, present new and difficult technological or operational challenges, or otherwise be unsuccessful, and ultimately any such failure to manage and operate new initiatives could materially and adversely affect our business, prospects, financial condition and results of operations.

We may be unable to expand our online marketplace model successfully, and this model may have potential material impacts on our growth and margin profile and may subject us to risks arising from improper merchant activities on our marketplace.

To complement our main business, we have launched and are continuing to invest in an online marketplace business that enables other merchants to sell directly to customers on our marketplace. There is no guarantee that such investment will pay off and that we will succeed in our efforts. In addition, the marketplace business may have a material impact on our business, financial condition and results of operations including growth and margin profile. Some of the products offered by third-party merchants on our marketplace may potentially compete with our own products. Moreover, our net revenues are expected to be affected by the mix of product offerings, and mix of product and service revenue, as the marketplace model continues to develop. As our marketplace business continues to grow, our cost as a percentage of net revenues could change over time.

In addition, as a marketplace operator, we are affected by the activities of the merchants on our marketplace. We may not be able to effectively monitor merchants' compliance with our policies or completely prevent improper merchant behaviour or non-compliance. For example, merchants on our marketplace may engage in illegal or improper activities such as selling counterfeit, illegal or infringing products, offering products of low quality or that do not comply with safety and labelling regulations, posting product listings that are not compliant with applicable laws or regulations on our marketplace, engaging in fictitious transactions to artificially inflate their sales records, failing to pay tax and fees pursuant to applicable laws and regulations, or activities that violate other applicable laws such as those related to consumer protection, environmental protection and anti-money laundering. Ongoing and future regulatory developments may change the scope of liability for marketplace operators and increase our liability as a host for merchant activity, which could lead to us being held directly or secondarily liable for the behaviour of our merchants, including potentially for their conduct over which we have no control or influence. As such, merchant activities on our marketplace could damage our reputation and brand image, diminish consumer confidence in us, result in governmental inquiries, investigations, litigation, or penalties, and materially and adversely affect our business, financial condition and results of operations. For example, in November 2025, French authorities commenced proceedings against us regarding the sale of certain inappropriate products by third-party merchants on our marketplace. We immediately removed the relevant products and banned the merchants involved in this incident from our marketplace, and cooperated with the authorities in the investigation. In December 2025, a court dismissed the French government's request to suspend our French website for three months, while ordering no sale of certain adult products on our French website until a substantive age-verification mechanism is implemented. In March 2026, the appellate court rendered its decision upholding the original judgment, dismissing all of the French government's claims. We have implemented an age-verification system on our websites in Europe and are gradually rolling this system out to certain other markets. When users attempt to browse relevant products, product images are blurred by default, and users are required to complete an online age-verification process through a third-party service provider before they can view such content. In addition, to prevent similar incidents from occurring, we have strengthened our product listing review procedures by adopting a combined automated and manual review process to screen product images and descriptions prior to listing. Notwithstanding the foregoing, given the evolving nature of laws and regulations applicable to our business across the jurisdictions in which we operate, there remains uncertainty as to future judicial or regulatory actions against us, which may subject us to similar investigation, penalties, or reputational harm in the future.

Macroeconomic and Other Matters

We face risks related to natural disasters, health epidemics and other outbreaks, wars and conflicts, and climate change and other environmental issues, which could significantly disrupt our operations and result in adverse economic changes that affect our business.

Our operations are vulnerable to interruption and damage from natural and other types of disasters, such as earthquakes, fires, typhoons, floods, environmental accidents, power loss, and communication failures. If any natural disaster, extreme weather or other extraordinary event were to occur in an area where we operate, our ability to operate our business could be seriously impaired. Our business operations and results of operations could be adversely affected by any prolonged occurrence of adverse public health developments or outbreak of epidemics, such as the outbreak of COVID-19.

We are also subject to risks associated with wars and conflicts, which may disrupt or halt our business operations in the affected areas. See "— B. Risks Related to International Trade and Taxation — Tariffs and International Trade Policy — Escalation of tensions in international relations and the resulting changes in international trade policies may affect our product sales to the global markets and have an adverse impact on our business, financial condition and results of operations".

In addition, we face risks arising from climate change and other environmental issues, such as waste and pollution. There is increasing concern that a gradual rise in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe, an increase in the frequency, severity, and duration of extreme weather conditions and natural disasters, and water scarcity and poor water quality. These events could adversely impact the availability of certain raw materials that are used in the production of our products, increase our sourcing costs, and impact the types of apparel products offered by us.

Natural disasters, health epidemics and other outbreaks, wars and conflicts, and climate change and other environmental issues could also lead to adverse economic conditions that impact consumer confidence and discretionary spending. As a result, our product sales and results of operations may be materially and adversely affected.

We may expend substantial resources on acquisitions and investments and fail to realise any significant benefits.

Acquisitions and investments have been a component of our growth and the development of our business, in which we may continue to engage in the future. However, we cannot be certain that the expected synergies, efficiencies and cost savings from the acquisitions and investments will be realised. Even if achieved, these benefits may be delayed or reduced in their realisation. We cannot guarantee that any acquisition or investment we may make will be successful or beneficial, and acquisitions and investments can consume significant amounts of management attention and other resources. It is possible for us to expend substantial resources on acquisitions and investments, which strains our capital resources and has an adverse effect on our financial position, and fail to realise any significant benefits, while our prospects of organic growth would be adversely affected due to inadequate management attention or allocation of other resources. In addition, the financial markets' reaction to acquisitions is often uncertain. If we effect a significant acquisition in the future, [**REDACTED**] may react negatively and the price of our Shares may decline as a result.

B. RISKS RELATED TO INTERNATIONAL TRADE AND TAXATION

Tariffs and International Trade Policy

Escalation of tensions in international relations and the resulting changes in international trade policies may affect our product sales to the global markets and have an adverse impact on our business, financial condition and results of operations.

As we sell products to customers across approximately 160 markets around the world, our ability to move goods and conduct operations worldwide is essential to our business. There have been heightened tensions in international relations in recent years and these tensions are expected to escalate at an accelerated pace in the future. These tensions have led to changes in international trade policies and, as they further escalate, may result in additional barriers to trade. Countries impose, modify and remove tariffs and other trade restrictions in response to a diverse array of factors, including global and national economic and political conditions. This makes it difficult to predict future developments regarding tariffs and other trade restriction and additional trade tariffs and restrictions may be imposed in the future. For example, the tensions between the United States and China in recent years have led to additional or higher tariffs imposed by the United States on certain products imported from China and restrictions on the sale of certain products into the United States. Geopolitical and/or economic relations between China and the United States may continue to change, which could lead to the implementation of additional restrictive trade policies. As we generated approximately 24% and 23% of our revenues from the United States in 2025 and for the three months ended 31 March 2026, respectively, such restricted trade policies, which affect our sale of products to the US market, may have a material negative impact on our business, financial condition and results of operations. See "Tariffs and International Trade Policy — The modification or removal of the *de minimis* or other similar exemptions from import duties, or the increase of tariffs, value-added taxes or other duties, may materially and adversely affect our business and financial condition".

We sell products to a large number of countries and regions around the world, including the United States and Europe. Currently, the substantial majority of the products sold by us or on our marketplace originate from the Chinese mainland. Tariffs and other trade restrictions imposed by any country where we sell products, particularly on products shipped from China, could significantly hinder our ability to sell products to that country.

In light of these circumstances, other jurisdictions may take further actions, including adopting new laws and regulations, or put in place new trade or other restrictions. Trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, could restrict our ability to source products and sell products to the global markets, could increase our costs or reduce the competitiveness of our product prices and could affect our ability to ship and deliver products to our customers on a timely basis or at all, any of which could harm our business, financial condition and results of operations.

In 2020, the Indian government banned dozens of mobile apps, including our apps. Other countries may take similar actions in the future for reasons we cannot foresee and that are beyond our control, which may prevent us from operating in that country. Recently, tensions in international relations have further escalated due to the war in Ukraine, sanctions on Russia and the wars and conflicts in the Middle East. In particular, the recent Iran war has affected consumer demand in the Middle East market, disrupted key shipping routes including through the Strait of Hormuz, increased oil prices and freight costs, and caused delays and disruptions in global supply chains, which has affected our business through reduced market demand for our products, higher logistics expenses and extended delivery times to certain markets. For more details, see "Summary — Recent Developments and No Material Adverse Change — Iran War." The current and future tensions or escalations that affect international relations may cause global economic turmoil, reduce consumer spending and potentially have a negative impact on our business, financial condition and results of operations.

The modification or removal of the de minimis or other similar exemptions from import duties, or the increase of tariffs, value-added taxes or other duties, may materially and adversely affect our business and financial condition.

A substantial majority of the products purchased from us or through our marketplace and shipped to the United States were previously imported under the *de minimis* exemption level of $800 provided in Section 321 of the Tariff Act of 1930, which exempts packages shipped to the United States under that value from import duties as long as certain requirements are met.

Since early 2025, U.S. President Trump has implemented significant changes to U.S. trade policy with China. Amongst other things, the *de minimis* exemption was terminated for imports from China, effective on 2 May 2025. Shipments under US$800 from China and delivered to the United States (except for shipments sent through the international postal network which are subject to a specific duty) are no longer entitled to tariff exemptions and are subject to tariffs based on product categories. Shipments from China via the international postal network became subject to a 54% ad valorem tax or, alternatively, a flat fee of US$100 per postal item. On 30 July 2025, President Trump signed another executive order suspending the *de minimis* exemption for imports from all countries (except for shipments sent through the international postal network which are subject to a specific duty), which took effect on 29 August 2025. The suspension was reaffirmed by an executive order signed by President Trump on 20 February 2026, which confirmed its continued effectiveness following the U.S. Supreme Court's recent ruling on tariffs. These developments significantly affect cross-border retailers. In addition, President Trump has sought to impose additional tariffs on Chinese imports. Initially, 145% additional tariffs were imposed on Chinese imports, which were later suspended, and 30% additional tariffs were applied instead. In November 2025, China and the United States reached an agreement that extended the suspension through 10 November 2026 and lowered the applicable additional tariffs by 10%. Despite this agreement, long-term tariff rates remain subject to future bilateral negotiations.

On 20 February 2026, the U.S. Supreme Court issued a ruling invalidating certain tariff measures imposed pursuant to the IEEPA. On 20 April 2026, U.S. Customs and Border Protection ("**CBP**"), launched the Consolidated Administration and Processing of Entries ("**CAPE**") portal and related refund process, which enable eligible entities to submit refund claims for IEEPA tariffs previously paid. CAPE was implemented through a phased development approach. As of the date of this document, there remains uncertainty regarding the implementation of the court decision, the future trajectory of U.S. tariffs and the availability of the full refund under CAPE.

We generated approximately 24% of our revenues from the United States in 2025. The removal of the U.S. *de minimis* exemption and the increased tariffs subject us to a significantly higher level of duties and taxes in the U.S. market. During the Track Record Period, the vast majority of the products purchased from us or through our marketplace and delivered to the United States were shipped from China. As a result of the recent developments, our China-origin products have become subject to tax rates ranging from 10% to 87.5% (increased from 0-62.5% during the Track Record Period prior to the removal of the *de minimis* exemption and the Trump Administration's recent imposition of additional tariffs). In response to the increased duties and taxes, we are pursuing a wide range of options, including increasing our prices in the U.S. market to offset a portion of the increased costs. While our pricing is dynamic and subject to fluctuations, we expect to pass on the majority of the increased costs under our cost-plus pricing strategy, which sets the final price of our products by adding a markup to the total cost of production and distribution. We are also adjusting our import and export practices as necessary. For example, for products previously eligible for the *de minimis* exemption, we have transitioned from a simple customs entry process for *de minimis* packages to a customs clearance process that requires more extensive documentation and procedures. Amongst other things, we have adopted necessary protocols for the formal entry process to ensure compliance with the more stringent documentation and other procedural requirements. Since May 2025, we observed a negative impact on our net revenues from the U.S. market in the remainder of 2025, while the long-term impact remains too early to fully assess. Our Directors agree with this assessment based on the recent developments in our business operations and financial performance. Having (i) reviewed the audited financial statements for the three months ended 31 March 2026, along with comparative figures for 2025; and (ii) discussed with the management of the Company with respect to the impact of the policy changes and reviewed the measures taken by the Company in response to such policy changes, nothing has come to the attention of the Joint Sponsors that will cause them to cast reasonable doubt on the Directors' view set out above.

Beyond the United States, a substantial majority of the products purchased from us or through our marketplace and shipped to the EU previously relied on the simplified VAT reporting mechanism under the EU Import-One-Stop-Shop ("**IOSS**") regulations and customs exemption, which applies to orders with a real value of below EUR 150 per consignment. In addition, in the UK, there is a similar exemption from import duty which is currently set at the *de minimis* value of £135. The EU has accelerated the removal of the EUR 150 customs duty exemption for low-value consignments. In February 2026, the EU formally approved a regulation that terminated this exemption, which became effective on 1 July 2026. Under the new framework, a flat-rate customs duty of EUR 3 is initially levied on each distinct item category contained in consignments valued at or below EUR 150. Furthermore, an additional EU-wide administrative handling fee is scheduled to take effect in the second half of 2026. As a result of these measures, products purchased from us or through our marketplace and shipped to Europe that previously relied on the EUR 150 exemption are subject to increased costs, and we may need to adapt our business practices accordingly. As we generated approximately one-third of our net revenues from Europe in 2025 and for the three months ended 31 March 2026, these developments may have a material adverse effect on our business, financial condition and results of operations. Similar to the U.S. market, we expect to pursue a wide range of options in response, including increasing our prices in Europe to offset a portion of the increased costs, and there might be a short-term adverse impact on our sales volume in Europe as a result. Although it remains too early to fully assess, it is possible that trends in the EU could be generally in line with or exceed the impact observed in the U.S. after the removal of the *de minimis* exemption there.

In navigating the evolving duty and tariffs landscape across our markets, we have generally adopted a principles-based framework. See "Business — Tariffs" for details. There can be no assurance that these measures will be sufficient to offset the impact from the removal or modification of the *de minimis* exemptions or the increase of tariff rates, and any failure to effectively manage the increased costs or negative impact on our sales volume may have a material adverse effect on our business, financial condition and results of operations.

Furthermore, any additional informational or other procedural requirements imposed by the customs authorities of the markets in which we operate, including any additional U.S. customs procedures and stricter enforcement of customs requirements, such as evidence of compliance with applicable laws, rules and regulations, which arise as a result of the new tariffs and the removal of the *de minimis* exemption, may make it slower and more costly to ship packages to such markets, which may affect customer sentiment and also affect our business across those markets. These requirements and practices may also increase our compliance efforts and costs and potentially impact our business operations and competitiveness.

In addition, certain jurisdictions have adopted, or are also considering proposals to amend, laws and regulations relating to customs that would lower duty-free thresholds or make importing goods into those jurisdictions more costly or complicated. The EU is one such jurisdiction that has already adopted such changes, as discussed above. Certain EU member states have also begun implementing similar measures at the national level. Besides these duties, any increases in value-added taxes may also have the effect of making importation across more borders more costly. These changes may lead to higher prices for consumers or reduced order volume, which could materially and adversely affect our business, financial condition, and results of operations. See "Business — Tariffs" for further information.

Tax Matters

Failure to comply with tax and customs laws and regulations in our multi-jurisdictional operations may subject us to government investigations, fines, injunctions and other penalties, which may have a material adverse effect on our business, financial condition and results of operations.

Our multi-jurisdictional operations may be subject to regulation by tax, customs or other authorities in various jurisdictions where we conduct sales or operations. Any failure to comply with applicable regulations may subject us to government investigations, fines, injunctions and other penalties that could harm our business. During the Track Record Period and up to the Latest Practicable Date, we have complied with applicable tax, customs, and import and export laws and regulations in all material respects. Many jurisdictions have indirect tax systems where the sale and purchase of goods and services are subject to tax based on the transaction value. These taxes are commonly referred to as value-added tax, sales tax or goods and services tax. The tax and customs laws in each jurisdiction are continually changing and are further subject to interpretation and enforcement by local government authorities, and we may not be able to adapt to the changes or interpretations on a timely basis. For example, in certain jurisdictions, rules related to sales of goods and services have been introduced that impose value-added tax and sales tax (or similar taxes) payable or to be withheld by online facilitators when the sales have reached the applicable taxable threshold. Certain jurisdictions in which we operate have established digital tax regimes where the services provided by online facilitators are subject to a digital services tax. We are also subject to corporate income taxes in multiple jurisdictions based on our taxable profits, and our income tax positions involve significant judgments regarding the interpretation and application of applicable tax laws. Certain jurisdictions now require online marketplace operators to collect and, where mandated, report merchant-level operational information (such as revenue information). Such jurisdictions include, amongst others, the Chinese mainland, the United States, Europe, and Mexico. We have implemented internal procedures and controls to ensure ongoing compliance with such requirements and are currently in compliance in all material respects with the applicable seller information reporting requirements in these key jurisdictions. In addition, many jurisdictions require withholding taxes on dividends, interests, royalties and cross-border payments. All these rules and requirements may impose additional tax or reporting burdens on us and have a material adverse impact on our business and results of operations. In addition, our operations are subject to numerous complex customs regulations, which frequently change over time.

We may not be able to keep up with all the changes in all relevant jurisdictions, and local authorities may determine that we are in non-compliance and take administrative actions such as investigations, audits, seizure of merchandise, or sealing of facilities. Defending our positions against tax and customs authorities can be expensive and time-consuming and divert our management's attention and resources from our operations. If we do not prevail, we may need to adjust our business or pay penalties, interest and payments of back taxes or customs duties, which may increase our overall tax or customs expenses. Failure to pay taxes and customs duties could expose us to fines and penalties, reputational harm or other losses, or cause delays in shipments of, or reduced demand for, our products. Any of the foregoing could materially harm our business, financial condition and results of operations.

We sell products through our mobile apps and websites to consumers around the world, including jurisdictions where we do not have business operations or subsidiaries. Tax authorities in jurisdictions where we do not file returns may assert that we have presence or require us to establish presence and/or file tax returns and pay taxes in these jurisdictions. As a result, we may be taxed in additional jurisdictions in the future, which could materially and adversely affect our business, financial condition and results of operations. In the jurisdictions where we are subject to tax, the tax authorities may review or require us to conduct self-review and they may disagree with our tax reporting position, such as our calculation of taxable income and available deductions or the amount of tax payable for transactions, and determine that we are required to pay additional taxes, duties, interest, penalties or other tax-related costs. The tax laws applicable to our business activities and transactions are subject to change and uncertain interpretation. We are required to assess our tax positions and account for uncertain tax treatments using judgments and estimates based on available information and our understanding of applicable tax laws at the time of assessment. Actual outcomes may differ from these estimates, particularly where tax authorities adopt different interpretations or apply changes in enforcement practice. Our tax position could be adversely impacted by changes in tax rates, tax laws, tax practice, transfer pricing guidelines, tax treaties, tax regulations or changes in the interpretation thereof by the tax authorities in jurisdictions in which we do business.

We or third-party tax service providers may fail to fully understand and ensure compliance with the tax laws of the applicable jurisdictions. Our business, financial condition and results of operations may be materially adversely affected as a result.

We are subject to complex and evolving foreign currency exchange and economic sanctions regulations in our multi-jurisdictional operations, which restrict certain business activities, increase the risk of non-compliance, and may limit our ability to utilise our capital resources effectively.

Our payment service providers collect payments from our customers globally, which are denominated in various local currencies, and may need to convert such local currencies to major currencies such as the US Dollar and Euro before transferring the payments to us. In addition, we may need to convert these major currencies into local currencies to make payments to our suppliers. Such currency conversions and cross-border fund transfers may be subject to regulations on foreign currency exchange. Foreign exchange controls in countries in which we and our payment service providers operate may limit our ability to repatriate funds across borders, and any failure to comply with such controls may adversely affect us. Should the relevant regulatory bodies institute protectionist and interventionist laws and policies or restrictive exchange rate policies in the future, such policies could have a material adverse effect on our ability to execute cross-border transfers, results of operations or liquidity.

Beyond foreign exchange considerations, our cross-border payment arrangements are subject to a range of regulatory requirements that vary significantly across jurisdictions, including payment licensing and registration obligations, anti-money laundering and sanctions compliance requirements, and regulations governing electronic funds transfers and data protection in connection with payment processing. Any failure to comply with such requirements, or changes in or reinterpretations of applicable regulations, could result in penalties, restrictions on our ability to process payments, or disruptions to our payment flows, which may materially and adversely affect our business and results of operations.

Moreover, we rely on a number of payment service providers to process cross-border transactions. Any disruption to, or loss of, services provided by these payment service providers, whether due to regulatory action, licensing issues, operational failures or otherwise, could interrupt our ability to collect or disburse funds and adversely affect our operations.

If we are classified as a tax resident of certain jurisdictions for income tax purposes, such classification could result in unfavourable tax consequences to us and our Shareholders.

Certain jurisdictions in which we conduct business have adopted tax laws and regulations that impose income tax or other adverse tax consequences on foreign enterprises if they are deemed to be tax residents of such jurisdictions. The tax resident status is generally subject to determination by the local tax authorities, and there can be uncertainties with such determination. If the tax authorities of a certain jurisdiction other than the Cayman Islands determine that we are a tax resident there for income tax purposes, it could result in unfavourable tax consequences to us and our shareholders. For example, if we were determined as a US tax resident, we could be subject to US tax on our worldwide income or other adverse tax consequences, which could materially reduce our net income. In addition, our Shareholders may be subject to tax on gains realised on the sale or other disposition of the Shares or on the dividends we pay to them if certain conditions were met. Any such tax may reduce the returns on your investment in the Shares.

Changes in tax laws or unanticipated tax liabilities could adversely affect our effective income tax rate and profitability.

We are subject to income taxes in various jurisdictions around the world. In the United States, we are subject to tax on certain income at the applicable federal income tax rate of 21% as well as relevant state income taxes at their respective applicable rates. In Europe, as of 31 March 2026, the applicable corporate income tax rates ranged from 12.5% to 31.9%. Our effective income tax rate could be adversely affected in the future by a number of factors, including changes in the valuation of deferred tax assets and liabilities, changes in tax laws and regulations or their interpretations and application and the outcome of income tax audits in any of the jurisdictions in which we operate or are otherwise subject to tax. Our effective tax rate may also be impacted by changes in the geographic mix of earnings from our operating activities. Our tax position could be adversely impacted by changes in tax rates, tax laws, tax practice, transfer pricing guidelines, tax treaties, tax regulations or changes in the interpretation thereof by the tax authorities in jurisdictions in which we do business.

In recent years, the Organisation for Economic Cooperation and Development (the "**OECD**") has conducted a project focused on base erosion and profit shifting in international structures, which seeks to establish certain international standards for taxing the worldwide income of multinational companies. In addition, the OECD is working on a "BEPS 2.0" initiative, which is aimed at (i) shifting taxing rights to the jurisdiction of the consumer ("**Pillar One**") and (ii) ensuring all companies pay a global minimum tax ("**Pillar Two**"). In December 2022, the member states of the EU unanimously voted to adopt the OECD's minimum tax rules and phase them into national law, and during the course of 2022 and 2023 the OECD released technical guidance on the global minimum tax which was agreed by consensus of the OECD Inclusive Framework which consists of approximately 140 countries. Under the EU's minimum tax directive, member states were required to adopt domestic legislation implementing the minimum tax rules effective for periods beginning on or after 31 December 2023, with the "under-taxed profit rule" to take effect for periods beginning on or after 31 December 2024. Legislatures in multiple countries outside of the EU in which we operate have also implemented the OECD's minimum tax proposal. As a result of these developments, the tax laws of certain countries in which we and our affiliates do business have changed and could continue to change, and any such changes could increase our liabilities for taxes, and therefore could adversely affect our profitability, financial condition and results of operations. The OECD's BEPS 2.0 initiative did not have a material impact on our business operations or financial position from 2023 through 2024. However, as a growing number of jurisdictions have adopted, and continue to adopt, the minimum tax rules, its impact on our income tax expense and in turn our overall financial performance has become increasingly significant beginning in 2025. See "Financial Information — Period to Period Comparison of Results of Operations — Year Ended 31 December 2025 Compared to Year Ended 31 December 2024 — Income Tax Expense."

C. RISKS RELATED TO OUR SUPPLY CHAIN PARTNERS AND OTHER THIRD PARTIES

Supply Chain and Logistics

If we fail to maintain and manage effectively our large base of supply chain partners, our ability to continually offer a wide selection of products at competitive prices may be affected.

We have a large base of supply chain partners that includes our contract manufacturers, merchants, independent designers and other suppliers. We depend on our contract manufacturers for the sourcing and manufacture of company-branded products, while merchants sell products through our marketplace.

Our most significant supply chain partners are our contract manufacturers, from whom we directly procure finished company-branded products. In 2025, we had over 7,500 contract manufacturers, and the products that we procured from these contract manufacturers accounted for a substantial majority of our products by procurement value during 2025. The sheer size of our supply chain partner network makes it challenging to manage our supply chain partners effectively. Our supply chain partners may in turn source materials or services from other third parties. Any inability of these supply chain partners or other third parties to supply products or materials in sufficient quantity, with good quality, at competitive prices, in compliance with our environmental and social standards and applicable regulations, in a timely manner, and with favourable payment terms, could affect our ability to continually offer a wide selection of popular products at competitive prices, in which case our business, financial condition and results of operations may be materially and adversely affected.

We strive to develop and maintain positive and stable relationships with our supply chain partners, but we cannot guarantee that our efforts will always succeed. For example, some supply chain partners may be dissatisfied with changes we make to our collaboration models, terms or conditions, or our policies and procedures applicable to them, or other business decisions we make that may affect them. They may reevaluate and even terminate their relationships with us as a result. We may incur additional and significant costs to accommodate any demands from dissatisfied supply chain partners or find replacements. If we are unable to develop and maintain our relationships with supply chain partners, our business operations may be disrupted and our ability to offer sufficient products sought by our customers, or to offer these high-quality products at competitive prices could be inhibited. In addition, our agreements with supply chain partners typically do not contain terms restricting them from manufacturing and selling products to others, except for our company-branded products. We cannot assure you that our current supply chain partners will continue to sell products to us on commercially acceptable terms. Any adverse developments in our relationships with them could disrupt our supply chain and in turn materially and adversely affect our business, financial condition and results of operations.

The behaviour of our supply chain partners may adversely affect our business and reputation.

Our business could suffer if our supply chain partners fail to comply with applicable laws and regulations or our policies or engage in other misconduct. We rely on supply chain partners to manage the daily production of our products and are unable to monitor or inspect the activities of each supply chain partner for each product regarding compliance. The violation or alleged violation of consumer protection, environmental or other laws and regulations, third-party intellectual property or other rights, or our policies by our supply chain partners in manufacturing, material sourcing or other aspects of their operations could interrupt or otherwise affect the shipment of finished products to us and the shipment to customers in certain markets, such as due to seizure or other customs enforcement actions, damage our reputation, or subject us to litigation or government proceedings. For example, we receive complaints from time to time alleging that certain product information provided by our supply chain partners is not accurate, which harms our reputation among consumers and affects our sales.

From time to time, we may terminate or temporarily suspend our relationship with a supply chain partner for certain violations of our supplier policies, in which case our operations may be disrupted. Locating and onboarding a new supply chain partner can incur significant costs and time, and there is no guarantee we will be able to find a suitable alternative that can meet our quality and delivery requirements. Prolonged supply chain disruptions may have a material adverse impact on our ability to offer products to our customers, leading to lost revenue and reputational harm.

Our supply chain and the ability of our supply chain partners to supply products to us are subject to a variety of factors beyond our control, any of which could disrupt our supply chain and have a material adverse impact on our business.

Our supply chain and the ability of our supply chain partners to supply products to us may be adversely affected by a variety of factors beyond our control, including:

- Economic conditions: downturns or instability in the broader economic environment could strain the financial condition and operations of our supply chain partners, leading to production delays, quality issues or inability to fulfil orders.

- Labour actions: supply chain disruptions may arise from labour disputes, strikes, or shortages of skilled workers, limiting the production capabilities of our supply chain partners.

- Regulatory environment: changes in laws and regulations could impact the operations and compliance requirements for our supply chain partners, potentially causing delays or disruptions.

- Natural disasters, the adverse effects of climate change and public health crises: regional or global natural disasters, the adverse effects of climate change or public health crises may disrupt the infrastructure, logistics or production facilities of our supply chain partners.

- Availability of materials: if our supply chain partners face challenges in sourcing the necessary raw materials, components or other inputs from their own suppliers, it could constrain their ability to manufacture products for us.

See "Business — Supply Chain Management" in this document for further information on our supply chain network, system and management.

Any of these factors, individually or in combination, could result in our supply chain partners being unable to deliver products to us in a timely manner, at the quality levels we require, or at all. This, in turn, could disrupt our supply chain and lead to delays or shortages in the availability of our products for our customers, potentially impacting our revenue, customer satisfaction and reputation.

Any potential changes in, as well as the interpretation and enforcement of, laws and regulations in jurisdictions where our supply chain partners are located, could affect our supply chain and other operations as well as the operations of our local supply chain partners. While we are unable to predict what changes there will be, it is possible that we or our supply chain partners may need to adjust certain aspects of our or their operations in order to comply with new and applicable local laws or regulations and may incur significant costs in doing so. For example, changes to employment laws, environmental regulations or other regulatory areas may necessitate modifications to the manufacturing processes, worker safety protocols, logistics or other facets of the operations of our supply chain partners or us, to the extent applicable, which may result in significant additional costs, disrupt our supply chain and affect our ability to deliver products to customers in a timely manner or at all. On the other hand, failure to make necessary operational adjustments or otherwise comply with applicable laws and regulations may subject us or our supply chain partners to regulatory proceedings and potential penalties and may also disrupt our supply chain and materially and adversely affect our business.

We use third-party logistics service providers to fulfil and deliver our orders. If these logistics service providers fail to provide reliable delivery services at reasonable prices, our business, financial condition and results of operations may be materially and adversely affected.

We cooperate with third-party logistics service providers to deliver our products to customers around the globe. The services we employ include, amongst others, collection of products, export customs clearance and documentation, airfreight shipping, import customs clearance and documentation, warehousing services, delivery to consignees or customers, and collection of cash-on-delivery payment. Interruptions to or failures in these services could prevent the timely or proper delivery of our products or may cause product damage or product loss during transit. A significant increase in the prices for these services could have a material impact on our costs and results of operations. Interruptions or price increases may be due to events that are beyond our control and the control of these service providers, such as inclement weather, natural disasters, transportation disruptions, labour unrest, war, seizure or other enforcement actions, and regulatory responses to climate change. See "Business — Supply Chain" for further information on our supply chain partner network and fulfilment infrastructure. For example, airfreight capacity decreased significantly and shipping costs increased significantly during the COVID-19 pandemic. The wars in Ukraine and Iran have also disrupted logistics services and led to price increases. Wars and conflicts elsewhere may have a similar effect on logistics. We may not be able to find alternative third-party logistics service providers in a timely and reliable manner. In addition, in some of our markets, there are a limited number of logistics service providers with strong bargaining power, which makes it difficult for us to find suitable alternatives. If our products are not delivered in proper condition or on a timely basis, our customers may refuse to accept our products purchased and lose confidence in us, and our business, financial condition and results of operations could suffer. Our financial performance may also be affected if we cannot efficiently manage the costs for fulfilment and delivery of our products.

Our employees, affiliates and third-party service providers may engage in misconduct or other improper activities, including non-compliance with applicable laws and regulations, which could have a material adverse effect on our business.

Our employees, affiliates and third-party service providers, such as those for logistics, payments, and marketing, may engage in actual or alleged misconduct, including intentional, reckless or negligent conduct or unauthorised activities that violate the laws and regulations of the jurisdictions in which we operate or to which we offer products. For example, telephone calls and text messages marketing, which are subject to telephone marketing laws and regulations, are used by us and third-party marketing service providers, and we could be held liable if the marketing activities are not compliant with applicable laws and regulations. Certain other marketing activities we engage in, including email marketing and gamification, may also violate marketing or other laws and regulations and result in legal liabilities or negative publicity on our part.

We engage third-party logistics service providers for logistics services such as delivery and trade compliance. We do not have control over those logistics service providers and we cannot assure you that all of them have complied or will comply with customs and other laws and regulations. If our third-party logistics service providers fail to comply with applicable laws and regulations, we could be subject to liabilities, regulatory sanctions or other penalties or suffer reputational harm due to such non-compliance. We may also experience delays in, or reduced demand for, shipments of our goods, be required to make refunds to customers or suffer other losses in connection with the non-compliance incidents of our logistics service providers and other business partners.

It is not always possible to identify and deter misconduct by employees, affiliates and third-party service providers, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations. If any such actions are instituted against us and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, financial condition and results of operations, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, reputational harm, and curtailment of our operations.

Any significant interruption in the operations or failure to renew or replace the lease of the warehouses we utilise could disrupt our ability to process customer orders and to deliver our products in a timely manner, which could have a material adverse impact on our business, financial condition and results of operations.

Our warehouses are essential to our efficient global fulfilment operations. Our ability to process and fulfil orders accurately and provide high-quality customer service depends on the smooth operation of our warehouse facilities. Warehouse facilities may be vulnerable to damage caused by natural disasters, fire, land subsidence, extreme weather, accidents, failure of the automated systems or other events. The likelihood or impact of such events may be increased by the inadequate operation, maintenance or management of our warehouse facilities, including any failure by us, warehouse operators, landlords or other third parties to comply with applicable fire safety, workplace safety or other regulatory requirements, which may result in mandatory suspension or rectification, regulatory penalties, third-party claims or other liabilities. Such events may cause significant loss in inventories or injury to on-site personnel. Any significant interruption in the operation of our warehouse facilities or damage to our inventories could reduce our ability to receive and process orders and deliver products to our customers, which could result in cancelled sales and a loss of customer loyalty and have a material adverse impact on our business, financial condition and results of operations. For example, in late 2025, a fire occurred at a third-party warehouse facility in the Middle East that was operated by a fulfilment service provider and used to store our products. While we do not own or operate such facility, the incident resulted in the loss of inventories stored therein, temporary disruption to our fulfilment operations in the affected region and cancellation of customer orders. Although certain insurance policies have been in place to safeguard against risks and unexpected events, there can be no assurance that our existing insurance coverage is sufficient to cover all potential losses, that all affected facilities or inventories are covered under our policies, or that our insurers will process claims or make payments in a timely manner. Any delay in or denial of insurance recovery could result in our losses not being compensated on a timely basis or at all. There can be no assurance that similar incidents will not occur in the future or that the impact of any future incident will not be more severe.

We currently lease our warehouses from third parties. Our ability to renew a lease, re-negotiate favourable terms on an expiring lease or negotiate favourable terms for a suitable alternative location, and our ability to negotiate favourable lease terms for additional locations as our business continues to expand, depends on conditions in each real estate market, competition for desirable properties, relationships with current and prospective landlords, or other factors that are not within our control. We may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in significant relocation expenses, which could adversely affect our business, financial condition and results of operations. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, rental payments may significantly increase as a result of the high demand for the leased properties. If a lease agreement is renewed at a rent substantially higher than the current rate, or existing favourable terms granted by the landlord are not extended, our business, financial condition and results of operations may be adversely affected. In addition, our ability to terminate an existing lease is constrained by the terms of that lease. If fluctuations in our business result in a reduction in our demand for warehouse capacity, we may not be able to terminate our ongoing obligations under existing leases, which could adversely affect us. Furthermore, we may enter into leases for warehouses that are under construction. If there is a delay in the construction or permitting, we may not be able to start using the warehouses in time, which may also affect our business, financial condition and results of operations. In addition, the operation of our leased warehouse facilities may be disrupted by the activities of warehouse owners or builders, such as illegal construction work or disputes with construction workers.

Furthermore, our leasehold interests in certain leased warehouses could be defective or may not fully comply with applicable real property laws and regulations, such as when the warehouse lessor is not legally entitled to lease the property to us or when the use of the property as warehouses violates the approved purpose of land use, if any. As a result of such defect, our lease agreements may be deemed invalid and unenforceable or have to be terminated, in which case we may be forced to vacate and look for other locations. We will incur additional expenses as a result, and there is no guarantee that we will be able to find alternative warehouses in time or at all. In addition, in certain jurisdictions in which we lease warehouses, lease agreements are required to be registered with the relevant authorities. Failure to comply with such requirements could subject us to fines and other penalties.

As of the Latest Practicable Date, the total gross floor area of the properties leased by the Group in the Chinese mainland is approximately 4.4 million square meters, with lease expiry dates ranging from August 2026 to April 2034. These properties are primarily used for warehousing. As of the Latest Practicable Date, certain lessors of our leased properties had not provided copies of the real property title certificates to us. If the lessors are not entitled to lease the properties to us and the owners of such properties decline to ratify the lease agreements between us and the respective lessors, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners. As advised by our PRC Legal Adviser, the real property owners are legally required to acquire the relevant real property title certificates, and therefore the aforementioned title defects will not lead us to become subject to any penalties under relevant laws and regulations. However, considering that (1) during the Track Record Period and up to the Latest Practicable Date, we were not aware of any claim or challenge brought by any third parties concerning the use of our leased properties without obtaining proper ownership proof, (2) there are abundant unoccupied properties available for lease at similar costs and we believe we would be able to relocate our facilities to a different site relatively easily if we are required by third parties, and (3) in accordance with the relevant provisions of the Civil Code the People's Republic of China, if we are unable to use or accrue proceeds from the leased property due to any claim by a third person, we may request reduction of rent or refuse to pay rent, our PRC Legal Adviser and Directors are of the view that such incidents will not have a material adverse impact on our business operations.

We are working with reputable third-party service providers and logistics real estate developers to design and construct warehouses. We cannot assure you that we will be able to complete the warehouse construction in time or that the benefits that we will realise from owning some of our warehouses, including the saved rental costs, will outweigh our investments we have made in the land and the warehouses. If we fail to fulfil our obligations under the relevant agreements or comply with the requirements of the local authorities, our ability to own and operate the warehouses may be affected. We may also be subject to other risks associated with construction work, such as those related to permits, safety and environmental protection.

Depending on the needs of our operations, we may add new warehouse facilities. We cannot assure you that we will be able to add suitable warehouse facilities on commercially acceptable terms or at all. We may not be able to recruit a sufficient number of qualified employees in connection with the expansion of our warehousing infrastructure. In addition, the expansion may strain our managerial, financial, operational and other resources. If we fail to manage such expansion successfully, our business, financial condition and results of operations may be materially and adversely affected. Even if we manage the expansion of our fulfilment infrastructure successfully, it may not give us the competitive advantage that we expect.

Payment and Distribution Channels

If our payment service providers fail to provide adequate services or if our relationships with them were to terminate, our business may be adversely affected.

We accept payments using a variety of methods, including major credit card networks, bank transfers, online payment platforms, and cash collected upon delivery. We rely on third parties to provide payment processing services. If these service providers fail to provide adequate services or if our relationships with them were to terminate, our ability to accept payments could be adversely affected, and our business will be harmed. Moreover, our payment service providers may go out of business or otherwise be unable or unwilling to transfer the proceeds to us, and we may not be able to enforce our arrangement and force the transfer. We are charged certain fees in connection with the payment services, which may increase over time and adversely affect our operating results. We may be subject to fraud and other illegal activities in connection with the various payment methods our customers use when making purchases. Payments for our products are also subject to various rules, regulations and requirements, regulatory or otherwise, governing electronic funds transfers, which could change or be reinterpreted to make it difficult for us to comply. If we or the third-party online payment service providers fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept payments from our customers, and our business, financial condition and results of operations could be materially and adversely affected.

As an alternative to third-party payment services, we may develop and adopt our own payment processing system to process payments in certain markets. However, we cannot assure you that we will be able to do so, and our system may not function as well as those offered by major payment service providers, which could affect customer experience, result in loss of customers and have a material adverse effect on our business. As a payment processor, we will also be subject to additional regulations, and if we fail to comply with such regulations due to reasons such as our inexperience in payment processing, we may be subject to penalties and may not be able to continue to process payments, which may disrupt our business. In addition, there is no guarantee that we will be able to develop and maintain adequate internal procedures and control measures to meet the applicable licensing and other regulatory requirements in relation to payment processing, and we may need to expend significant financial and human resources in doing so.

If major app stores were to suspend or restrict access to our mobile apps, or if access to our website is blocked, our ability to expand our customer base will be hindered.

Our mobile apps are distributed via app stores operated by third parties, such as Apple's app store and various Android app stores, which could suspend or terminate access to our mobile apps, increase access costs or change the terms of access in a way that makes our apps less desirable or harder to access. The promotion, distribution and operation of our mobile apps therefore depend on the app stores' standard terms and policies for app developers, which are subject to the interpretation of, and frequent changes by, the app store operators. If Apple's app store or any other major app store interprets or changes its standard terms and conditions in a manner that is detrimental to us, or suspends access to or removes our mobile apps from their channels, potential customers may experience difficulties in or may be unable to access our mobile apps, in which case our ability to expand our customer base will be hindered. Besides our mobile apps, our website could be blocked by regulators in certain jurisdictions. For example, between 2020 and 2025, the Indian government restricted access to our website. There can be no guarantee that other restrictions on accessing our website will not occur in the future. The occurrence of any incident of this nature may adversely affect our brands and reputation, business, financial condition and results of operations.

D. RISKS RELATED TO DATA SECURITY, IP AND TECHNOLOGY

Data Security and Privacy

Failure to protect personal, confidential or sensitive information of our customers and supply chain partners and network against security breaches could cause us to incur unexpected expenses and loss of revenues and may materially harm our reputation and business.

A significant challenge to our business is the secure storage and transmission of personal, confidential, and sensitive information over public networks. We store data with third-party cloud service providers. For example, we store US customers' data with cloud service providers in the United States. We also share certain personal information of customers with third-party fulfilment service providers to the extent necessary. Maintaining complete security for the storage and transmission of personal, confidential, and sensitive information, including customers' personal information, supply chain partners' confidential information, payment-related information, and transaction information, is essential for maintaining customer confidence and our relationships with supply chain partners.

In 2018, we became aware that certain personally identifiable information of our customers, including names, login credentials and credit card information, was stolen during a concerted criminal cyberattack on our computer network. The Office of the Attorney General of the State of New York conducted an investigation into this incident. In October 2022, we reached a settlement agreement with the Office of the Attorney General, pursuant to which we paid US$1.9 million in settlement payment and have maintained a comprehensive information security programme that includes a series of cybersecurity measures to protect consumer information, such as assessing and documenting internal and external risks to the security, integrity and confidentiality of customer information, designing, implementing and maintaining reasonable administrative, technical, and physical safeguards to control such risks, regularly testing and monitoring the effectiveness of the safeguards, and requiring third-party service providers to implement and maintain appropriate safeguards to protect our customer information. To our knowledge, no potential liabilities or pending proceedings in connection with this incident remain outstanding or unresolved as of the date of this document. However, we may incur significant expenses in maintaining such cybersecurity measures, and there is no guarantee that there will be no other additional or significant expenses arising out of this incident or that there will not be any similar incidents in the future.

We have adopted security policies and measures, including purchasing or setting up system invasion monitoring and site defender systems, applying for certain data security-related certification, and setting up hacker forum monitoring, amongst others, to protect personal, confidential or sensitive information, including our proprietary data, customer information and supply chain partner information. However, advances in technology, the expertise of hackers, general increase in the frequency of hacking activity, new discoveries in the field of cryptography or other events or developments could result in compromises or breaches of the technologies we use to protect personal, confidential or sensitive information, and we may also be unable to anticipate all types of security threats or implement adequate preventative measures in response. We may not be able to prevent third parties, especially hackers or other individuals or entities engaging in similar activities, from illegally obtaining such personal, confidential or sensitive information we hold with respect to our customers or our supply chain partners. We also cannot guarantee that the third-party cloud service providers we engage with will always maintain effective security measures to defend against cyber-attacks that compromise the security of our data. In addition, we have limited control or influence over the security policies or measures adopted by third-party providers of online payment services. The third-party fulfilment service providers we use may also violate their confidentiality obligations and disclose or use information about our customers or our supply chain partners illegally. These third-party services providers may also experience breaches and attacks to their systems, which may lead to leakage of proprietary information or sensitive or confidential data about us, our customers, our supply chain partners or other business partners.

Individuals or entities obtaining our customers' or our supply chain partners' confidential or private information illegally may further engage in various other illegal activities using such information, which may cause losses to our customers or our supply chain partners and undermine their trust in us. We may not be able to implement adequate and effective measures to ensure the confidentiality and integrity of our data, confidential customer information and confidential supply chain partner information stored or transmitted through our systems. As a result of past or future incidents of security breach, we may be exposed to additional litigation and potential liability, regulatory inquiries or actions and interruptions, delays, cessation of service, material increases in our data security costs, and loss of existing or potential customers or supply chain partners. Any negative publicity on our systems' safety or privacy protection mechanisms and policies, and any claims asserted against us or fines imposed upon us as a result of actual or perceived failures, could have a material adverse effect on our brand image and the willingness of customers and supply chain partners to engage with us, which may lead to higher costs and lower sales and profit. If that were to happen, our business, financial condition and results of operations may be materially and adversely affected.

In addition, we are subject to an increasing number of reporting obligations in respect of material cybersecurity incidents, including in some jurisdictions an obligation to disclose our processes for assessing, identifying and managing material risks from cybersecurity threats. These reporting requirements have been proposed or implemented by a number of regulators in different jurisdictions, may vary in their scope and application, and could contain conflicting requirements. Failure to timely report incidents under these rules could also result in monetary fines, sanctions, or subject us to other forms of liability.

Failure to comply with global privacy-related obligations could subject us to legal liabilities, additional costs and reputational damage.

A variety of laws and regulations govern or apply to the collection, processing, sharing, disclosure, transfer and other use of data regarding consumers and other individuals, including employees and employees of service providers. We are subject to laws, regulations, contractual obligations and industry standards relating to privacy, data protection, information security and consumer protection, which are evolving and subject to potentially differing interpretations. The technologies we deploy are also subject to certain laws and regulations. The regulatory environment in these areas related to data privacy and security is becoming increasingly rigorous, including in relation to certain categories of data with new and rapidly changing requirements applicable to our business, and is likely to remain uncertain for the foreseeable future.

In the United States, we are subject to federal and state laws and regulations regarding data privacy and protection, such as the California Privacy Rights Act of 2020. See "Regulations — Regulations Related to Data Privacy and Protection." Furthermore, subject to regulations such as the Telephone Consumer Protection Act, the CAN-SPAM Act, the Canada Anti-Spam Legislation, the manner in which we communicate with our customers is also a highly regulated activity. We are, and may in the future be, subject to regulatory actions or litigation relating to such communications, and the outcome of such proceedings may not be favourable, and one or more unfavourable outcomes could have a material adverse impact on our financial condition. See "Regulations — Regulations Related to Data Privacy and Protection."

We have also seen a rise in litigation claims based on various federal and state wiretapping statutes, claiming that the use of third-party cookies and analytics services constitute statutory violations. Our business, financial condition and results of operations may be adversely affected by such lawsuits or other claims against us relating to such statutes and the outcomes of such proceedings may not be favourable. In Europe, we are similarly subject to a comprehensive and evolving data privacy regulatory regime, including but not limited to the European Union General Data Protection Regulation and the United Kingdom General Data Protection Regulation and Data Protection Act 2018. See "Regulations — Regulations Related to Data Privacy and Protection." Recent legal developments in Europe have created complexity and uncertainty regarding cross-border transfers of personal data out of the European Economic Area and the UK transfers. European regulators have been increasingly aggressive in issuing large fines and communicating their expectations that companies bring their legacy processes into compliance. We may be adversely impacted as the enforcement landscape further develops, and supervisory authorities issue further guidance on international data transfers. In the United States, we have also seen increased scrutiny of cross-border data transfers of US customer data to other countries and regions.

Following a period of legal complexity and uncertainty regarding international personal data transfers, particularly to the United States and China, we expect the regulatory guidance and enforcement landscape to continue to develop, in relation to transfers to the United States, China and elsewhere. As a result, we may have to make certain operational changes and we will have to implement revised standard contractual clauses and other relevant documentation for existing intragroup, customer and vendor arrangements within required time frames.

Failure to comply with the GDPR may result in monetary penalties of up to 20.0 million Euros or 4% of an undertaking's total worldwide annual turnover of the previous financial year, whichever is higher. In addition to fines, a breach of the GDPR may result in regulatory investigations, reputational damage, orders to cease or change our data processing activities, enforcement notices, assessment notices (for a compulsory audit) or civil claims (including class actions).

We are also subject to evolving European laws on cookies and tracking technologies, and recent European court and regulator decisions are driving increased attention to cookies and tracking technologies, resulting in significant fines as regulators increasingly adopt a fact-based approach. Increasing enforcement by regulators of the strict approach to opt-in consent for all but essential use cases, as seen in recent guidance and decisions, could result in substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, and subject us to additional liabilities. In light of the complex and evolving nature of the European privacy laws on cookies and tracking technologies, our efforts to comply with such laws could be unsuccessful; violations of such laws could result in regulatory investigations, substantial fines, orders to cease and/or change our use of such technologies, as well as civil claims including class actions, and reputational damage. For example, in August 2023, France's data privacy regulator, CNIL, carried out an inspection of our website. Subsequently, in September 2025, CNIL issued a fine of 150 million euros against us in connection with our practices for obtaining user consent and cookie practices, though CNIL conceded that all alleged non-compliance had been remediated prior to the fine. We have made proper provisions for this proceeding. In addition, we remain committed to strengthening our data privacy compliance and continue to devote resources to this effort. We have appealed this decision to the Conseil d'État, France's supreme administrative court. The appeal remains pending. We are also evaluating other options that we may pursue. In addition, in April 2026, the Irish Data Protection Commission (the "**DPC**") commenced a statutory inquiry into our transfers of certain EU personal data to China, following a complaint filed by a privacy advocacy group. We are currently cooperating with this investigation and intend to vigorously defend our position that our transfers of EU personal data are compliant with the GDPR. As the investigation remains at an early stage, it is difficult to estimate the penalties (if any) or other implications. Under the GDPR, the DPC has the power to levy fines of up to 4% of global annual turnover and may also order the suspension of data transfers from the EU to China. For further details, see "Business — Legal Proceedings." As such, uncertainties remain as to the final outcome of the foregoing proceedings, and we cannot guarantee that they will not harm our reputation, brand or otherwise adversely affect our business.

Outside of the jurisdictions discussed in this risk factor, many countries and territories have laws, regulations, or other requirements relating to privacy, data protection, information security, data localisation and consumer protection, and new countries and territories are adopting such legislation or other obligations with increasing frequency. Additionally, various regulatory bodies, or self-regulatory organisations may continue to issue revised rules or guidance regarding data privacy and protection.

There is no harmonised approach to these laws and regulations globally. Consequently, by continuing to expand internationally, our risk of non-compliance with applicable data protection laws will increase. We will likely need to change and limit the way we use personal information in operating our business and may have difficulty maintaining a single operating model that is compliant in all jurisdictions. As a general matter, compliance with laws and regulations relating to privacy, data protection, information security and consumer protection will result in substantial costs and will likely necessitate changes to our business practices, which may compromise our growth strategy, adversely affect our ability to acquire customers, and otherwise adversely affect our business, financial condition and results of operations. Any failure to comply with, or any perceived non-compliance with, our legal or contractual obligations relating to privacy, data protection, information security or consumer protection could result in claims, proceedings or actions against us by governmental entities or others or other liabilities. Any such claim, proceeding or action could harm our reputation, brand and business, cause us to incur significant expenses in defence of such proceedings, distract our management, increase our costs of doing business, result in a loss of customers and supply chain partners and may result in the imposition of significant monetary penalties. Our business, financial condition and results of operations may be materially adversely affected as a result.

Intellectual Property and Technology Infrastructure

We are from time to time subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business operations.

Our operations, the products we offer or any other aspects of our business may, or may be alleged to, infringe upon or otherwise violate trademarks, copyrights, patents or other intellectual property rights held by third parties, such as unauthorised use of third-party product designs or images. It is not possible to perform intellectual property review with absolute accuracy before we introduce new products to our customers. In addition, conduct by third parties, such as our suppliers or merchants, on our marketplace may also expose us to claims of intellectual property infringement. See "— A. Risks Related to Our Business and Growth Prospects — Brand, Reputation and Products — We may be unable to expand our online marketplace model successfully, and this model may have potential material impacts on our growth and margin profile and may subject us to risks arising from improper merchant activities on our marketplace" and "— C. Risks Related to Our Supply Chain Partners and Other Third Parties."

We are subject to claims and legal proceedings relating to the intellectual property rights of others in the ordinary course of our business. For example, there have been claims brought against us at the US District Court for the Central District of California as well as other district courts alleging copyright, patent and/or trademark infringement. There are also pending claims against us alleging infringement that may result in lawsuits and/or significant settlements. Defending our rights in such proceedings or against such claims, or negotiating settlements and discharging obligations thereunder, could involve significant costs and effort and divert our management's attention from day-to-day operations. Any ensuing negative publicity may severely damage our brands and reputation, regardless of the merits of the claims. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities, be prohibited from using such intellectual property, or be required to pay substantial licensing fees or other damages. We may also be forced to develop alternatives, stop selling the products at issue, or comply with other unfavourable terms. From time to time, we receive complaints alleging that products sold by us or on our marketplace infringe third-party copyrights, trademarks or other intellectual property rights. We may remove the products from our mobile apps and websites after reviewing these complaints and relevant facts, freeze the accounts of the relevant merchants, or follow the applicable protocols such as those under the US Digital Millennium Copyright Act of 1998, subject to counter-notifications procedures if applicable. Any of the foregoing could materially disrupt our business operations, incur additional expenses and materially and adversely affect our business, financial condition and results of operations.

Additionally, the application of artificial intelligence (AI) technology, especially the use of AI-generated advertising and marketing contents, whether by us, third-party suppliers or merchants on our marketplace, may lead to copyright infringement concerns and other ethical and legal challenges. If we fail to ensure compliance with the evolving laws and regulations governing the use of AI-generated content that may apply to us, our reputation, business and results of operations may be adversely affected.

We may not be able to prevent others from unauthorised use of our intellectual property, which could harm our business and competitive position.

We rely on trademarks, copyrights, domain names and other intellectual property, trade secrets, confidentiality agreements and other practices to protect our brands, designs, proprietary information, technologies and processes. Our trademarks are valuable assets that support our brands and customers' perception of our products. We also hold the rights to certain internet domain names and various other related domain names, which are subject to internet regulatory bodies and trademark and other related laws of each applicable jurisdiction. We have copyrights and other proprietary rights associated with some of our apparel and other products. If we are unable to protect our trademarks or domain names, they may be misappropriated by third parties, in which case our brand recognition and reputation would suffer. As a result, our business and operating results would be adversely impacted. Since our products are sold internationally, we are dependent on the laws of a range of countries and territories to protect and enforce our intellectual property rights, which may not always be effective.

Any registered copyrights or patents that may be issued in the future may not provide us with any competitive advantages or may be challenged by third parties, and future registered copyrights or patent applications may never be granted. Even if issued, there can be no assurance that these registered copyrights or patents will adequately protect our intellectual property or survive a legal challenge, as the legal standards relating to the validity, enforceability and scope of protection of registered copyright, patent and other intellectual property rights are uncertain. The limited registered copyright and patent protection may restrict our ability to protect our technologies and processes from competition. Others may independently develop the same or similar designs, products, technologies and processes, or may improperly acquire and use information about our technologies and processes, which may allow them to provide products similar to ours, which could harm our competitive position. We may be required to spend significant resources to monitor and protect our intellectual property rights, and the efforts we take to protect our proprietary rights may not be sufficient. See "Business — Intellectual Property" for further information on our protection measures.

Our technology systems and infrastructure could fail or be subject to disruption, which may harm our business, reputation and ability to acquire, retain and serve our customers.

The satisfactory performance, reliability and availability of our technology systems and infrastructure are critical to our reputation and our ability to maintain satisfactory customer experiences and acquire and retain customers.

We have developed and use complex proprietary systems in our technology infrastructure, which we seek to continually update and improve. The operation of our systems may be subject to failure, and we may experience periodic system interruptions from time to time. Additionally, if we expand our use of third-party services, including cloud-based services, our technology infrastructure may be subject to increased risk of slowdown or interruption as a result of integration with such services and/or failures by such third parties, which are out of our control. Slowdown or interruption of our technology systems and infrastructure could reduce the volume of goods sold and could also materially and adversely affect consumer perception of our brands. In addition, continued growth in our transaction volume, as well as surges in online traffic and orders associated with promotional activities or seasonal trends in our business, place additional demands on our technology systems and could cause or exacerbate slowdowns or interruptions. In order to remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our mobile apps and websites, which is particularly challenging given the rapid rate at which new technologies, customer preferences and expectations and industry standards and practices are evolving in our industry. Moreover, our systems and operations are vulnerable to damage or interruption from fire, flood, power loss, telecommunications failure, terrorist attacks, cyberattacks, data loss, acts of war, break-ins, earthquake and similar events. Any slowdown, failure or disruption of our technology systems and infrastructure could harm our business, reputation and our ability to acquire, retain and serve our customers, which could materially and adversely affect our business, financial condition and results of operations.

If the performance, reliability and security of the telecommunications and internet infrastructure in our markets are compromised, we may experience business disruptions and increased costs.

Our business depends on the performance, reliability and security of the telecommunications and internet infrastructure in countries or regions in which we operate or to which we offer products. We may not have access to alternative networks in the event of disruptions, failures or other problems with such infrastructure, in which case the operation of our mobile apps and websites in the relevant markets may be interrupted. The internet infrastructure may not support the demands associated with continued growth in internet usage. The failure of telecommunications network operators to provide us with the requisite bandwidth could interfere with the speed and availability of our mobile apps and websites, which will affect customer access to and customer satisfaction with our offerings, potentially resulting in a material adverse effect on our business. Moreover, we have no control over the costs of the services provided by the telecommunications operators. If the prices that we pay for telecommunications and internet services rise significantly, our costs will increase and our financial condition and results of operations could be adversely affected.

E. RISKS RELATED TO LABOUR PRACTICES

The global landscape of employment protection laws, regulations and standards is complex and evolving, and any actual or perceived non-compliance by us or our supply chain partners with these laws, regulations and standards may subject us to claims of violation, penalties, reputational damage or disruptions in our supply chain.

We procure and source products from a network of supply chain partners. We have adopted a series of measures designed to help ensure that these supply chain partners comply with applicable laws and regulations as well as employment, health and safety, environmental and other standards. Amongst other things, we require our contract manufacturers and merchants on our marketplace to sign onto our supplier or marketplace seller codes of conduct, as applicable, which have generally been formulated to align with the core conventions of the International Labour Organization and the United Nations' Universal Declaration of Human Rights. Supply chain partners who sign onto our supplier code of conduct agree that they will abide by the code of conduct and will not use unethical or unlawful employment practices, in their direct or indirect procurement activities. Our supplier code of conduct is also designed to help ensure local law compliance, as each supplier that signs onto it agrees to operate in full compliance with local laws, rules, governmental orders and regulatory requirements in the countries or regions where such supplier operates its business, including those relating to wages and working hours.

To complement our supplier code of conduct, we have also adopted the SHEIN Responsible Sourcing (the "**SRS**") programme which facilitates compliance with our supplier code of conduct by establishing clear guidelines and accountability measures for violations thereof and provides for comprehensive audits conducted by both our own inhouse auditors and internationally renowned third-party auditors, all of which are member firms of the Association of Professional Social Compliance Auditors, including Bureau Veritas, Intertek, Openview, SGS, TÜV Rheinland and QIMA. Supply chain partners who are identified in SRS audits with severe violations of the SRS standards are subject to termination. In 2025, over 99% of on-site SRS audits were conducted by third-party auditors.

We enforce our supplier code of conduct by conducting regular SRS audits of contract manufacturers, subcontractors and other supply chain partners under our SRS policy. There is no guarantee that that our supply chain partners fully comply with our supplier code of conduct and other requirements, and there is the risk that our supply chain partners or their upstream suppliers may violate laws and regulations that apply to them. Such non-compliance could have a negative impact on our supply chain and reputation, and could result in our products being restricted from imports into certain markets.

Additionally, we adopt a risk-based sampling approach for audits, the scope of which takes into account multiple factors including procurement value, past SRS audit results, random sampling and other factors. In 2025, we conducted over 5,150 SRS on-site audits on supply chain partners (including mainly contract manufacturers) and subcontractors globally. Our SRS audits covered contract manufacturers who accounted for approximately 95% of our company-branded products by procurement value in 2025. Not all of our supply chain partners (including contract manufacturers), nor all of their upstream suppliers, may be subject to an SRS audit in any given year. This is because we do not enter into direct procurement contracts with all upstream suppliers, and our suppliers may also subcontract without obtaining our prior written consent as required by our supplier code of conduct. It is also possible that, based on our risk-based sampling approach, a supply chain partner that is not audited in a given year may not be selected for an SRS audit in subsequent years. Non-compliance may not be identified where no audit has been conducted in a given period of time. Even in instances where SRS audits are conducted, we cannot guarantee that those SRS audits will always detect non-compliance with our SRS standards when such non-compliance exists. The identification of any non-compliance with SRS standards or the code of conduct by a supply chain partner, whether during a future audit or by a third party, including with respect to supply chain partners that have not been audited under the SRS policy, may lead to reputational harm to us, require us to change our supply chain partners, or subject us to claims alleging non-compliance with respect to the labour protection laws applicable to our supply chain.

We are subject to employment protection and other applicable laws and regulations in a number of our key end markets. We strive to comply with the laws and regulations that are applicable to us and have adopted systems and policies to ensure compliance. However, different jurisdictions have adopted different laws and regulations that may not be the same or consistent with each other. There is no legal obligation or commercial reason for us to ensure that a product sold into a given jurisdiction not only complies with the laws of that jurisdiction but also complies with the laws of all other jurisdictions regardless of their applicability. In the event that laws in any jurisdiction to which we sell our products change, we will have to comply with the new laws in that jurisdiction, which would increase our compliance costs. Our code of conduct, enforced by SRS audits and other aspects of our SRS policy, continues to apply to all of our company-branded products regardless of where in the world such products are sold. To the best of our knowledge, as of the date hereof, we are in material compliance with the laws in the jurisdictions in which we conduct business. We will continue to closely monitor the development of laws in the jurisdictions in which we conduct business, and take measures to comply with applicable laws. Nevertheless, there is no assurance that we will be able to identify all improper or non-compliant activities of supply chain partners or other business partners, or comply with the laws in a timely manner given the large number of markets we sell our products to and the complexity and evolving nature of the relevant legal and regulatory landscape.

To date, we are not aware of any past, current or threatened proceedings or any known, suspected or potential non-compliance with any employment-related laws and regulations which have been identified or investigated that are material to the operations of the Group. However, there can be no assurance that such actual or threatened proceedings or investigations would not arise in the future. From time to time, we are subject to inquiries, investigations or other regulatory proceedings from regulatory agencies, public officials, legislators, government or legislative committees or commissions, or other authorities with respect to our supply chain and alleged non-compliance with applicable employment protection and other rules in the supply chain. Such inquiries, investigations or other regulatory proceedings may negatively affect our reputation and brand image and lead to penalties or other civil or legal liabilities or additional regulatory actions, and our business, results of operations and the price of the Class B Shares may suffer as a result. Furthermore, to the extent we identify any potential non-compliance by any of our supply chain partners, we may have to find and establish relationships with alternative qualified partners on commercially acceptable terms. We cannot assure you that we will be able to do so in a timely manner, or at all.

We expend substantial resources to comply with applicable labour laws and regulations in the countries or regions where we operate, and any non-compliance with such laws or regulations may subject us to disputes and penalties.

We are subject to labour laws and regulations in the countries and regions where we operate. Such laws and regulations subject employers to various requirements such as those related to employment contracts, minimum wages, work hours, workplace safety and termination of labour contracts. We need to expend substantial resources to comply with such labour laws and regulations. In the event that we decide to terminate some of our employees or otherwise change our employment practices, the applicable laws may also limit our ability to effect those changes in a desirable or cost-effective manner. We cannot assure you that our employment practice will at all times be in full compliance with labour-related laws and regulations in the countries and regions where we operate, which may subject us to labour disputes or government investigations. If we were to be found in violation of relevant labour laws and regulations, we could be required to provide a significant amount of additional compensation to our employees or could face other material penalties such as monetary fines and suspension of business operation, as a result of which our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to legal requirements to provide social insurance and/or other benefits to employees in the jurisdictions in which we operate. We cannot assure you that we will always be in full compliance in every jurisdiction. For example, we were historically not in full compliance with respect to the required employer contributions to social insurance plans and other employee benefits. As advised by our external legal counsel, an employer that has not made social insurance contributions in full and on time may be ordered to rectify and pay the required contributions and be subject to a late payment fee and potentially a fine (ranging from one to three times the amount overdue). An employer that has not made the required housing provident fund contributions may also be ordered to rectify the noncompliance and pay the required contributions or be subject to court enforcement. We have made proper provisions for such potential payments. As advised by our external legal counsel, as long as we make timely and full contributions upon request from the relevant authorities, the maximum potential penalty would be limited to the provisions described above, which we do not expect to be material to us.

During the Track Record Period, we were not subject to any administrative penalties in terms of the contribution of social insurance premium and housing provident funds. As of the Latest Practicable Date, we did not receive any notification from the relevant authorities alleging that we had not fully contributed to the social insurance premiums and housing provident funds and demanding payment of the same before a stipulated deadline. However, we cannot assure you that the competent government authorities will not require us to pay the outstanding amount and impose late payment fees or fines on us. If we are subject to complaints or investigations related to noncompliance with labour laws and are required to make additional contributions to social insurance premiums and housing provident funds, and late payments and fines, our costs would increase.

If we are unable to recruit, train and retain qualified personnel or sufficient workforce while controlling our labour costs, our business may be materially and adversely affected.

To support continued growth, we hire new employees and integrate, develop and motivate them while maintaining our corporate culture. We face significant competition for personnel, particularly those with specialised skills and expertise. If we fail to recruit and onboard necessary personnel or successfully integrate new hires into our organisation and culture, we may be unable to develop and maintain a strong workforce to support our business, and our ability to grow our business and operate it in an efficient manner will be affected.

To attract top talent, we have had to offer, and expect to continue to offer, competitive compensation and benefits packages before we can validate the productivity of new employees. We may also need to increase our employee compensation and benefits levels and offer more favourable working conditions to remain competitive in attracting and retaining talented employees. Failing to do so may undermine our ability to attract employees and affect our employee morale, productivity and retention. On the other hand, increasing employee compensation and benefits represents a significant ongoing expense that may strain our financial resources and put pressure on our profitability and cash flow.

F. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") RISKS

Evolving regulations and increased scrutiny from regulatory agencies and other authorities regarding our environmental and sustainability responsibilities and performance could result in additional costs and increased risks of non-compliance, and could adversely impact our reputation.

Amidst growing public awareness of environmental, social and governance issues and pressure on governments to strengthen regulatory oversight in these areas, there is an increasing level of scrutiny from regulatory agencies and other authorities globally in relation to environmental and sustainability matters, which could result in additional costs and risks for our business. As a large and well-known fashion retailer with significant global operations, we may be negatively impacted, and be specifically targeted, by these evolving regulations and increased scrutiny from regulatory agencies and other authorities, particularly given public perceptions that there is a systemic problem of resource waste in the fashion retail industry.

Compliance with evolving regulations related to environmental and sustainability matters may require us to modify our operations, invest in new technologies, make changes to our supply chain, make periodic public disclosures or incur other additional expenses, which could negatively impact our financial performance. For example, we incur significant costs of compliance relating to Extended Producer Responsibility (EPR) fees imposed in a growing number of jurisdictions. See "Regulations — Regulations Related to ESG." We may also be subject to evolving requirements relating to sustainability reporting, environmental claims, sustainability-related statements, packaging and packaging waste, and other consumer-facing disclosures or marketing practices, and compliance with such requirements may increase our costs and expose us to regulatory scrutiny, penalties, litigation and reputational harm.

Furthermore, regulations related to environmental and sustainability matters are developing and, as a result, may lack clear standards and guidance for implementation, which also poses a risk to our ability to implement and comply with such regulations. Any failure or perceived failure to comply with any regulations in these areas could lead to fines, penalties, litigation, other legal liabilities and/or significant reputational harm, and may negatively affect our reputation and relationships with customers, supply chain partners or other business partners, and in turn our business and financial condition. For example, we were fined EUR 1 million by the Italian Competition Authority (AGCM) in 2025 after it concluded that certain sustainability-related statements on our website could mislead consumers. We took immediate actions to address their concerns, including removing the relevant content, filing a compliance report with the AGCM, and implementing enhanced internal compliance measures. We remain in continued dialogue with the AGCM in respect of our remediation efforts.

We are also subject to the Corporate Sustainability Due Diligence Directive (the "**CSDDD**"). See "Regulations — Regulations Related to ESG." The CSDDD also introduces a new penalty regime in relation to compliance with its terms. These new regimes might introduce new avenues for regulatory enforcement or litigation against us, which could be time-consuming, costly and harmful to our reputation, even if successfully resolved or settled. In addition, the transposition of EU directives and regulations into national laws by EU member states may result in member-state-specific requirements that are more stringent than, or otherwise differ from, the baseline EU requirements. We may be required to comply with such higher or divergent national standards in the relevant EU member states, which could increase our compliance burden, costs and risk of non-compliance.

Furthermore, we are governed by the Ecodesign for Sustainable Products Regulation (the "**ESPR**") which was adopted by the European Commission in February 2026. See "Regulations — Regulations Related to ESG." Certain of our EU entities qualify as "large enterprises" for the purposes of the ESPR, and we are accordingly subject to both the existing disclosure obligations and the ban on destruction starting in July 2026. As a result, we are required not only to meet the disclosure obligations but also to adjust our inventory and returns management processes, as well as evaluate any potential qualifying derogations. While we maintain relatively low levels of unsold inventory in comparison to other fashion retailers, we have introduced, and will continue to introduce, improved policies, procedures, and governance structures designed to ensure compliance with the ESPR, including its prohibition on the destruction of unsold products. Violation of the ban on destroying unsold consumer products may expose us to fines and/or time-limited exclusion from public procurement procedures, which could in turn materially and adversely affect our business, financial condition and results of operations.

We may fail to meet the expectations of various stakeholders in relation to our ESG practices, which may affect our reputation and the willingness of our customers, supply chain partners and other stakeholders to do business with us.

Institutional investors, investment funds, investor advocacy groups, other market participants, shareholders, customers and the media are increasingly focusing on the ESG practices of companies, including those associated with labour protection (see "— E. Risk Related to Labour Practices — The global landscape of labour protection laws, regulations and standards is complex and evolving, and any actual or perceived non-compliance by us or our supply chain partners with these laws, regulations and standards may subject us to claims of violation, penalties, reputational damage or disruptions in our supply chain"), climate change and environmental protection. [**REDACTED**] have placed increased importance on the implications of the environmental and social cost of their [**REDACTED**]. We have received attention from [**REDACTED**], the media, customers and non-governmental organisations on our ESG practices, particularly the environmental and social impact of our business as a fashion retailer, and may continue to face scrutiny, especially after we become a [**REDACTED**] company. There is a negative perception of the retail fashion industry in which we operate that often associates the industry with waste, pollution, overconsumption and labour issues. This has an impact on our reputation in respect of ESG matters and may increasingly do so after we become a [**REDACTED**] company. In particular, the environmental impact, such as the waste inherently created by the manufacture of garments or the emissions generated by shipping and transporting garments, of the retail fashion industry has come under public scrutiny and, as the regulatory environment continues to evolve globally, businesses operating in the retail fashion industry may be subject to additional ESG obligations, which could heighten their costs of compliance or subject them to inquiries, investigations or other regulatory proceedings and actions in connection with their environmental practices. As a fashion retailer, we have been subject to ESG-related public scrutiny across various aspects of our business. For example, concerns have been raised regarding the carbon emissions in our operations and the operations of our suppliers. The climate impact of each stage of our operations, the feasibility of our emissions reduction targets, and the operations of our suppliers, from sourcing, production and processing of materials, to product manufacturing, logistics and end-of-life product management, has been scrutinised. We have also received attention on the quality, durability and chemical use of our products and face criticism that our business contributes to pollution, deforestation and forest degradation. Furthermore, we face the challenge of waste of resources, which is seen as a systemic problem in the fashion retail industry because there is a perception that fashion retailers who concentrate on affordable offerings necessarily lead to the increased consumption of apparel products. As a large and well-known online fashion retailer, and given the global scale of our business operations, we have been and may continue to be a prominent target of allegations arising from such perceptions. As such, if our ESG practices in any key aspect of our business fail to adequately meet environmental standards applicable to us or are perceived by the public or by [**REDACTED**] to contribute to waste or pollution or otherwise negatively impact the environment, our brand and reputation could be harmed, and our business may be adversely affected.

We continue to develop and strengthen ESG practices and have adopted a wide range of corporate governance practices, policies and procedures to mitigate our ESG-related risks. However, if our ESG practices do not meet the expectations and standards of [**REDACTED**], customers, non-governmental organisations or other industry stakeholders, which continue to evolve, our brand and reputation may be negatively impacted. Furthermore, our ESG reports or other related disclosures, such as those made pursuant to the reporting requirements of the EU Corporate Sustainability Reporting Directive and the related European Sustainability Reporting Standards, may include our policies, practices and goals with respect to a variety of social and environmental matters, including environmental protection and supply chain management. Our ESG policies, practices and goals are also constantly evolving. These goals, such as our voluntary climate-related targets, are subject to assumptions and external dependencies, and there can be no assurance that they will be achieved within the expected timeframe or at all. Stakeholders may not be satisfied with our ESG disclosures, our ESG practices or the speed of their adoption as described in our ESG reports or disclosures. We could also incur additional costs and require additional resources to monitor, report and comply with various ESG practices and meet various ESG-related goals. We could be criticised for failure or perceived failure to meet the standards or goals included in any ESG disclosure, and could be scrutinised for our transparency in ESG disclosures and commitment to ESG in general. It is also possible that our stated actions on our ESG practices are perceived by stakeholders as inadequate or that such stated actions are considered to have been overstated or presented vaguely, unclearly or in a way which cannot be substantiated. In any of such events, our reputation and the willingness of our customers, supply chain partners and other stakeholders to do business with us may be negatively affected. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Regulations in relation to climate change and other environmental issues may increase our operational and compliance costs.

In many countries, governmental bodies are enacting new or additional legislation and regulations to reduce or mitigate the potential impacts of climate change and to prevent and minimise the impact of other environmental issues such as waste and pollution. If we and/or our supply chain partners are required to comply with such additional environmental protection laws and regulations, we may experience increased costs for materials, energy, production and transportation, or increased capital expenditures, which could adversely impact our capital resources and results of operations. The existing and future environmental protection and anti-climate change measures and initiatives that we take also incur significant costs. In addition, inconsistency of legislation and regulations amongst jurisdictions may further increase the costs of compliance with such laws and regulations. Any assessment of the potential impact of future climate change legislation, regulations or industry standards, as well as any international treaties and accords, is uncertain given the wide scope of potential regulatory change in the countries in which we operate. As a result, we may incur significant costs in our efforts to comply with the various and evolving climate change regulations and standards, and there is no guarantee that our efforts will be effective.

There has been, and is expected to be, an increasing number of EPR schemes across various jurisdictions and across various product and packaging types. See "Regulations — Regulations Related to ESG." As more jurisdictions worldwide implement EPR schemes for textiles, and other products offered by the third-party merchants on our marketplace, our EPR fees may further increase. Additionally, our compliance costs could increase due to the complexity and inconsistency of EPR requirements globally, which poses a risk to our ability to meet all applicable regulations in every market. Any failure or perceived failure to comply with EPR regulations could result in fines, other legal liabilities, and significant reputational damage.

The loss of key management and any adverse change to our corporate culture may disrupt our operations and have a material adverse effect on our business.

The success of our business depends, to a large extent, on the continued service of our founding management team. The loss of the leadership or service of any member of this team could significantly disrupt our operations, impair our competitive strength and our ability to execute our strategic plans, and materially and adversely affect our business, financial condition and results of operations. We may not be able to adequately mitigate the negative impacts of such loss, as we may not be able to find management personnel internally or externally with similar experience and industry knowledge to replace them on a timely basis.

In addition, we believe that a critical component of our success is our corporate culture, which encourages teamwork and cultivates creativity and inclusivity. As we develop the infrastructure of a [**REDACTED**] company and continue to grow, we may find it difficult to maintain these valuable aspects of our corporate culture. Any failure to preserve our culture could negatively impact our future success, including our ability to attract and retain employees, encourage innovation and teamwork and effectively focus on and pursue our corporate objectives, which could have a material adverse effect on our business and future growth. For example, as we expand into new geographic regions and hire more employees, we may face challenges in maintaining consistent corporate values and promoting our corporate culture across all of our locations.

G. RISKS RELATED TO OUR FINANCIAL PERFORMANCE, CAPITAL RESOURCES AND INTERNAL CONTROL

Results of Operations, Seasonality and Internal Controls

A higher-than-expected rate of returns could materially and adversely affect our results of operations and financial condition.

We allow our customers to return products, subject to our return policy. If the rate of product returns increases significantly or if product return economics become less efficient, our business, financial condition and operating results could be harmed. Further, we modify our policies relating to returns from time to time, which may result in customer dissatisfaction or an increase in the number of product returns. From time to time our products are damaged in transit, which can increase return rates and harm our brands.

Our results of operations may be adversely impacted by currency exchange rate fluctuations.

Our results of operations are affected by the fluctuations in foreign exchange rates. We allow our customers to pay us in their preferred currencies, including the US Dollar, Euro and other currencies. Our expenses and liabilities related to our supply chain, marketing and other partners are also denominated in a mix of currencies. Any significant appreciation or depreciation of a currency in which we generate revenues or in which our expenses and liabilities are denominated could have an impact on our results of operations and financial condition.

The availability and effectiveness of hedging transactions may be limited and we may not be able to adequately hedge our exposure or at all. We expect that we will continue to be exposed to currency exchange risk to the extent that we do not have hedging arrangements or our hedging arrangements do not cover all of our exposure to currency exchange risk. As a result, fluctuations in exchange rates may have a material adverse effect on our financial performance.

Our business is affected by seasonality, which can result in fluctuations in our results of operations.

We experience seasonal fluctuations in sales volume each year. Specifically, we have observed different trends in seasonality in different geographical markets. Different markets are characterised by their respective peak seasons, such as Black Friday and mid-year or end-of-year sales. Accordingly, any factors that harm our peak season results of operations in the respective geographical markets could have a disproportionate material adverse effect on our business, financial condition and results of operations for the entire financial year.

Our interim results of operations may also fluctuate significantly as a result of a variety of other factors, including changes in discretionary spending and investments in marketing. As a result, historical period-to-period comparisons of our revenues and results of operations are not necessarily indicative of future period-to-period results.

If we fail to effectively manage our inventory levels, inventory turnover and inventory obsolescence risk, our business, financial condition and results of operations could be materially and adversely affected.

Our inventories mainly include finished goods, and our business requires us to manage inventory associated with a vast product selection. Although our LATR operating model, which is built on our end-to-end intelligent supply chain and agile global fulfilment network, helps minimise our inventory waste while enabling speed and scale in new product launches, the model is complex and may not continue to operate effectively at scale. Our inventory turnover days were 35, 34, 36 and 38 days in 2023, 2024 and 2025 and the twelve months ended 31 March 2026, respectively, and our inventories were US$1,637 million, US$1,500 million, US$1,261 million and US$1,384 million as of 31 December 2023, 2024 and 2025 and 31 March 2026, respectively. We also recorded inventory written down and loss on inventory obsolescence of US$121 million, US$199 million, US$185 million and US$47 million in 2023, 2024 and 2025 and the three months ended 31 March 2026, respectively.

In addition to the efficiency of our supply chain and the effectiveness of LATR, our inventory level and turnover are affected by other factors, such as seasonality, changes in product cycles and pricing, promotions, changes in consumer spending patterns, changes in consumer tastes, fulfilment speed, acceptance rate of cash-on-delivery products, and processing time for returned products. We may not be able to accurately forecast demand, respond to shifts in customer preferences, or manage purchase and replenishment decisions in a timely manner, particularly as we continue to expand our product offerings, product categories and geographic markets. If inventory levels exceed customer demand, we may be required to record additional inventory write-downs or write-offs, sell products at markdowns, incur higher inventory holding costs, or commit substantial capital resources to inventory, any of which could adversely affect our profitability, cash flows and results of operations. Conversely, if we underestimate demand or if our supply chain partners fail to supply products of the required quality in a timely manner, we may experience inventory shortages, delayed fulfilment, missed sales, reduced customer satisfaction and reputational harm. If we fail to effectively manage our inventory levels, inventory turnover and inventory obsolescence risk, our business, financial condition and results of operations could be materially and adversely affected.

Our short-term investments subject us to liquidity and other risks.

We hold a significant amount of short-term investments, consisting primarily of fixed term deposits that are purchased from high credit rating international banks with maturity dates ranging from three months to one year, which expose us to a number of risks. The returns on fixed-term deposits are subject to prevailing interest rates and a decline in interest rates could reduce our investment income, adversely affecting our overall results of operations and financial condition. Our short-term investments are not immediately accessible prior to maturity without potential penalties or loss of interest. In the event of an urgent need for liquidity, we may face challenges in accessing these funds promptly, which could impact our ability to meet immediate financial obligations. Further, unforeseen financial instability, banking sector disruptions, or sovereign risks in the jurisdictions where the relevant banks operate could impact the safety and recoverability of these deposits.

We have granted, and may continue to grant, share options, restricted shares or other forms of share-based incentive awards, which have resulted in and may continue to result in share-based compensation expenses.

We adopted our 2018 Stock Incentive Plan in November 2018 and further amended it in October 2021, January 2023 and April 2024 (the "**2018 Plan**"). Through the 2018 Plan, we provide additional incentives to attract and retain the best available personnel, and promote the success of our business. We recognise expenses in our consolidated financial statements in accordance with IFRS. Under the 2018 Plan, we are authorised to grant options, restricted shares, restricted share units and other types of awards, and the maximum aggregate number of ordinary shares that may be issued is 9,278,597 ordinary shares (without taking into account the Share Split). As of 31 December 2025, options to purchase a total of 2,983,567 Class B Shares and restricted share units to receive a total of 243,330 Class B Shares had been granted and were outstanding under the 2018 Plan. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have a material adverse effect on our results of operations. We may re-evaluate the vesting schedules, lock-up period, exercise price or other key terms applicable to the grants under our currently effective share incentive plans from time to time. If we choose to do so, we may experience substantial change in our share-based compensation charges in our future reporting periods. In addition, the vesting of restricted share units and the exercisability of certain options granted under our share incentive plans are conditioned upon the completion of this [**REDACTED**]. Following the [**REDACTED**], subject to the terms of the relevant grants and the Group's internal policies, as such restricted share units vest and such options become exercisable and may be exercised, we will be required to issue additional Class B Shares to the relevant grantees, which will dilute the shareholding of our existing Shareholders. As we continue to grant share-based incentive awards in the future, our Shareholders may experience further dilution of their ownership interests.

We recorded net current liabilities as of 31 December 2025 and 31 March 2026, even though we had net current assets as of 31 December 2023 and 2024.

We had net current assets of US$6.9 billion and US$7.6 billion as of 31 December 2023 and 2024, respectively, while we recorded net current liabilities of US$8.5 billion and US$8.5 billion as of 31 December 2025 and 31 March 2026, respectively. The change from net current assets as of 31 December 2024 to net current liabilities as of 31 December 2025 was primarily because we recorded the current portion of convertible redeemable preferred shares as of 31 December 2025, mainly attributable to the reclassification of convertible redeemable preferred shares from non-current liabilities to current liabilities. The further increase in net current liabilities from 31 December 2025 to 31 March 2026 was primarily due to an increase in accrued expenses and other current liabilities. All the convertible redeemable preferred shares which were accounted as liabilities will be converted into Class B Shares immediately prior to the completion of the [**REDACTED**], and such liabilities would be derecognised and accounted as an increase in equity then. However, there can be no assurance that we will not experience liquidity problems in the future.

The valuations of our long-term investments measured at FVTPL and convertible redeemable preferred shares are uncertain due to the use of unobservable inputs.

We issued multiple series of convertible redeemable preferred shares, which were designated as financial liabilities at fair value through profit or loss, and initially recognised at fair value on the date of issuance. Such convertible redeemable preferred shares will be converted into Class B Shares immediately before completion of the [**REDACTED**]. In addition, our subscriptions to preferred shares of third-party companies were classified as long-term investments measured at fair value through profit or loss ("**FVTPL**") due to the redemption option available to us.

Long-term investments at FVTPL and convertible redeemable preferred shares are determined based on quoted prices in active markets, other market-observable inputs, or unobservable inputs using valuation techniques. Please refer to note 18(c) to the Accountant's Report included in Appendix I to this document for the key assumptions in determining long-term investments at FVTPL and the fair value of the convertible redeemable preferred shares. These valuation methodologies that we use involve a significant degree of management judgment and are inherently uncertain. Changes in these unobservable inputs and other estimates and judgments could materially affect long-term investments at FVTPL and the fair value of the convertible redeemable preferred shares, which in turn may adversely affect our results of operations.

As of 31 December 2023, 2024 and 2025 and 31 March 2026, we recorded long-term investments at FVTPL of US$82 million, US$169 million, US$158 million and US$163 million, respectively. The carrying amounts of the convertible redeemable preferred shares are US$20,807 million, US$18,376 million, US$18,048 million and US$17,294 million as of 31 December 2023, 2024 and 2025 and 31 March 2026, respectively.

We expect continued fluctuation of the fair value of the convertible redeemable preferred shares after 31 March 2026 till the completion of the [**REDACTED**], upon which all the preferred shares will automatically convert into Class B Shares. After the automatic conversion of the Preferred Shares into Class B Shares upon the completion of the [**REDACTED**], we do not expect to recognise any further loss or gain on fair value changes from the convertible redeemable preferred shares in the future.

Our system of internal financial controls is subject to continual enhancement and change as we grow, which could result in misstatements in our financial reporting and diminish [**REDACTED**] ***confidence in our business.***

Given the continued growth of our business, our systems of internal control and certain aspects of our financial systems will need to be continually enhanced to keep pace with increasing and emerging risks, and we might not have sufficient internal resources with the required technical skills, which may require us to incur additional expenses to provide sufficient resources and support in a timely manner. Our business generates high volumes of data and there are inherent limitations to how we measure that data or with respect to the data itself. If in the future we fail to identify a material deficiency that develops in our internal controls over financial reporting or in other areas of our financial systems as our business rapidly grows, we could suffer material misstatements in our financial statements, which would likely cause [**REDACTED**] to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of the Class B Shares. Additionally, a failure to identify such deficiencies could expose us to increased risk of fraud or misuse of corporate assets, which could impact our strategic decision-making and diminish [**REDACTED**] confidence.

We have limited insurance coverage, which could expose us to significant costs.

We maintain certain insurance policies to safeguard against risks and unexpected events, but we cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our financial condition and results of operations could be materially and adversely affected.

Capital Resources and Financing

We may need additional capital and financing may not be available on terms acceptable to us, or at all, which may constrain our working capital and affect our ability to operate and grow our business.

We may require additional cash resources due to evolving business conditions or other future developments. For example, in the future, as we continue to expand into new markets and grow our business in existing markets, we may need to invest heavily in technology infrastructure, talent and marketing activities, which may require substantial capital resources. Factors such as negative trends in consumer spending and increased competition that affect our sales and cash flows from operations may also require us to obtain additional capital for our business operations. If our current cash and cash equivalents and our anticipated cash flows from operations are insufficient to satisfy our evolving cash requirements beyond the 12 months from the date of this document, we may seek to obtain a credit facility or issue additional equity or debt securities. It is uncertain whether financing will be available in amounts or on terms acceptable to us, if at all. If we fail to obtain sufficient financing on acceptable terms when necessary beyond the 12 months from the date of this document, our available working capital may be constrained, which will affect our ability to operate and grow our business, make additional investment in technology and talent and pursue external acquisitions, amongst other things. Our competitive position, business prospects and financial performance may be materially and adversely affected as a result. We are currently not aware of working capital difficulties that may arise more than 12 months after the date of this document.

As we conduct business globally, if we seek additional capital through equity offerings or pursue other types of transactions, we may be required to obtain various approvals or authorisations or complete various filing procedures with regulatory authorities in multiple jurisdictions, potentially including the Stock Exchange, the SEC, the CSRC and other authorities where required. We may face challenges in obtaining or completing these necessary approvals or procedures in a timely manner.

If we obtain additional capital through the issuance of additional equity securities, it could result in dilution of our existing shareholders. If we obtain additional capital through debt financing, the indebtedness incurred would result in increased debt service obligations that require us to dedicate more cash to servicing principal and interest payments, reducing funds available for our operational needs and growth initiatives. Debt financing could also result in operating and financing covenants that would restrict our operations and limit our ability to make capital expenditures or obtain additional capital (where necessary beyond the 12 months of the date of the [**REDACTED**]), which may also have a material adverse effect on our business prospects.

On 28 October 2024, the U.S. Department of the Treasury (the "**Treasury**") issued a final rule on outbound investment, or the Final Rule, which became effective on 2 January 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with "countries of concern," collectively defined as "Covered Foreign Persons," that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons. We have confirmed with our U.S. legal counsel that as SHEIN Global Holdings Limited does not engage in any "covered activity" (as defined in the Final Rule) or otherwise fall within the definition, it is not a Covered Foreign Person. On 21 February 2025, the U.S. President issued a memo entitled the "America First Investment Policy" (the "**America First Memo**"), indicating that Executive Order 14105 is under review and the Trump Administration will consider new or expanded restrictions, such as broadening the sectors to which the Final Rule is applicable. On 18 December 2025, U.S. President Trump signed into law the Fiscal Year (FY) 2026 National Defense Authorization Act (the "**NDAA**"), which includes the Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**"). The COINS Act largely codifies the core of the current Outbound Investment Rule while making certain modifications. The COINS Act requires the U.S. Treasury Department to, within 450 days from passage, promulgate new or amended regulations to implement the law. The application and implication of the Final Rule, the policies covered by the America First Memo, NDAA and any related policies, laws and regulations are complex, and they may be changed and updated from time to time. Evolving regulations and differing interpretations could further restrict our future ability to raise capital from U.S. [**REDACTED**], potentially harming our business, financial position, and prospects, and the value of our Shares.

H. RISKS RELATED TO CONSUMER PROTECTION AND MARKETING

Government regulation of the internet and e-commerce globally is evolving, and unfavourable changes or failure by us to comply with the applicable regulations could hinder our ability to market and sell our products and subject us to legal liabilities and reputational damage.

Government regulation of the internet and e-commerce is evolving around the world, and unfavourable changes or failure by us to comply with the applicable regulations could substantially harm our business, financial condition and results of operations. Existing and future regulations and laws could impede the growth of the internet or e-commerce. These regulations and laws, which continue to evolve and whose interpretation and enforcement can be uncertain, may involve anti-spam, content protection, electronic contracts and communications, social media marketing, third-party cookies, web beacons and similar technology for online behavioural advertising, gift cards, online payment, digital markets, competition, unfair commercial practices, consumer protection and platform liability. As an e-commerce company, we are subject to many of these laws and regulations, including those applicable to our new marketplace model.

We are subject to consumer protection and marketing laws that vary significantly from jurisdiction to jurisdiction and are continually changing and subject to interpretation by local government authorities. Amongst others, we are subject to laws that regulate product liability, health and safety, proper warnings, unfair and deceptive acts or practices in consumer commercial transactions, credit card and gift card practices, marketing email messages, telephone calls and text messages, gamification, advertising of discounts or other marketing activities, customer reviews and return policies. Any claimed or actual violation of these laws may give rise to consumer claims or actions, regulatory enforcement actions, or other government investigations.

As we conduct business globally, we may be subject to inquiries, investigations and other regulatory actions by authorities in various jurisdictions under consumer protection and marketing laws, such as the U.S. Federal Trade Commission (the "**FTC**") and state regulators in the U.S., as well as consumer protection regulators in Europe and elsewhere. For example, we were fined by DGCCRF in 2025, which oversees both competition and consumer protection in France, in relation to our historical pricing display and environmental claims and this matter has since been resolved in July 2025 through a settlement involving a fine of EUR 40 million. To prevent the recurrence of similar incidents and more broadly ensure compliance with applicable marketing laws, we have implemented specific remediation plans and taking measures to improve business operations, employee awareness, and system controls. These include enhancing communication between our legal compliance and business teams, as well as the frequency and depth of internal compliance checks. However, we cannot guarantee that these measures will be effective, in which case we could be adversely affected. We are also currently subject to another regulatory proceeding in France relating to our data privacy and cookie consent practices. For details of this separate proceeding in France, see "D. Risks Related to Data Security, IP and Technology — Data Security and Privacy — Failure to comply with global privacy-related obligations could subject us to legal liabilities, additional costs and reputational damage." In addition, the FTC has been conducting an investigation into our U.S. business operations, and we are actively cooperating with the FTC in connection with such investigation. Although it is possible that we may reach a settlement with the FTC in connection with the investigation, we currently cannot predict the probable outcome of the investigation and the timing of such outcome, and we cannot rule out that such outcome could occur in the near term. The outcome of the investigation, whether in settlement or otherwise, may require us to make significant monetary payments that could have a material adverse effect on our financial condition and results of operations.

Separately, the Consumer Protection Cooperation Network of EU national consumer authorities (the "**CPC Network**") initiated a formal investigation against us, in which the CPC Network requested us to provide information related to our consumer return, discounting and other practices, and we have responded to the CPC Network within the requested timeline and have made commitments to, and taken, corrective actions. In addition to the DGCCRF matter described above relating to our historical pricing display and environmental claims, in June 2026, DGCCRF imposed administrative fines totalling approximately EUR 22.5 million on two of our subsidiaries in connection with deficiencies identified in our order confirmation practices, the exercise of consumer withdrawal rights, product traceability disclosures and environmental information disclosures relating to synthetic textile products. We disagree with this decision, believe the fines to be manifestly disproportionate, and are in the process of contesting both sanctions. In response to the evolving regulatory landscape, we have continuously enhanced and strengthened our compliance framework across our consumer-facing operations, with a focus on, among others, pricing and promotional display practices, environmental disclosures, user interface design and user experience compliance, governance of third-party merchants on our marketplace, and mechanisms for the identification and removal of products in high-risk categories. However, we cannot guarantee that these measures will be sufficient to prevent future regulatory actions or that the interpretation and enforcement of applicable laws and regulations will align consistently with our internal compliance assessments.

Separately, in addition to the foregoing consumer protection matters, we are also subject to regulatory obligations under the EU Digital Services Act (the "**DSA**"), which came into force in November 2022 and became fully applicable in February 2024. Non-compliance with the DSA can result in fines of up to 6% of total annual worldwide turnover, although the actual amount of any fine imposed, if at all, would depend on the nature, gravity, duration and recurrence of the infringement and other factors considered by the European Commission, and other enforcement measures. The DSA governs, amongst other things, potential liability for illegal products on online platforms, and requires enhanced transparency measures including in relation to any recommendation systems used to present product options to a user. In particular, if an online platform presents information about products in a way that would lead an average consumer to understand the product is provided by the platform directly, it may be liable directly under consumer protection law. In April 2024, we were designated by the European Commission as a Very Large Online Platform (VLOP) under the DSA, which subjects us to the most stringent rules under the DSA from the end of August 2024. The DSA may increase our compliance costs and require changes to our user interfaces, processes, operations and business practices, which may adversely affect our business, operations and financial condition. Failure to comply with the DSA can result in fines and other liabilities. To comply with the DSA, amongst other things, we have established and are continuing to develop notice and action mechanisms in accordance with the DSA and have adopted a systematic approach to handling reports of illegal content. In February 2026, the European Commission opened a formal investigation against us under the DSA in relation to (i) the systems we have in place to limit the sale of illegal products in the EU, (ii) the risks linked to the design of our service, as well as the systems we have in place to mitigate such risks, and (iii) the transparency of our recommender systems. We are cooperating with the European Commission in this investigation. The opening of the formal investigation does not prejudge the outcome, and, as the investigation remains at an early stage, we are unable to predict its duration, outcome or potential implications. We have also set up several internal processes that aim at adapting our design and functioning to ensure a high level of protection of children and determine the consequences of inaccurate, incomplete or outdated information obtained from traders in accordance with the DSA. Similar legislation may be considered and adopted in other jurisdictions in which we operate. For global regulations on privacy and data security, see "— D. Risks Related to Data Security, IP and Technology — Data Security and Privacy — Failure to comply with global privacy-related obligations could subject us to legal liabilities, additional costs and reputational damage". Regulations and laws specifically governing the internet or e-commerce may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings or actions against us by governmental entities or others. Any such proceeding or action could harm our reputation, cause us to spend significant amounts in defence of these proceedings, distract our management, increase our costs of doing business, negatively impact our sales, and may result in the imposition of monetary liability or other penalties. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. In addition, governments of one or more countries may even attempt to completely block access to them. Adverse legal or regulatory developments could substantially harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries, our ability to retain or increase our customer base may be adversely affected, and we may not be able to maintain or grow our sales and expand our business as anticipated.

Our products may experience quality and compliance problems from time to time, which could harm our reputation and brand name, affect our sales and subject us to potential liabilities.

We have adopted quality check protocols to hold our suppliers to our product quality standards. These include mandatory documentation, tracking and chemical safety testing for SHEIN-branded products. We also have an extensive product compliance programme, through which we set compliance requirements aligned with applicable laws and regulations and carry out checks based on a risk-weighted approach to ensure product compliance. Non-compliant products and sellers are dealt with swiftly, and delisting and recalls are carried out in accordance with relevant procedural rules. However, there is no guarantee that our quality and compliance control will be as effective as intended with respect to all such applicable laws and regulations. Products on our marketplace have in the past experienced, and may in the future experience, quality and compliance problems from time to time, including instances where they fail to meet applicable laws and safety standards. Such problems could result from a wide range of issues, including sellers attempting to circumvent our rules, by-products of the manufacturing process, and issues arising during transport, not all of which are within our control. Furthermore, we are subject to laws and regulations that regulate the materials, components, chemical use, disclosure of information, labelling, and other aspects of the quality, safety and environmental impact of products. To help ensure that our company-branded apparel products meet these laws and regulations and other applicable safety standards, we have developed a comprehensive control system covering our end-to-end process, and we maintain and implement a restricted substances list with the support of third-party experts and independent labs. However, these laws and regulations are complex, constantly evolving and different among different jurisdictions, and we cannot assure you that our products will always comply with such laws and regulations at all times, as we also rely on our material suppliers, contract manufacturers and the testing labs we work with to help achieve compliance with such laws and regulations.

Concerns or issues with the quality or compliance of the products sold by us or on our marketplace, regardless of their merits or outcome, could cause damage to our reputation and result in lost sales, product recalls or returns and increased costs, and regulatory, civil or criminal fines or penalties, adversely impacting our business, financial condition and results of operations. In particular, we could be subject to significant liabilities and reputational damage if certain products sold by us or on our marketplace are found to have safety issues.

Our ability to promote our brand on social media platforms will be affected if we fail to maintain good relationships with online influencers, and negative behaviour of online influencers may harm our reputation.

We believe that social media and online influencer-driven marketing has contributed to the growth in our customer base. If we are not able to develop and maintain positive relationships with online influencers, our ability to promote and maintain brand awareness and leverage social media platforms to drive visits to our mobile apps and websites may be adversely affected. Our ability to attract new customers and grow our business would suffer as a result.

Because of our collaboration with online influencers and other celebrities in our marketing efforts, our business may be adversely affected by their behaviour. Negative or inappropriate behaviour by these individuals, such as making controversial statements, engaging in inappropriate conduct, or unauthorised use of third-party intellectual property, could harm our reputation and brand image, leading to a decline in consumer confidence and sales. In addition, any negative publicity arising from these situations could result in a loss of business opportunities and increased costs associated with damage control efforts. As a result, our business, financial condition and results of operations may be materially and adversely affected.

If we fail to execute our marketing strategies in a cost-effective manner, our ability to grow our brand awareness and our business may be affected.

Our success depends in part on our ability to effectively execute our marketing strategies to grow our brand awareness amongst new customers and retain or increase the lifetime value of existing customers. If we are unable to do so successfully, we may experience slower customer growth or increased marketing costs. Further, marketing efforts designed to increase awareness of our brands require a substantial investment of capital, management time and other resources. Our marketing and branding activities may not be well received, successful or cost-effective, which may lead to significantly higher marketing expenses in the future. Failure to refine our existing marketing strategies or introduce new effective marketing strategies in a cost-effective manner could impact our business, financial condition and results of operations.

I. GENERAL REGULATORY AND LITIGATION RISKS

Our multi-jurisdictional operations and the regulatory environment of those jurisdictions may subject us to significant compliance obligations and costs and heightened risks of non-compliance.

We operate in and offer our products to various jurisdictions. In 2025, we sold products to customers across approximately 160 markets, deriving approximately 24% of our revenues from the United States and the rest from other global markets. Due to our multi-jurisdictional operations, our business is subject to numerous laws in different jurisdictions, including laws applicable to the e-commerce sector such as laws with respect to consumer protection, product liability, labelling of goods, online payment, money transmission on a marketplace, privacy, data protection and data security, online advertising and other content and telecommunications, as well as laws applicable to companies in general, such as those relating to intellectual property protection, tax, health and safety, finance, anti-money laundering, competition, import/export, anti-corruption and international sanctions. For example, in the United States, the laws that we are subject to include, among others, the Federal Trade Commission Act, Consumer Product Safety Act, the California Consumer Privacy Act and other federal and state laws on data privacy and protection, the Internal Revenue Code of 1986, the Tariff Act of 1930 and the Foreign Corrupt Practices Act. In Europe, the laws that we are subject to include, among others, the Digital Services Act, the EU and UK General Data Protection Regulations, the VAT System Directive 2006/112/EC, the UK Bribery Act and the Fourth Money Laundering Directive (Directive EU 2015/849). In Singapore, the laws to which we are subject include, among others, the Employment Act of Singapore, the Workplace Safety and Health Act of Singapore and the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992. In the Chinese mainland, laws that we are subject to include, among others, the Enterprise Income Tax Law of the People's Republic of China, the Labour Law of the People's Republic of China and the Regulations of the People's Republic of China on Foreign Exchange Administration. Our multi-jurisdictional operations and sales involve a risk of failure to comply with local laws and regulations. A change in applicable laws and regulations or interpretations in any of the markets could subject us to increased compliance obligations and costs, decrease demand for our products, limit marketing methods and capabilities, or subject us to additional liabilities.

Some of the regions in which we operate or to which we may expand have enacted or may enact or amend, from time to time, laws and regulations governing the internet, e-commerce, the products or services we offer, our investment or other aspects of our operations. If the products or services provided through us were deemed by any relevant government authorities to violate those laws and regulations, we may become subject to penalties, including administrative fines, suspension of business, and revocation of any required licenses, which could materially and adversely affect our business, financial condition and results of operations. For example, in 2020, the Indian government banned dozens of mobile apps, including our apps, under India's Information Technology Act. We cannot rule out the possibility that similar incidents may take place elsewhere in the future. In addition, we are subject to evolving regulations governing outbound investments of jurisdictions in which we operate, which may restrict, delay or otherwise affect our ability to conduct operations, provide support to our subsidiaries or business partners, or implement our global strategy.

Some of our current or future markets are still in the process of perfecting their legal systems, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations may be determined on an ad hoc basis depending on the facts and circumstances. Since local administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy in many of the localities in which we operate. Moreover, local courts may have broad discretion to reject enforcement of foreign awards. Our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or tort claims may be affected. In addition, these factors may be exploited through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from us.

Furthermore, some of the legal systems in which we operate now or in the future are based in part on government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effect. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies and rules until sometime after the violation. In addition, any administrative and court proceedings in the markets in which we operate or to which we may expand may be protracted, resulting in substantial costs and diversion of resources and management attention.

We are from time to time party to litigation and other legal or administrative disputes, proceedings and investigations that may require us to expend significant resources and subject us to penalties, reputational damage or other negative consequences.

From time to time, we have been and continue to be subject to claims, litigation, legal or administrative disputes, proceedings and investigations in the ordinary course of our business, such as those relating to intellectual property rights infringement, antitrust, consumer protection laws, employment disputes, supply chain issues, contractual or other disputes with suppliers or third party service providers and customs inquiries or enforcement including seizure of merchandise. For example, we are currently involved in over 40 pending lawsuits that have been brought against us concerning alleged intellectual property rights infringement. As another example, in December 2023, Temu filed a complaint in the United States District Court for the District of Columbia, accusing us of violating US antitrust laws through unfair competitive practices. In September 2025, our motion to dismiss was partially granted. We continue to vigorously defend ourselves against these allegations, and as of the date of this document, the case remains unresolved. In addition, we are involved in IP infringement lawsuits against Temu and their competition counterclaim against us in the UK, which also remain unresolved. When any proceedings, claims, disputes, arbitration or investigations arise, they may distract our management's attention and consume a significant part of our time and other resources. In addition, even if we ultimately succeed in a given proceeding, there may be negative publicity created in the course of or surrounding that proceeding, which may materially and adversely affect our reputation. We are currently involved in multiple legal proceedings, which may further increase the risks of negative publicity and reputational damage, potentially eroding stakeholder trust, diminishing customer loyalty, and resulting in the loss of business opportunities. In the case of an adverse outcome, we may be required to pay significant monetary damages, incur significant costs, assume significant liabilities or modify, suspend or terminate parts of our operations. As a result, our business, financial condition, and results of operations may be materially and adversely affected. Recent and ongoing regulatory matters across different jurisdictions, including the fines, inquiries and proceedings described in this section and elsewhere in this document, may lead to continued regulatory attention, and there can be no assurance that similar or follow-on investigations, enforcement actions, fines, penalties, remediation obligations or reputational harm will not arise in the future. As of 31 March 2026, we had made provisions in the amount of approximately US$6.0 million for the over 40 pending IP lawsuits described above in accordance with IFRS. The amounts of any provisions we record in connection with any claims, litigation, disputes, proceedings and investigations are inherently subject to substantial uncertainties, including but not limited to the evolution of factual findings, judicial or regulatory interpretations, settlement negotiations, and the possible imposition of remedies or sanctions that have not yet been quantified. Accordingly, the final amounts that we may ultimately be required to pay, if any, could differ materially, either higher or lower, from the provisions recorded.

If we fail to obtain and maintain the requisite licenses, permits, registrations and filings applicable to our global business, or fail to obtain additional licenses, permits, registrations or filings that become necessary as a result of new enactment or promulgation of government policies, laws or regulations in any applicable jurisdiction or the continued expansion of our business, our business, financial condition and results of operations may be materially and adversely affected.

Under the laws and regulations of the jurisdictions in which we operate, we are required to obtain or complete certain licenses, approvals, registrations, filings and other permissions for our multi-jurisdictional operations. To date, our operations have not been materially and adversely affected by the absence of any license. As a growing company that is continually exploring new approaches to conduct our business and capture growth opportunities, we may become subject to additional license, approval and other requirements as we develop and expand our business scope, engage in different business activities and further expand our geographical footprint. Licensing requirements for the same or similar business activities may vary amongst different jurisdictions and are constantly evolving, which makes it difficult for us to ensure full compliance globally and at all times. We may fail to meet certain applicable licensing requirements timely or at all, in which case we may be subject to administrative penalties and our ability to expand our business and sustain our growth may be materially affected. For example, our global operations integrate technologies developed by our global technology teams located in different countries. As a result, due to differences in the laws, geopolitical factors and other considerations across various jurisdictions, import and export requirements relating to goods and technology differ from jurisdiction to jurisdiction and may become more stringent in the future. Even though we are not currently subject to any investigation in this regard in the relevant jurisdictions, this does not mean that we will not, in the future, be required to apply for any license, be deemed to require any permit, or be required to complete any government formalities, and as a result, our business may be adversely affected. We may fail to comply with such requirements in time or at all. As of the date of this document, we are not aware of any material government investigation concerning potential violations of export control laws in connection with the use of our technology. We review our technologies for compliance upon onboarding and periodically following legal updates.

In addition, certain licenses, permits or registrations we hold are subject to periodic renewal, reporting or filing obligations according to the regulations or rules of the relevant jurisdiction. If we fail to maintain or renew one or more of our licenses and certificates when their current term expires, or fail to obtain such renewals in a timely manner, or fail to fulfil reporting or filing obligations in a timely manner, our operations could be disrupted. Furthermore, due to uncertainties of interpretation and implementation of existing laws and the adoption of additional laws and regulations in some of the jurisdictions in which we operate, the licenses, permits, registrations or filings we hold may be deemed insufficient by the local government, which may restrain our ability to expand our business scope and may subject us to fines or other regulatory actions. If any of these risks materialises, our business, financial condition and results of operations may be materially and adversely affected.

Changes in the economic, political or social conditions or government policies in our markets could have a material adverse effect on our business and operations.

Our business, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in the markets in which we operate, including the United States, Europe and elsewhere, or new markets into which we may expand. For example, the political conditions in the United States, particularly with respect to its policies on international relations and trade, have a material effect on our business, as we derived approximately 24% of our revenues from the United States in 2025. See "— B. Risks Related to International Trade and Taxation — Tariffs and International Trade Policy — Escalation of tensions in international relations and the resulting changes in international trade policies may affect our product sales to the global markets and have an adverse impact on our business, financial condition and results of operations".

Some governments exercise significant control over the economic growth and public order in their respective jurisdictions through resource allocation and monetary policies. Governmental actions to control inflation, protect national security or local economy and other policies and regulations have often involved, amongst other measures, price controls, currency devaluations, capital controls, limits on imports and export control. Our ability to conduct and grow our business, and in turn our financial condition and results of operations in future periods, may be adversely affected by changes in government policies or regulations, such as exchange rates and exchange control policies, inflation rates, interest rates, tariff and inflation control policies, price control policies, import duties and restrictions, export control, tax policies, and other political, diplomatic, social and economic developments in or affecting the markets where we operate.

The economic growth in our various markets has been uneven, both geographically and amongst various sectors of the economy. Any adverse changes in economic conditions in those markets or neighbouring regions or in the policies of the governments could have a material adverse effect on the overall economic growth of those markets. Such developments could lead to reduction in demand for our products and services, and adversely affect our competitive position, which in turn may have a material adverse effect on our business, financial condition and results of operations. Some of the governments in the markets in which we operate or to which we may expand have implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall economy, but may have a negative effect on us. Some of these markets have historically experienced low growth in their GDP, significant inflation and/or shortages of foreign exchange. We are exposed to the risk of cost increases due to potential inflation in the markets in which we operate. In the past, governments in some of those markets have implemented interest rate adjustments, currency trading band adjustments, exchange rate controls and other measures to control the pace of economic growth. These measures, or the perception that any of them could occur, may cause decreased economic activity and consumer spending in the relevant markets, which may adversely affect our business, financial condition and results of operations.

Failure to comply with anti-corruption, anti-bribery, anti-money laundering, and similar laws may subject us to penalties and other adverse consequences.

We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws and regulations in the various jurisdictions in which we conduct activities, including the Anti-Unfair Competition Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the US Foreign Corrupt Practices Act of 1977 (the "**FCPA**") and other anti-corruption laws and regulations. A violation of these laws or regulations could subject us to regulatory or criminal investigations and penalties and adversely affect our business, reputation, financial condition and results of operations. We have direct or indirect interactions with officials and employees of government agencies and state-owned-or-affiliated entities in the ordinary course of business. These interactions subject us to an elevated level of compliance-related concerns. We have adopted and implemented certain policies and procedures designed to ensure compliance by us and our Directors, officers, employees, and business partners with applicable anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations, such as the SHEIN Employee Code of Conduct and Anti-Corruption Guidelines and the SHEIN FCPA and Anti-Corruption Policy. However, our policies and procedures may not be sufficient and our Directors, officers, employees and business partners could engage in improper conduct for which we may be held responsible. As a result, we may be subject to regulatory or criminal investigations and penalties for the conduct of our Directors, officers, employees and business partners, which may materially and adversely affect our business, reputation, financial condition and results of operations.

J. RISKS RELATED TO OUR CLASS B SHARES AND THE [REDACTED]

There has been no* [REDACTED] *market for our Class B Shares prior to the* [REDACTED]*, and you may not be able to resell our Class B Shares at or above the price you paid, or at all.

Prior to the [**REDACTED**], there has been no [**REDACTED**] market for our Class B Shares. If an active trading market for our Class B Shares does not develop after the [**REDACTED**], the [**REDACTED**] and liquidity of our Class B Shares will be materially and adversely affected.

There can be no assurance that the market price of a Class B Share will be equal to or exceed the [**REDACTED**] after the [**REDACTED**]. We cannot assure you that an active trading market for our Class B Shares will develop or that the [**REDACTED**] of our Class B Shares will not decline below the [**REDACTED**].

The [**REDACTED**] of our Class B Shares can be volatile and fluctuate widely in response to a variety of factors, many of which are beyond our control, which could result in substantial losses to you.

In addition, the stock market in general, and the [**REDACTED**] for internet companies in particular, have experienced volatility that often has been unrelated to the operating performance of such companies. These broad market and industry fluctuations may adversely affect the [**REDACTED**] of our Class B Shares. Volatility or a lack of positive performance in the price of our Class B Shares may also adversely affect our ability to retain key employees with equity incentives.

Our dual class share structure with different voting rights will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class B Shares may view as beneficial.

We have adopted a dual class share structure and expect to maintain such structure after the completion of the [**REDACTED**] such that our Shares will consist of Class A Shares and Class B Shares. In respect of matters requiring the votes of Shareholders, holders of Class B Shares are entitled to one vote per share, while holders of Class A Shares are entitled to ten votes per share based on our dual class share structure. Only Class B Shares will be [**REDACTED**] and/or sold in the [**REDACTED**]. Each Class A Share is convertible into one Class B Share at any time at the option of the holder thereof by written notice to the Company. A Class A Share automatically converts into a Class B Share on (i) the transfer or assignment of such Class A Share or (ii) the transfer or assignment of all voting securities or substantially all assets of a holder of such Class A Share, in each case, to an entity other than an affiliate of such holder of such Class A Share or another existing holder of Class A Shares.

Our Founders together beneficially own all of our issued Class A Shares. As a result of the dual class share structure and the concentration of ownership, holders of our Class A Shares have considerable influence over matters such as decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of Directors and other significant corporate actions. They may take actions that are not in the best interest of us or our other Shareholders. This concentration of ownership may discourage, delay or prevent a change in control of the Company, which could have the effect of depriving our other Shareholders of the opportunity to receive a premium for their shares as part of a sale of the Company and may reduce the price of our Class B Shares. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of our Class B Shares may view as beneficial.

We cannot predict the effect the dual class share structure may have on the trading price of the Class B Shares or otherwise.

We cannot predict whether the Company's dual class share structure will result in a lower or more volatile [**REDACTED**] of the Class B Shares, in adverse publicity, or have other adverse consequences. The dual class share structure makes the Company ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track those indices, may be unable to invest in the Class B Shares. It is unclear what effect, if any, that has on the valuations of publicly traded companies excluded from such indices (including the Company), but it is possible that it may depress valuations, as compared to similar companies that are included in such indices. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and could make the Class B Shares less attractive to other [**REDACTED**]. As a result, the [**REDACTED**] of the Class B Shares could be adversely affected.

We cannot assure you that we will declare and distribute any amount of dividends in the future, and the return on your* [REDACTED] *in our Class B Shares will likely depend on price appreciation of our Class B Shares.

During the Track Record Period, no dividends were paid or declared by us, and as at 31 March 2026, we did not have any distributable reserve. Therefore, you should not rely on an [**REDACTED**] in our Class B Shares as a source for any future dividend income.

We intend to adopt, before the [**REDACTED**], a dividend policy pursuant to which we target to declare and distribute dividends on an annual basis after the [**REDACTED**] in an amount not less than 50% of our net profit generated in a fiscal year after deducting any significant capital expenditures or as otherwise authorized by the Board. Our board of directors has absolute discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law and the Articles of Association. In addition, our Shareholders in general meeting may declare dividends, but no dividend may exceed the amount recommended by our Directors. See "Financial Information — Dividend Policy" for further information. Even after the adoption of the above dividend policy, the decision on whether to declare dividends and the exact amount of any such distributions in any year will be based upon our Company's operations and earnings, cash flow, financial condition, general business conditions and strategies, capital requirements, future business prospects, statutory and contractual restrictions applicable to the payment of dividends, and other factors that our Board may consider relevant, and will be subject to adjustment and determination by the Board and compliance with applicable laws and regulations. There can be no assurance that dividends of any amount will be declared or distributed in any given period, or that the dividend target described above will actually be achieved or maintained. Accordingly, the return on your [**REDACTED**] in our Class B Shares will likely depend upon any future price appreciation of our Class B Shares. There is no guarantee that our Class B Shares will appreciate in value following the [**REDACTED**] or even maintain the price at which you purchased the Class B Shares. You may not realise a return on your [**REDACTED**] in our Class B Shares and you may even lose your entire [**REDACTED**] in our Class B Shares.

In addition, we are a Cayman Islands holding company and our ability to pay dividends may depend upon dividends paid by our revenue-generating subsidiaries. If any of our subsidiaries incurs debt on its own behalf, the instruments governing such debt may restrict its ability to pay dividends to us. Our subsidiaries in certain jurisdictions may be subject to other restrictions when distributing dividends. For example, pursuant to the Singapore Companies Act, a Singapore company is only allowed to pay dividends out of profits in compliance with Section 403 of the Companies Act (which prohibits dividends from being paid out of profits applied towards the purchase of the company's own shares or gains derived by the company from the disposal of treasury shares) and in accordance with the company's constitution and the generally acceptable accounting principles in Singapore.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and substantial shareholders, could adversely affect the* [REDACTED] *of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and substantial shareholders, or the perception or anticipation of such sales, could negatively impact the [**REDACTED**] of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate.

The Class B Shares held by our existing shareholders may be sold in the [**REDACTED**] market subject to the applicable rules and lock-up periods. Any or all of these shares may be released prior to the expiration of the lock-up period at the discretion of the representatives of the [**REDACTED**] of the [**REDACTED**]. To the extent shares are released before the expiration of the lock-up period and sold into the market, the [**REDACTED**] of our Class B Share could decline.

The governance of our corporate affairs is subject to our memorandum and articles of association, the Companies Act and common law of the Cayman Islands.

Our corporate affairs are governed by, among other things, our Memorandum and Articles of Association, the Companies Act and common law of the Cayman Islands. The rights of Shareholders to take action against our Directors, actions by minority shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those in other jurisdictions. Such differences may mean that the remedies available to the minority shareholders may be different from those they would have under the laws of other jurisdictions. See "Appendix III — Summary of the Constitution of the Company and Cayman Islands Company Law" for more details.

We will incur increased costs and become subject to additional rules and regulations as a result of being a* [REDACTED] *company.

As a result of the [**REDACTED**], we will become a [**REDACTED**] company and expect to incur significant accounting, legal and other expenses that we did not incur as a private company. We expect the rules and regulations applicable to [**REDACTED**] companies to increase our accounting, legal and financial compliance costs and to make certain corporate activities more time-consuming and costly. Our management will be required to devote substantial time and attention to our [**REDACTED**] company reporting obligations and other compliance matters. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance obligations as a [**REDACTED**] company may place a strain on our management, operational and financial resources and systems for the foreseeable future.

If securities or industry analysts do not publish research or publish inaccurate or unfavourable research about our business, or if they adversely change their recommendations regarding our Shares, the [**REDACTED**] ***for our Shares and*** [**REDACTED**] ***could decline.***

The [**REDACTED**] market for our Shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our Shares or publishes inaccurate or unfavourable research about our business, the [**REDACTED**] for our Shares would likely decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the [**REDACTED**] or [**REDACTED**] for our Shares to decline.

In preparation for the [**REDACTED**], we have sought the following waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily residents in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules.

Our Group's senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that the appointment of executive directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorised representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorised representatives will be readily contactable by the Stock Exchange by telephone and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorised representatives are authorised to communicate on our behalf with the Stock Exchange. At present, our two authorised representatives are Mr. Tony Xiaoqing Ren, an executive Director of our Company, and Ms. KWOK Yan Ting Jennis, our Company's company secretary;

(b) pursuant to Rule 3.20 of the Listing Rules, each Director will provide their contact information to the Stock Exchange and to the authorised representatives. This will ensure that the Stock Exchange and the authorised representatives have the means for contacting all Directors promptly at all times as and when required;

(c) each Director who is not ordinarily resident 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

(d) pursuant to Rules 3A.19 and 8A.33 of the Listing Rules, we have retained the services of Somerley Capital Limited as compliance adviser, who will act as an additional channel of communication with the Stock Exchange.

WAIVER AND EXEMPTION IN RESPECT OF THE PRE-[REDACTED] ESOP

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to outstanding options granted by our Company:

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in the [**REDACTED**] document. The Company is also required to disclose in this document full details of all outstanding options and their potential dilution effect on the shareholdings upon [**REDACTED**] as well as the impact on the earnings per share arising from the exercise of such outstanding options.

(b) Paragraph 6 of Chapter 3.6 of the Guide for New Listing Applicants provides that in general, the Stock Exchange would grant waivers from disclosing the names and addresses of certain grantees in the [**REDACTED**] document.

(c) Paragraph 27 of Appendix D1A to the Listing Rules requires the Company to set out in this document particulars of any capital of any member of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; but where options are granted to employees under a share scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

(d) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires the Company to set out in this document, among other things, details of the number, description and amount of any shares in or debentures of the Company which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares or debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it, and the names and addresses of the persons to whom it or the right it was given or, was given or if given to existing shareholders or debenture holders as such, the relevant shares or debentures.

As of the Latest Practicable Date, we had granted 149,047,300 outstanding options under the Pre-[**REDACTED**] ESOP to 3,909 grantees including (i) 4 Directors, senior management, other connected persons of our Company (the "**Management and Connected Persons**"); and (ii) 3,905 other employees or consultants of the Group (the "**Other Grantees**") to subscribe for an aggregate of 149,047,300 Class B Shares. Immediately following completion of the [**REDACTED**] (assuming the Assumptions), the aggregate number of Class B Shares underlying all options granted represents approximately [**REDACTED**]% of the issued Shares immediately following the completion of the [**REDACTED**]. For more details about the Pre-[**REDACTED**] ESOP, see the section headed "Statutory and General Information — D. Share Incentive Plans — 1. Pre-[**REDACTED**] ESOP" in Appendix IV for more information.

We have applied (a) to the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules in relation to the options granted under the Pre-[**REDACTED**] ESOP (the "**ESOP Waiver**"); and (b) to the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting us from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the options granted under the Pre-[**REDACTED**] ESOP to subscribe for new Class B Shares (the "**ESOP Exemption**"), in connection with the disclosure of certain details of the grantees under the Pre-[**REDACTED**] ESOP on an individual basis, on the grounds that strict compliance with the above requirements would be unduly burdensome for the Company based on the following reasons:

(a) since the outstanding options under the Pre-[**REDACTED**] ESOP were granted to a total of 3,909 grantees (none of whom will individually hold more than 2% of the total issued share capital of the Company immediately upon completion of the [**REDACTED**], subject to the Assumptions), strict compliance with the relevant disclosure requirements to disclose the full details of all the options granted by the Company to each of the grantees on an individual basis in this document would be costly and unduly burdensome to the Company, requiring a substantial number of pages of additional disclosure that does not provide any material information to the [**REDACTED**] and would significantly increase the cost and timing for disclosure preparation;

(b) full details of the options granted under the Pre-[**REDACTED**] ESOP to the Management and Connected Persons on an individual basis have been already disclosed in "Statutory and General Information — D. Share Incentive Plans — 1. Pre-[**REDACTED**] ESOP" in Appendix IV to this document;

(c) with respect to the grantees whose options under the Pre-[**REDACTED**] ESOP are not disclosed on an individual basis, such number of new Shares that may be issued pursuant to those options (representing only approximately [**REDACTED**]% of the total issued Shares of the Company immediately upon completion of the [**REDACTED**], subject to the Assumptions) is not material in the circumstances of the Company, and the grant and exercise in full of the options will not cause any material adverse impact to the financial position of the Company; and

(d) material information relating to the outstanding options under the Pre-[**REDACTED**] ESOP will be disclosed in this document, including a summary of the major terms of the plan, the total number of Shares (all being Class B Shares) to be issued under the Pre-[**REDACTED**] ESOP, the exercise price per Share, the vesting schedule and exercise period, the potential dilution effect on shareholding and the impact on earning per Share. The Directors consider that the lack of full compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will not prevent potential [**REDACTED**] from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Group and will not prejudice the interest of the [**REDACTED**] public.

The Stock Exchange [has granted] the ESOP Waiver on the conditions that:

(a) for options granted under the Pre-[**REDACTED**] ESOP to Directors, the senior management and the other connected persons of our Company, disclosure be made on an individual basis, including all the particulars required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules;

(b) in respect of outstanding options granted to grantees other than those referred to in sub-paragraph (a) above under the Pre-[**REDACTED**] ESOP, disclosure be made on an aggregated basis, categorised into groups based on the number of Class B Shares underlying the options of each individual grantee, being (i) 1 to 5,000 Shares, (ii) 5,001 to 50,000 Shares, and (iii) over 50,000 Shares, and in respect of each category, the following details: (1) the aggregate number of such grantees and the number of Class B Shares subject to the outstanding options granted to them under the Pre-[**REDACTED**] ESOP, (2) the consideration paid for the grant of the outstanding options granted under the Pre-[**REDACTED**] ESOP, and (3) the exercise period and the exercise price for the outstanding options granted under the Pre-[**REDACTED**] ESOP;

(c) the aggregate number of Class B Shares underlying the outstanding options granted under the Pre-[**REDACTED**] ESOP and the percentage of our Company's total issued share capital represented by the underlying number of Class B Shares immediately upon completion of the [**REDACTED**] (subject to the Assumptions) be disclosed;

(d) the dilution effect and impact on earnings per Share upon the full exercise of the options granted under the Pre-[**REDACTED**] ESOP be disclosed;

(e) a summary of the major terms of the Pre-[**REDACTED**] ESOP be disclosed; and

(f) the list of all grantees with outstanding options under the Pre-[**REDACTED**] ESOP (including the persons referred to in sub-paragraph (a) above), containing all details as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for physical inspection in accordance with "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this document.

The SFC [has granted] the ESOP Exemption on the conditions that:

(a) for options granted under the Pre-[**REDACTED**] ESOP to Directors, the senior management and the other connected persons of our Company, disclosure be made on an individual basis, including all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of outstanding options granted to grantees other than those referred to in sub-paragraph (a) above under the Pre-[**REDACTED**] ESOP, disclosure be made on an aggregated basis, categorised into groups based on the number of Class B Shares underlying the options of each individual grantee, being (i) 1 to 5,000 Shares, (ii) 5,001 to 50,000 Shares, and (iii) over 50,000 Shares, and in respect of each category, the following details: (1) the aggregate number of such grantees and the number of Class B Shares subject to the outstanding options granted to them under the Pre-[**REDACTED**] ESOP, (2) the consideration paid for the grant of the outstanding options granted under the Pre-[**REDACTED**] ESOP, and (3) the exercise period and the exercise price for the outstanding options granted under the Pre-[**REDACTED**] ESOP;

(c) a list of all grantees with outstanding options under the Pre-[**REDACTED**] ESOP (including the persons referred to in sub-paragraph (a) above) containing all the particulars as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance be made available for physical inspection in accordance with the section headed "Documents delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this document; and

(d) the particulars of the ESOP Exemption be disclosed.

WAIVER AND EXEMPTION IN RELATION TO THE DISCLOSURE REQUIREMENTS WITH RESPECT TO CERTAIN PARTICULARS OF INFORMATION OF OUR SUBSIDIARIES

Paragraph 26 of Appendix D1A to the Listing Rules require this document to include the particulars of any alterations in the capital of any member of our Group within the two years immediately preceding the issue of this document.

Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance require the [**REDACTED**] to include, information in relation to the name, date and place of incorporation, the public or private status and the general nature of the business, the issued capital and the proportion thereof held or intended to be held, of every company (a) the whole of the capital of which or a substantial proportion thereof is held or intended to be held by our Company, or (b) whose profits or assets make, or will make a material contribution to the figures in the Accountants' Report or to the Company's next financial statements.

We have identified nine entities that we consider to be the significant subsidiaries of our Group that were primarily responsible for the business operations and financial performance of our Group during the Track Record Period (the "**Principal Entities**"). See the section headed "History, Reorganisation and Corporate Structure — Our Major Subsidiaries" in this document for more information about the Principal Entities.

The financial contribution of the Principal Entities represent: (a) for each of the three years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026, the aggregate revenue of the Principal Entities represented approximately 95.3%, 91.9%, 91.0% and 91.2% of our Group's net revenues, respectively; and (b) as of 31 December 2023, 2024 and 2025 and 31 March 2026, the aggregate assets of the Principal Entities represented approximately 55.1%, 76.9%, 84.6% and 85.4% of our Group's total assets, respectively. None of the members of the Group other than the Principal Entities contributed to 5% or more of the Group's net revenues or total assets during the Track Record Period.

Globally, our Group has over 100 subsidiaries as of the Latest Practicable Date. The non-Principal Entities do not hold any major or material assets (save for passive financial products and equity investments of our Group), intellectual property rights or other major proprietary technologies or major research and development functions of our Group. It would be unduly burdensome to disclose such required particulars of all Group subsidiaries, which would not be material or meaningful to [**REDACTED**]. Additionally, the remaining subsidiaries in our Group are not significant to the overall operations and financial results of our Group. The non-disclosure of such required particulars in respect of the non-Principal Entities will not prejudice the interest of the [**REDACTED**].

Particulars of the changes in the share capital of our Company and the Principal Entities have been disclosed in the section headed "Statutory and General Information — A. Further Information about our Company and our subsidiaries — 2. Changes in the share capital of our Company" and "Statutory and General Information — A. Further Information about our Company and our subsidiaries — 3. Changes in the share capital of our major subsidiaries" in Appendix IV to this document. The corporate information (including name, principal business activities, place and date of incorporation and the interest held by our Group) of the Principal Entities as required under Paragraph 29(1) of Appendix D1A to the Listing Rules and paragraph 29 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance have also been disclosed in the section headed "History, Reorganisation and Corporate Structure", and in Note 1 to the Accountants' Report as set out in Appendix I to this document.

We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under paragraphs 26 and 29(1) of Appendix D1A to the Listing Rules. We have applied for, and the SFC [has granted] us, a certificate of exemption from strict compliance with the requirements under paragraph 29 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, to the extent not strictly met by the current disclosure in this document. The SFC [has granted] the above exemption on the conditions that: (i) the particulars of such exemption are set out in this document; and (ii) this document is issued on or before [**REDACTED**].

WAIVER IN RESPECT OF ACQUISITION AND INVESTMENTS AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountants' report to be included in a [**REDACTED**] document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the [**REDACTED**] document.

Pursuant to Rule 4.02A of the Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to Note 4 to Rule 4.04 of the Listing Rules, the Hong Kong Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis, and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

Acquisition since 31 March 2026

Since 31 March 2026 and up to the Latest Practicable Date, we completed an acquisition of the entire equity interest of the Target (as defined below) (the "**Acquisition**"), details of which are set out below:

No.	Name of target company(1)	Consideration(2)	Percentage of shareholding/ equity interest	Principal business activities
1. . . .	Everlane, Inc. (the "**Target**")	Approximately US$80 million	100%	Women apparel/accessories fashion business

Notes:

(1) On 17 May 2026, we entered into a sale and purchase agreement with respect to the transfer of 100% equity interests in the Target from the sellers. The Acquisition was completed on 22 May 2026. None of the core connected persons at the level of the Company is a controlling shareholder of the Target. The controlling shareholder of the Target and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

(2) The consideration disclosed above includes the repayment of US$74 million of loan of the Target on the date of the acquisition.

We confirm that the consideration for the Acquisition is the result of commercial arm's length negotiations, based on factors including market dynamics, a mutually agreed valuation, and/or capital need of the relevant company's operations.

Our Directors believe that, as the principal business activities of the Target are closely related to the Group's core business, the Acquisition will complement our Group's business and is expected to create synergies. Accordingly, our Directors believe that the Acquisition was fair and reasonable and in the interests of the Shareholders as a whole. The consideration for the Acquisition was satisfied by the Group's own source of funds.

Conditions for granting the waiver and its scope in respect of the Acquisition

We have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Acquisition on the following grounds:

Ordinary and usual course of business

We make equity investments in sectors relating to our business as part of our ordinary and usual course of business. We have a history of making investments and have conducted a number of investments during the Track Record Period.

The percentage ratios of the Acquisition are less than 5% by reference to the most recent fiscal year of our Company's Track Record Period

The relevant percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Acquisition are all less than 5% by reference to the most recent fiscal year of the Track Record Period.

Accordingly, we believe that the Acquisition has not resulted in any significant changes to our financial position since the end of the Track Record Period, and all information that is reasonably necessary for potential [**REDACTED**] to make an informed assessment of our activities or financial position has been included in this document. As such, we consider that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the [**REDACTED**].

The historical financial information of the Target is not available and would be unduly burdensome to obtain or prepare

Our Company confirms that the Target does not have available historical financial information which is readily available for disclosure in this document in accordance with the Listing Rules. In addition, it would require considerable time and resources for our Company and its reporting accountants to fully familiarise ourselves with the management accounting policies of the Target and compile the necessary financial information and supporting documents for disclosure in this document. As such, our Company believes that it would be impractical and unduly burdensome for our Company within the tight timeframe to disclose the audited financial information of the Target as required under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

In addition, having considered the Acquisition to be immaterial and that our Company does not expect the Acquisition to have any material effect on its business, financial condition or operations, our Company believes that (i) it would not be meaningful and would be unduly burdensome for it to prepare and include the financial information of the Target during the Track Record Period in this document, and (ii) the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the [**REDACTED**].

Alternative disclosure of the Acquisition in this document

We have disclosed alternative information about the Acquisition in this document. Such information includes those which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that our Directors consider to be material, including, for example, descriptions of the Target's principal business activities, the investment amount, and a statement as to whether the core connected persons at the level of our Company is a controlling shareholder of the Target. Since the relevant percentage ratios of the Acquisition are less than 5% by reference to the most recent fiscal year of our Company's Track Record Period, we believe the current disclosure is adequate for potential [**REDACTED**] to form an informed assessment of us.

Investments since 31 March 2026

Since 31 March 2026 and up to the Latest Practicable Date, we completed the following minority investments (the "**Investments**"), details of which are set out below:

No.	Name of target company	Investment amount	Approximate percentage of shareholding/ equity interest	Principal business activities
1 . . .	Company A[(1)]	US$1.32 million	33.33%	Apparel design, production, and online sales
2 . . .	Company B[(2)]	US$1.5 million	33.33%	Apparel design, production, and online sales

Notes:

(1) On 28 May 2026, we entered into an investment agreement with respect to the subscription of approximately 33.33% of the enlarged share capital of Company A. The investment was completed on 9 June 2026.

(2) On 17 June 2026, we entered into an investment agreement with respect to the subscription of approximately 33.33% of the enlarged share capital of Company B. The investment is expected to be completed in the second half of 2026.

(3) None of the core connected persons at the level of the Company is a controlling shareholder of Company A or Company B. The controlling shareholders of Company A and Company B and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

We confirm that the investment amount for the Investments are the result of commercial arm's length negotiations, based on factors including market dynamics, a mutually agreed valuation, and/or capital need of the relevant company's operations.

Our Directors believe that, as the principal business activities of the targets of the Investments are closely related to the Group's core business, the Investments will complement our Group's business and is expected to create synergy effect between the businesses of our Group and the targets and therefore optimise our Group's business development and financial performance. Accordingly, our Directors believe that the Investments were fair and reasonable and in the interests of the Shareholders as a whole. The consideration for the Investments was or will be satisfied by the Group's own source of funds. For the avoidance of doubt, the [**REDACTED**] of the [**REDACTED**] will not be used to fund the Investments.

Conditions for granting the waiver and its scope in respect of the Investments

We have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Investments on the following grounds:

Ordinary and usual course of business

We make equity investments in sectors relating to our business as part of our ordinary and usual course of business. We have a history of making investments and have conducted a number of investments during the Track Record Period.

The percentage ratios of the Investments are less than 5% by reference to the most recent fiscal year of our Company's Track Record Period

The relevant percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for each of the Investments are all less than 5% by reference to the most recent fiscal year of the Track Record Period.

Accordingly, we believe that the Investments, individually or collectively, have not resulted, and will not result, in any significant changes to our financial position since the end of the Track Record Period, and all information that is reasonably necessary for potential [**REDACTED**] to make an informed assessment of our activities or financial position has been included in this document. As such, we consider that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the [**REDACTED**].

We are not able to exercise any control over the underlying company or business of the Investments

We only hold a minority equity interest and do not control the board of directors of the target of the Investments. The minority rights given to us are generally commensurate to our status as a minority shareholder and are for the protection of our interests as a minority stakeholder in the Investments. These rights are neither intended, nor sufficient to compel or require the relevant company to prepare or to disclose in this document audited financial statements for the purposes of compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules. It could be prejudicial and potentially harmful to our portfolio relationships and commercial interests to make such disclosures. In addition, as the target company is private, disclosing this information could harm its interests and bring it into an unfavorable competitive position. Accordingly, as we do not expect the Investments to result in any material changes to our financial position after the Track Record Period, we do not believe the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would prejudice the interest of the [**REDACTED**].

Alternative disclosure of the Investments in this document

We have disclosed alternative information about the Investments in this document. Such information includes those which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that our Directors consider to be material, including, for example, descriptions of the relevant companies' principal business activities, the investment amounts, and a statement as to whether the core connected persons at the level of our Company is a controlling shareholder of the targets of the Investments. We have however excluded disclosure on the name of target companies in connection with the Investments in this document because we have entered into confidentiality agreement with the relevant companies and do not have consent for such disclosure. It is commercially sensitive to disclose the identity of the companies we have invested or intend to invest in as such information may enable our competitors to anticipate our investment strategy. Since the relevant percentage ratios of the Investments are less than 5% by reference to the most recent fiscal year of the Company's Track Record Period, we believe the current disclosure is adequate for potential [**REDACTED**] to form an informed assessment of us.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT

This document, for which our Directors (including any proposed director who is named as such in this document) collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) for the purpose of giving information 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 document 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 document misleading.

CSRC FILING

On 10 July 2026, the CSRC has issued a notification on our Company's completion of the filing procedures for the [**REDACTED**] of our Class B Shares on the Stock Exchange and the [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

EXCHANGE RATE CONVERSION

Solely for convenience, this document contains translations among certain amounts denominated in Hong Kong dollars and U.S. dollars. 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. Unless indicated otherwise, the conversions between U.S. dollars and Hong Kong dollars were made at the rate of HK$[7.8437] to US$1.00, as quoted by the People's Bank of China on the Latest Practicable Date.

LANGUAGE

If there is any inconsistency between the English version of this document and the Chinese translation of this document, the English version of this document shall prevail. Names of any laws and regulations, governmental authorities, institutions, natural persons or other entities which have been translated into English and included in this document and for which no official English translation exists are unofficial translations for your reference only.

ROUNDING

Certain amounts and percentage figures included in this document have been subject to rounding adjustments, or have been rounded to a set number of decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

DIRECTORS

Name	Address
Executive Directors	
Mr. Sky Yangtian Xu (許仰天先生)	Room 1809, No. 113, Wan Hui 2nd Road, Nancun Town, Panyu District, Guangzhou, Guangdong Province, China
Ms. Molly Miao Miao (苗苗女士)	Room 705, No. 45, 1st Street, Phase 4, New Light City Garden, No. 368, Xingnan Avenue, Nancun Town, Panyu District, Guangzhou, Guangdong Province, China
Ms. Maggie Xiaoqing Gu (顧曉慶女士)	Room 908, Unit 3, Building 92, Nanhu Yuan, Dongfang Longhuwan, Nanjing, Jiangsu Province, China
Mr. Tony Xiaoqing Ren (任曉慶先生)	Unit 3023, SOHO, Panyu Yuehai Plaza, Panyu District, Guangzhou, China
Independent Non-executive Directors	
Mr. Denny Ting Bun Lee (李廷斌先生)	No. 4 Dianthus Road, Yau Yat Chuen, Kowloon, Hong Kong
Mr. Hongbin Cai (蔡洪濱先生)	Flat B19, 19/F, Block 2, Tam Towers, 25 Sha Wan Drive, Pokfulam, Hong Kong
Mr. Ming Yan Lim (林明彥先生)	8 Mount Sinai Lane, Singapore 276999

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

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors and [REDACTED]	**Goldman Sachs (Asia) L.L.C.** 68/F, Cheung Kong Center 2 Queen's Road Central Hong Kong
	Morgan Stanley Asia Limited Level 46, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
	J.P. Morgan Securities (Far East) Limited 28/F, Chater House 8 Connaught Road Central Hong Kong

[REDACTED]

Legal Advisers to our Company	*As to Hong Kong and U.S. laws* **Skadden, Arps, Slate, Meagher & Flom and affiliates** 42/F, Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong
	As to PRC law **King & Wood** 28th Floor, China Resources Tower 2666 Keyuan South Road Nanshan District, Shenzhen Guangdong, 518052 PRC
	As to Cayman Islands law **Maples and Calder (Hong Kong) LLP** 26/F, Central Plaza 18 Harbour Road Wan Chai Hong Kong
Legal Advisers to the Joint Sponsors and [REDACTED]	*As to Hong Kong and U.S. laws* **Latham & Watkins LLP** 18th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
	As to PRC law **Haiwen & Partners** 20/F, Fortune Financial Center 5 Dong San Huan Central Road Chao Yang District Beijing, 100020 PRC
Reporting Accountants and Auditor	**Deloitte Touche Tohmatsu** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 35/F, One Pacific Place 88 Queensway Hong Kong

Industry Consultant	**China Insights Industry Consultancy Limited** 10/F, Block B, Jingan International Center, 88 Puji Road, Jingan District Shanghai, China

[**REDACTED**]

CORPORATE INFORMATION

Principal Place of Business in the Chinese Mainland	Building 5, Sihai City Wan Hui 2nd Road Panyu District, Guangzhou, China
Principal Place of Business in Hong Kong	46F, Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Registered Office in the Cayman Islands	PO Box 309, Ugland House Grand Cayman, KY1-1104 Cayman Islands
Company's Website	**https://www.sheingroup.com** *(the information contained on this website does not form part of this document)*
Company Secretary	Ms. KWOK Yan Ting Jennis (郭恩廷) *FCG, HKFCG(PE)* 46F, Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong
Authorised Representatives	Mr. Tony Xiaoqing Ren (任曉慶) Ms. KWOK Yan Ting Jennis (郭恩廷)
Audit Committee	Mr. Denny Ting Bun Lee *(Chairperson)* Mr. Hongbin Cai Mr. Ming Yan Lim
Remuneration Committee	Mr. Ming Yan Lim *(Chairperson)* Mr. Sky Yangtian Xu Ms. Molly Miao Miao Mr. Denny Ting Bun Lee Mr. Hongbin Cai
Nomination Committee	Mr. Hongbin Cai *(Chairperson)* Mr. Sky Yangtian Xu Ms. Molly Miao Miao Mr. Denny Ting Bun Lee Mr. Ming Yan Lim
Corporate Governance Committee	Mr. Hongbin Cai *(Chairperson)* Mr. Denny Ting Bun Lee Mr. Ming Yan Lim

[REDACTED]

Compliance Adviser	**Somerley Capital Limited** 20/F, China Building 29 Queen's Road Central Hong Kong
Principal Banks	**Standard Chartered Bank (Singapore) Limited** Marina Bay Financial Centre (Tower 1) 8 Marina Boulevard, Level 00, Singapore 018981
	Citibank N.A., Singapore Branch 8 Marina View #22-00 Asia Square Tower 1 Singapore 018960

Certain information and statistics presented in this section and elsewhere in this document were derived from publicly available sources as well as from market statistics sourced from China Insights Consultancy ("CIC") and Euromonitor International. We engaged China Insights Consultancy to prepare an independent industry report in connection with the **[REDACTED]***, but we have not engaged Euromonitor International as an industry consultant or expert. We believe that the sources of the information in this section and elsewhere in this document are appropriate sources for such information and reasonable care has been taken in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any part has been omitted that would render such information false or misleading. The information from official sources has not been independently verified by us or any other parties involved in the* **[REDACTED]***, or any of our or their respective directors, officers, or representatives, and no representation is given as to its accuracy or completeness. Accordingly, you should not place undue reliance on such information and statistics. For risks relating to our industries, see "Risk Factors — A. Risks Related to Our Business and Growth Prospects."*

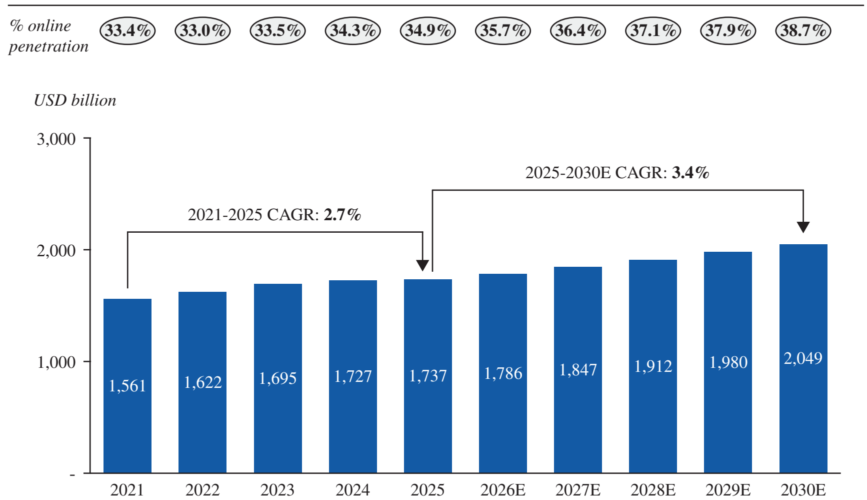
GLOBAL FASHION INDUSTRY OVERVIEW

The pursuit of beauty is embedded in human nature. The history of the fashion industry spans millennia and has been at the core of human experience across generations.

The universal appeal of fashion makes it consistently one of the largest categories in the consumer retail sector. According to CIC, the global fashion industry reached $1.7 trillion in 2025 and is expected to grow to $2.0 trillion in 2030.

The fashion industry is deeply rooted in history and tradition. It is also evolving rapidly, particularly with the rise of internet and mobile penetration globally. As the ways consumers discover and experience fashion change, and as consumer expectations about fashion evolve, the industry presents both challenges and opportunities for industry players to curate offerings and services that can meet and exceed consumers' ever-evolving needs.

Market size of fashion industry, in terms of RSV[1], Global, 2021-2030E



Source: Annual reports from listed companies and industry expert interviews, Euromonitor, CIC

Note: 1. Retail sales value of global fashion industry (encompassing apparel, footwear and accessories), excluding VAT

Within the fashion industry, online retail is a key component of sales value, as shown below:

The market sizes of the entire fashion industry (Retail Sales Value, US$ billions)	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Global Fashion Retail.	1,561.5	1,621.9	1,694.9	1,726.5	1,736.9	1,785.6	1,847.1	1,912.4	1,980.1	2,049.3
Global Fashion Online Retail . .	522.3	535.3	567.3	591.4	606.4	637.2	672.9	710.4	750.8	792.1
Global Fashion Offline Retail . .	1,039.2	1,086.6	1,127.5	1,135.1	1,130.6	1,148.3	1,174.2	1,202.0	1,229.3	1,257.2

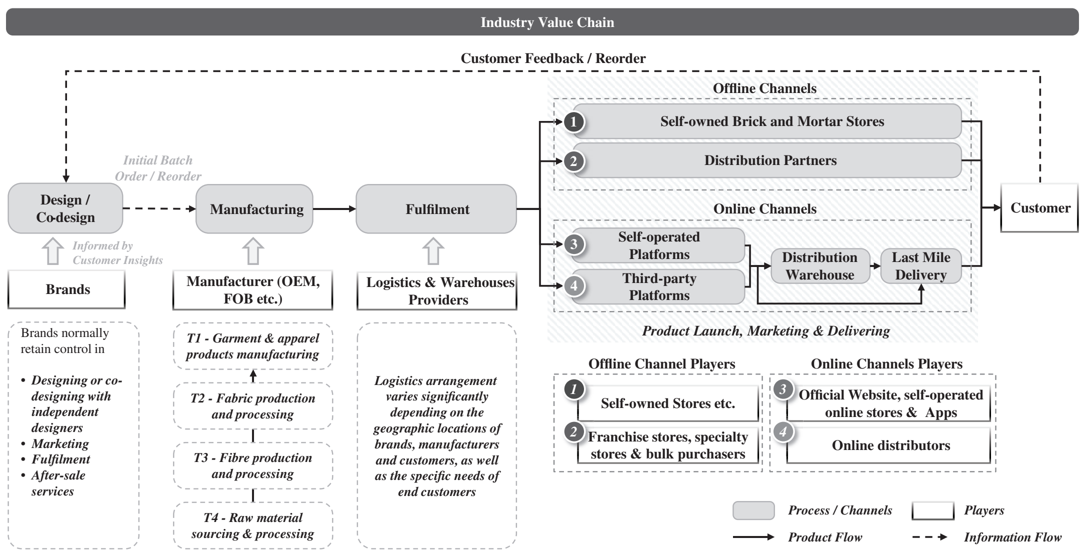
The fashion industry primarily consists of the apparel (including apparel accessories) and footwear categories. Set out below is a segment breakdown by these categories:

The market sizes of subsegment (Retail Sales Value, US$ billions)	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Global Fashion Retail	1,561.5	1,621.9	1,694.9	1,726.5	1,736.9	1,785.6	1,847.1	1,912.4	1,980.1	2,049.3
Global Apparel Retail.	1,237.9	1,281.1	1,333.1	1,363.1	1,370.0	1,408.4	1,455.7	1,505.7	1,557.2	1,609.8
Global Footwear Retail	323.5	340.8	361.8	363.4	367.0	377.2	391.3	406.7	422.9	439.5

Source: Annual reports from listed companies and industry expert interviews, Euromonitor, CIC

THE FASHION INDUSTRY VALUE CHAIN

The graphic below depicts the fashion industry's value chain, outlining the main stages from product design and manufacturing to distribution through online and offline channels. It illustrates the roles of brands, manufacturers, logistics providers, and distribution partners, and shows how customer feedback drives reorders and improvement in the industry.



KEY TRENDS IN TODAY'S FASHION INDUSTRY

The secular shift towards online: Fashion consumption has been experiencing a tectonic shift from offline to online. With the maturing of global technology and infrastructure, including mobile payments, global fulfilment, social media and recommendation technology, fashion players can expand beyond the limitations of brick-and-mortar stores. They can leverage the latest technology to deliver a broader and more diverse product selection, accelerate design-to-market cycles, enhance customer engagement, and provide unmatched convenience. In terms of fashion discovery, forward-thinking fashion players are creating immersive digital experiences, harnessing the momentum of social commerce and collaborating with influencers to captivate their audience. Advanced data analytics and insights into consumer behaviors also help fashion players to curate personalised shopping experiences, which deepens engagement and builds lasting loyalty with consumers.

Consumers value individuality and trendiness: Today's digital-native consumers value individuality. For them, fashion is a form of self-expression. Consumers' preferences are increasingly diverse, and they prefer products that speak to their unique and distinctive style, rather than conform to a common denominator. With the omnipresence of social media, which amplifies trends and sparks a deep desire for the latest looks, consumers' preference shifts are accelerating as well, requiring constant style updates to stay in vogue.

Value beyond fashion: Consumers increasingly value brands that prioritize social inclusiveness, ethical responsibility and positive impact over mere fashion offerings. They seek alignment with principles such as diversity, fair and equitable business practices and reduced environmental impact. Through transparent supply chains, sustainable sourcing, and community-focused initiatives, fashion players have been incorporating consumers' focused value beyond fashion into their business operations and strategies, fostering a more equitable, sustainable future.

Supply-side innovation: As consumer expectations around rich availability and quick accessibility continue to rise, supply chain agility and global fulfilment capabilities have become key differentiators in the fashion industry. Global fashion leaders are investing in flexible production models and real-time inventory management to meet demand more quickly and reduce overstock risk. The ability to test, learn, and restock quickly is critical for fashion players to catch up with the accelerating changes in consumers' fashion demand. Innovative technologies in fulfilment and warehousing are also being developed and deployed to ensure speedy delivery, which is important to consumers' overall experience.

STRUCTURAL CHALLENGES

Fashion is inherently personal, with a long-tail demand driven by diverse consumer tastes and rapidly evolving trends. To meet consumer expectations, in an ideal world, fashion industry players would need close-to-infinite product variations and instant design-to-shelf updates. In reality, fashion players consistently face three core challenges (the fashion industry "trilemma"), namely achieving an optimal balance among product selection variety, design refreshment speed, and inventory management efficiency:

- **Product selection variety:** The ability to offer a wide product assortment is constrained by both physical and operational limitations. In physical stores, shelf space and store footprint restrict the number of products that can be displayed. In the backend, limitations in supply chain agility and design capacity make it difficult to continuously offer wide, on-trend products without compromising inventory efficiency.

- **Design refreshment speed:** Keeping pace with fast-changing consumer tastes and market trends requires frequent design updates, but many fashion players are constrained by seasonal merchandise planning and long production cycles. Fashion players may have to forecast demand well in advance and take months to bring new designs to market, by which time trends may have already shifted. This lag limits fashion players' ability to capitalise on emerging styles, and to offer products that resonate with trend-conscious consumers, which increases the risk of outdated inventory.

- **Inventory management efficiency:** Balancing inventory to avoid overstocking or stockouts is a persistent challenge in the fashion industry. High inventory levels lead to unsold goods and waste, while low levels lead to missed sales. The challenge further compounds when fashion players want to offer wide selection and quick design updates. On average, the industry sees inventory waste rates as high as 30%, indicating that many players opt to err on the side of maintaining higher inventory. When high inventory turns into excess stock, capital will be tied up, markdown pressure will increase, and profitability and business sustainability will be eroded. Many players may ultimately pass on these costs to consumers in the form of higher prices. The increased prices that consumers must pay are essentially the result of suppliers failing to match demand with appropriate supply.

Over the years, many fashion players have attempted to and made some progress in addressing one or two dimensions of the industry trilemma, but few have been able to resolve all three pain points simultaneously. Players that prioritize assortment richness will often find inventory levels ballooning to unsustainable levels, leading to significant waste and margin pressure. Players that prioritize inventory management typically fall short in offering a wide assortment of products that speaks to consumers' growing need for individuality.

The best-in-class fashion players who can effectively address all these industry challenges are poised to provide more value to consumers, enhance productivity on the supply side, alleviate environmental pressure, and eventually capture significant market share.

COMPETITIVE LANDSCAPE AND KEY SUCCESS FACTORS

The fashion industry is highly fragmented. According to CIC, the top 20 players in aggregate only represented approximately 20.5% of total market share in 2025. This is largely due to the challenges of the industry trilemma, which require fashion players to consider width of selection, frequency of design updates, inventory level, profitability, customer affordability, and sustainable practices. Balancing these factors is difficult, which often makes it challenging for a single player from capturing significant market share in the industry.

As a result, the industry norm is for fashion players to focus on their own specific segment of customer demand, which results in limited market share in the massive market. Consumers look for a large variety of trendy, high-quality and affordable products. They expect their shopping experience to be personalised and convenient, with speedy delivery, reliable after-sales service, and value beyond just shopping.

In light of these customer needs, we believe the key success factors are the following:

- **The ability to tackle the industry trilemma**. Winning fashion players today should be able to deliver what consumers value most regarding products: broad assortment, trendy new launches, reliable quality and affordability.

- **The ability to manage and optimise a supply chain**. To provide consumers with the products that they desire in a timely manner and at attractive price points, winning fashion players should have the infrastructure necessary for managing a complex supply chain and fulfilment network that maximises cost-effectiveness, speed and reliability, among other factors.

- **The ability to provide a differentiated shopping experience**. Beyond just products, consumers have increasingly high expectations for the overall shopping experience. Winning fashion players should be able to create intuitive, smooth, personalised, and meticulous shopping experiences for today's digital-native consumers across the entire shopping experience, from browsing, to fashion discovery, to the check-out process, to secure payment, to speedy delivery, and to after-sales services.

- **The ability to develop a viable and sustainable economic model**. As winning fashion players develop product and service offerings that indulge customers' preferences, they should also be able to manage inventory, cost, efficiency, and compliance effectively, and grow using healthy economic models.

- **The ability to constantly optimise the customer experience and business model using the latest technology**. As the technology advancement flywheel accelerates, winning fashion players should be well-versed with the latest technology advancements. Winning fashion players should be able to leverage the latest technology tools to help enhance the customer experience on the front-end and supply chain efficiency on the back-end.

- **The ability to bring traditional fashion manufacturing into the digital era:** The fashion manufacturing process continues to utilise many traditional methods, and has been relatively slow to integrate technology. Manufacturing frequently involves manual actions performed by small- and medium-sized businesses with limited resources, which both results from and contributes to the fashion industry's fragmented structure. These challenges make it difficult for traditional brands to scale efficiently, often resulting in excess working capital requirements and suboptimal cost structures. As modern technology continues to penetrate this massive industry with a long history, fashion players that leverage purpose-built digital infrastructure are better positioned to accelerate growth, minimise working capital, and optimise their cost structure.

The table sets forth the key players in the global fashion industry and their respective market share in 2025, according to CIC:

Key Player	Market Share
Industry Peer A[(1)]	3.0%
Industry Peer B[(2)]	2.5%
The Company	1.9%
Industry Peer C[(3)]	1.7%
Industry Peer D[(4)]	1.3%

Source: Annual reports from listed companies and industry expert interviews, Euromonitor, CIC

Notes:

(1) Industry Peer A is a global company originating from the US that offers athletic footwear, apparel, equipment and accessories.

(2) Industry Peer B is a global fast fashion group originating from Spain that designs, manufactures, and sells apparel, home living and accessories, focusing on trending designs and global distribution.

(3) Industry Peer C is a multinational athletic apparel and footwear company headquartered in Germany.

(4) Industry Peer D is a Japan-based apparel retailer offering casual clothing and apparel.

OPPORTUNITIES BEYOND FASHION

While fashion represents one of the largest and the most dynamic categories in the global retail market, similar structural trends and unmet needs are emerging across other major categories. Today, consumers are not only seeking variety and personalization in what they wear, but also in how they furnish their homes, care for their appearance, and purchase essential electronics and appliances. Lifestyle categories such as home & living, appliances & electronics, and beauty & personal care offer opportunities for digital platforms to address fragmented demand, improve discovery, and capture share in large and growing markets.

The chart below shows the market sizes of the home & living (which includes home improvement & gardening, homewares & home furnishing and other home products), appliance & electronics (which includes appliances & electronics and consumer electronics), and beauty & personal care categories (which includes personal care, beauty and consumer health, according to CIC:

Categories beyond Fashion (Retail Sales Value, US$ billions)	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Home & Living	1,332.3	1,364.3	1,376.0	1,375.9	1,407.8	1,449.2	1,490.3	1,533.1	1,577.1	1,625.1
Appliances & Electronics	1,214.8	1,231.8	1,271.2	1,360.6	1,441.0	1,529.2	1,625.1	1,732.1	1,849.2	1,975.8
Beauty & Personal Care	474.6	504.8	548.5	583.8	613.5	651.0	690.7	732.4	776.7	824.0

Source: Annual reports from listed companies and industry expert interviews, Euromonitor, CIC

Home & living: According to CIC, the global home & living retail industry reached US$1,407.8 billion in 2025 and is expected to grow at a CAGR of 2.9% to reach US$1,625.1 billion in 2030, primarily driven by the integration of smart home and IoT technology, and increasingly customized home decoration demand. The global online home & living retail industry reached US$281.8 billion in 2025 and is expected to further increase to US$373.8 billion in 2030 at a CAGR of 5.8%.

Appliance & electronics: According to CIC, the global appliances & electronics retail industry reached US$1,441.0 billion in 2025 and is expected to grow at a CAGR of 6.5% to reach US$1,975.8 billion in 2030, primarily driven by technology innovation of appliances & electronics products as well as the increasing online e-commerce penetration. The global online appliances & electronics retail industry reached US$659.3 billion in 2025 and is expected to further increase to US$1,066.9 billion in 2030 at a CAGR of 10.1%.

Beauty & personal care: According to CIC, the global beauty & personal care retail industry reached US$613.5 billion in 2025 and is expected to grow at a CAGR of 6.1% to reach US$824.0 billion in 2030, primarily driven by consumers' needs for personalised and sustainable products, and the increasing online e-commerce penetration. The global online beauty & personal care retail industry reached US$170.5 billion in 2025 and is expected to further increase to US$263.7 billion in 2030 at a CAGR of 9.1%.

KEY RAW MATERIAL PRICE TRENDS FOR PRODUCING APPAREL AND FOOTWEAR PRODUCTS

In 2025, 82.7% of the Company's raw material portfolio by weight consisted of polyester, a type of man-made fibre. The Chinese mainland is the largest man-made fibre production jurisdiction in terms of sales value in 2025. The total sales value of man-made fibre of the Chinese mainland exceeds the combined total of the second to tenth largest man-made fibre producing countries. Therefore, we quote the price index of man-made fibre in the Chinese mainland as the proxy for the global price trend for polyester.

The price index of man-made fibre in the Chinese mainland increased slightly from 100.0 in 2021 to 104.2 in 2022, which was mainly due to demand recovery and supply-side constraints. Post-pandemic economic revival, coupled with economic stimulus measures, reignited consumer spending on apparel and industrial textiles. After reaching the peak in 2022, the price index of man-made fibre in the Chinese mainland experienced a slight decline, reached 94.0 in 2025, reflecting the supply-demand fluctuations and raw material price swings.

Meanwhile, from 2021 to 2025, the Producer Price Index (the "**PPI**") of Apparel and Footwear in the Chinese mainland remained relatively stable, slightly increasing from a base of 100.0 in 2021 to 102.0 in 2025.

SOURCES OF INFORMATION

We commissioned CIC, an independent market research and consulting firm, to prepare a report on the global fashion industry (the "**CIC Report**"). CIC, founded in Hong Kong, provides professional services including, among others, industry consulting, commercial due diligence and strategic consulting. We have agreed to pay a fee of RMB1,050,000 to CIC in connection with the preparation of the CIC Report. We are of the view that the payment of such fee does not impair the fairness of the conclusions drawn in the CIC Report. We have extracted certain information from the CIC Report in this section, as well as elsewhere in this document, to provide our potential [**REDACTED**] with a more comprehensive presentation of the industry in which we operate. During the preparation of the CIC Report, CIC performed both primary and secondary research, and obtained knowledge, statistics, information on and industry insights into the global fashion industry. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analysing data from various publicly available data sources. The CIC Report was compiled based on the following assumptions: (1) the relevant key drivers are likely to drive the continued growth of the global fashion industry throughout the forecast period; and (2) there is no extreme force majeure or unforeseen industry regulations in which the industry may be affected in either a dramatic or fundamental way. All forecasts in relation to market size are based on the general economic conditions as of the Latest Practicable Date. After making reasonable inquiries, our Directors confirm that there has been no adverse change in the market information presented in the CIC Report since the date of the report which may qualify, contradict or have an impact on the information in this section.

Our global operations subject us to various laws and regulations in the jurisdictions where we operate, particularly those concerning consumer protection, data privacy and protection, import and export, labour practices, anti-money laundering, terrorism financing prevention, economic sanctions, anti-corruption and foreign exchange controls. Below are the laws and regulations in these areas that we believe may materially affect our operations in certain jurisdictions.

Laws and regulations in the jurisdictions where we operate can be complex, sometimes contradictory, and frequently changing. Compliance is costly and often requires changes to our business practices, as well as significant amounts of management time and focus. These laws and regulations may be interpreted and enforced differently in various locations around the world, posing a significant challenge to our global business.

REGULATIONS RELATED TO CONSUMER PROTECTION

Set forth below are laws and regulations related to consumer protection in the United States and Europe (including the United Kingdom). These jurisdictions are highlighted because the United States and Europe are our largest markets by revenue contributions.

In the United States, we are subject to federal and state laws and regulations regarding consumer protection. The Federal Trade Commission is the principal federal consumer protection regulator and establishes regulations and institutes enforcement proceedings with respect to consumer protection and data privacy, including activities on the internet. At the state level, various state regulatory authorities also oversee similar consumer protection matters. There are also federal and state laws protecting consumer personal data and credit card information.

For example, the Federal Trade Commission Act prohibits unfair and deceptive acts or practices in consumer commercial transactions, such as use of biased algorithms in artificial intelligence, and it is enforced by federal regulators. Non-compliance with the Federal Trade Commission Act can result in injunctions and fines of up to US$50,120 per violation of a Federal Trade Commission rule (or per day for ongoing violations), which is annually adjusted for inflation (and "violation" is not fully defined and could be interpreted to be as granular as per data field of information collected, so fines can be significant).

US states have adopted analogous state statutes that are enforced by state regulators and private rights of action. The Controlling the Assault of Non-Solicited Pornography and Marketing Act (the "**CAN-SPAM**"), establishes requirements for commercial email messages. The CAN-SPAM, among other things, generally prohibits false or deceptive header information and subject lines, requires that advertisements be identified as such, and requires that consumers be provided means to opt out of receiving future emails. The Federal Trade Commission also requires that businesses maintain certain disclosures if they advertise their products or services, engage in affiliate marketing, post reviews or testimonials, or promote a brand's products or services via their social media influencer account.

In the United States, we are subject to regulation by the US Consumer Product Safety Commission (the "**CPSC**"), under the Consumer Product Safety Act, the Consumer Product Safety Improvement Act, the Federal Hazardous Substances Act, and other laws enforced by the CPSC. These statutes and the related regulations establish safety standards and bans for consumer products. The CPSC monitors compliance of consumer products under its jurisdiction through market surveillance and has the authority to conduct product safety related inspections of establishments where consumer products are manufactured, held, or transported. The CPSC has the authority to require the recall of non-compliant products or products containing a defect that creates a substantial risk of injury to the public. The CPSC may seek penalties for regulatory non-compliance under certain circumstances. In the United States, textile, wool, fur, and leather products, as well as hazardous household products, are also subject to regulatory requirements such as the Fur Products Labeling Act, the Federal Hazardous Substances Act, and the Federal Trade Commission's guides.

In the EU, we are subject to general consumer protection legislation, including the Consumer Rights Directive and the Consumer Protection Cooperation Regulation as well as the EU Digital Services Act (the "**DSA**"), which governs platform liability for illegal products, merchant traceability and transparency of recommendation systems, and prohibits manipulative user interfaces. A platform may be directly liable under consumer protection law if it presents products in a way that would lead an average consumer to believe the platform, rather than by a third-party merchant, is the provider, and non-compliance can result in fines of up to 6% of worldwide turnover and compensation claims. We were designated as a Very Large Online Platform (VLOP) under the DSA in April 2024 and have been subject to its the most stringent rules since the end of August 2024. The EU Market Surveillance Regulation also imposes obligations on online marketplaces acting as "fulfilment service provider" to reduce the availability of non-compliant products in the EU. Consumer products in the EU must also comply with the General Product Safety Regulation, which imposes safety, conformity, and post-market surveillance obligations on manufacturers and importers. Retailers who make textile products available within the EU also have to comply with various requirements with respect to the use of textile fibre names as well as labelling and marking of the composition of textile products. In the EU, these aspects are governed by the Regulation (EU) No 1007/2011 of the European Parliament and of the Council of 27 September 2011, which contains rules concerning the use of textile fibre names, the composition of multi-fibres, the content and form of labelling as well as the monitoring of the implementation of the respective requirements including market surveillance checks by the competent authorities.

The United Kingdom also introduced its own mandatory conformity marking requirements under the proposed new UKCA scheme in 2024 (replacing the existing EU CE marking scheme, but which remains valid in the UK), which requires online sellers of certain eligible consumer products to UK consumers to visually display evidence of such requisite marks on physical product and/or packaging and on their online product listings.

In addition, we are subject to the applicable regulations related to consumer protection of other jurisdictions where we operate or sell our products.

REGULATIONS RELATED TO DATA PRIVACY AND PROTECTION

Set forth below are laws and regulations related to data privacy and protection in the United States and Europe (including the United Kingdom). These jurisdictions are highlighted because the United States and Europe are our largest markets by revenue contributions.

In the United States, we are subject to federal and state laws and regulations regarding data privacy and protection. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Act of 2020 (collectively, the "**CCPA**"), requires covered businesses to make certain disclosures to consumers about data collection, use and sharing practices, provides consumers with the right to access, delete and opt out of the sale or sharing of their personal data, prohibits covered businesses from discriminating against consumers who exercise any of their rights thereunder, and establishes a new California Privacy Protection Agency to implement and enforce the law. The CCPA also provides a private right of action and statutory damages for certain data breaches that result in the loss of personal data. A growing number of other US states have enacted or proposed similar comprehensive privacy laws. Non-compliance with these laws can result in significant fines and penalties. State laws are changing rapidly, and there is discussion in Congress of new comprehensive federal data protection legislation.

With respect to the use of personal data for direct marketing purposes, the Telephone Consumer Protection Act and the Telemarketing Sales Rule impose significant restrictions on the use of telephone calls and text messages to residential and mobile telephone numbers as a means of communication when prior consent of the person being contacted has not been obtained. In addition, the CAN-SPAM establishes specific requirements for commercial email messages and specifies penalties for the transmission of commercial email messages that are intended to deceive the recipient as to source or content, and obligates, among other things, the sender of commercial emails to provide recipients with the ability to opt out of receiving future commercial emails. Non-compliance with these laws may be enforced by federal regulators or through private litigation, including class actions, and can result in significant penalties.

Under applicable US federal and state laws and regulations addressing privacy and data security, we must provide notice to consumers of our policies with respect to the collection and use of personal data, and our sharing of personal data with third parties, and notice of any changes to our data handling practices. In some instances, we may be obligated to give customers the right to prevent sharing of their personal data with third parties. Under applicable US federal and state laws, we also are required to adhere to a number of requirements when sending commercial email to consumers, including identifying advertising and promotional emails as such, ensuring that subject lines are not deceptive, giving consumers an opportunity to opt-out of further communications and clearly disclosing our name and physical address in each commercial email. Regulation of privacy and data security matters is an evolving area, with new laws and regulations enacted frequently.

In Europe, we are also subject to laws and regulations regarding data privacy and protection, including the General Data Protection Regulation (the "**EU GDPR**") and the United Kingdom General Data Protection Regulation and Data Protection Act 2018 (the "**UK GDPR**"). We refer to the EU GDPR and UK GDPR as the GDPR. The GDPR imposes comprehensive data privacy compliance obligations on controllers and processors of personal data, including requirements regarding data processing, data subject rights, cross-border data transfers, data breach notification and accountability. The GDPR restricts the transfer of personal data outside the EEA and the UK to jurisdictions without an adequacy determination, unless appropriate safeguards are in place. Failure to comply with the EU laws, including failure under the GDPR and other laws relating to the security of personal data, may result in fines of up to €20,000,000 (£17,500,000 under the UK GDPR) or up to 4% of the total worldwide annual turnover of the preceding financial year, if greater, and other administrative penalties including regulatory investigations, reputational damage, orders to cease/change our data processing activities, enforcement notices, assessment notices (for a compulsory audit), civil claims (including class actions) and, in certain EU jurisdictions, criminal liability.

We are also subject to evolving privacy laws in Europe on cookies, tracking technologies, online behavioural advertising and e-marketing. Under national or retained laws derived from the ePrivacy Directive, informed consent is required for the placement of a cookie or similar technologies on an individual's device and for direct electronic marketing.

The GDPR also imposes conditions on obtaining valid consent for cookies, such as a prohibition on pre-checked consents and a requirement to ensure separate consents are sought for each type of cookie or similar technology. Increased regulation of cookies, tracking technologies and online behavioural advertising may lead to broader restrictions and impairments on our online activities including our ability to identify and potentially target users, lead to substantial costs, require significant changes to our systems or infrastructure, negatively impact our ability to understand our customers, and subject us to additional liabilities.

REGULATIONS RELATED TO IMPORT AND EXPORT

Set forth below are laws and regulations related to import and export in the United States, the EU and the Chinese mainland.

In the United States, where we generated approximately 24% of our revenues in 2025, Section 321 of the Tariff Act of 1930 provides for an administrative exemption from duty and taxes for shipments of merchandise (other than bona-fide gifts and certain personal and household goods) imported by one person on one day having an aggregate fair retail value in the country of shipment of not more than $800, which previously applied to qualifying imports from China as well as other countries. Since early 2025, President Trump has implemented significant changes to U.S. trade policy with China, including terminating this *de minimis* exemption for imports from China. Shipments under US$800 from China and delivered to the United States (except for shipments sent through the international postal network which are subject to a specific duty) are no longer entitled to tariff exemptions and are subject to tariffs based on product categories. Shipments from China via the international postal network became subject to a 54% ad valorem tax or, alternatively, a flat fee of US$100 per postal item. As a result, the *de minimis* exemption is no longer available to products imported to the United

States from China. On 30 July 2025, President Trump signed another executive order suspending the *de minimis* exemption for imports from all countries (except for shipments sent through the international postal network which are subject to a specific duty), which took effect on 29 August 2025. The suspension was reaffirmed by an executive order signed by President Trump on 20 February 2026, which confirmed its continued effectiveness following the U.S. Supreme Court's recent ruling on tariffs.

In the EU, Articles 369l to 369x of the VAT System Directive 2006/112/EC contain the Import-One-Stop-Shop (IOSS) regulations applicable throughout the EU. The IOSS VAT system is a special VAT regulation applicable throughout the EU since 1 July 2021 for "distance sales" of goods traded in e-commerce with a real value of up to EUR 150, which are imported from a non-EU country and are sold to non-VAT-registered purchasers (both natural and legal persons). The IOSS regulation applies to the following businesses: (i) online mail order sellers (online distance sellers) sell goods imported from a non-EU country with a real value of up to EUR 150 per consignment to buyers within the EU who are not subject to VAT, and (ii) online marketplaces assist an online distance seller in selling goods imported from outside the EU. In February 2026, the EU formally approved a regulation that terminated this exemption, effective 1 July 2026. Under the new framework, a flat-rate customs duty of EUR 3 is initially levied on each distinct item category contained in consignments valued at or below EUR 150.

In the Chinese mainland, pursuant to the relevant import and export laws and regulations, enterprises in the Chinese mainland engaging in the import or export of goods or technology must complete the record filing and registration formalities with the Ministry of Commerce of China or its designated agency. Unless otherwise provided, the declaration of import or export goods and the payment of duties and related taxes may be made by consignees or consignors or by certain entrusted customs brokers. Customs declaration entities, which are consignees or consignors of imported or exported goods or customs brokers that have filed for record with Chinese mainland customs, may conduct customs declaration business within the customs territory of the Chinese mainland.

REGULATIONS RELATED TO LABOUR PRACTICES

We have a significant number of employees in the Chinese mainland. Set forth below are laws and regulations related to labour practices in the Chinese mainland.

In the Chinese mainland, the Labour Law of the People's Republic of China, which was last amended on 29 December 2018, provides that employees are entitled to equal opportunities in employment, selection of occupation, receiving labour remuneration, rest days and holidays, protection of occupational safety and healthcare, social insurance and welfare. Employers must establish and improve a system for occupational safety and healthcare, provide training on occupational safety and healthcare to employees, comply with national and local regulations on occupational safety and healthcare, and provide necessary labour protective supplies to employees.

The Labour Contract Law of the People's Republic of China, which was last amended on 28 December 2012, requires every employer to enter into a written contract of employment with each of its employees. The employer may not force its employees to work over 44 hours per week on average and each employer must pay overtime compensation to its employees. The wage of each employee must be no less than the local standard on minimum wages. In accordance with the Labour Contract Law as well as the Interim Provisions on Labour Dispatch, which became effective on 1 March 2014, dispatched workers are entitled to equal pay for equal work as compared to fulltime employees.

Employers are allowed to hire dispatched workers only for temporary, auxiliary or substitute positions, and the number of dispatched workers that an employer is allowed to hire cannot exceed 10% of the total number of employees hired by such employer. In accordance with the Social Insurance Law of the People's Republic of China, which was last amended on 29 December 2018, employers in the Chinese mainland are required to provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, and occupational injury insurance.

If the employer fails to fully contribute to social insurance funds on time, the collection agency for such social insurance may demand that the employer make full payment or pay the shortfall within a set period and collect a late charge. If the employer fails to pay after the due date, the relevant government administrative body may impose a fine on the employer. In accordance with the Regulation on the Administration of Housing Provident Funds, which was last amended on 24 March 2019, enterprises must register with the competent managing centre for housing funds and contribute to the housing funds for any employee on their payroll. Where an employer fails to pay up housing funds within the prescribed time limit, the employer may be fined and ordered to make payment within a certain period.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labour 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)》), or the Interpretation II, which took effect on 1 September 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labour contract and claims economic compensation pursuant to the Labour Contract Law, the people's court shall support such claims in accordance with the law. If the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people's court shall support such requests in accordance with the law. Based on the facts that (i) we have not signed any agreement with our employees or received any commitment from employees to give up the payment of social insurance, and (ii) our employees are entitled to terminate labour contracts and claim economic compensation in accordance with the Labour Contract Law, in lieu of the Interpretation II (which does not impose additional liabilities on the employer), as advised by our PRC Legal Adviser, the Interpretation II does not have a material adverse impact on our business operations or financial position.

In addition, we are subject to the applicable regulations related to labour practices of other jurisdictions where we operate or sell our products, such as the EU, the UK, Singapore and the United States.

REGULATIONS RELATED TO ANTI-MONEY LAUNDERING, PREVENTION OF TERRORISM FINANCING, ECONOMIC SANCTIONS AND ANTI-CORRUPTION

Set forth below are laws and regulations related to anti-money laundering, prevention of terrorism financing, economic sanctions and anti-corruption in the United States, Europe (including the United Kingdom) and Singapore. These jurisdictions are highlighted because the United States and Europe are our largest markets by revenue contributions and Singapore is one of the jurisdictions where we conduct operations.

In the United States, economic sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") restrict trade with or investment in designated countries, and generally prohibit transfers of blocked assets without an OFAC license. Failure to comply with these sanctions could result in civil money penalties and other legal, strategic and reputational consequences. In addition, the U.S. Foreign Corrupt Practices Act of 1977 (the "**FCPA**") prohibits corrupt payments to foreign government officials and, for issuers whose securities are listed in the United States requires the maintenance of accurate books and records and adequate internal accounting controls. Violations of the FCPA, even if occurring wholly outside the United States, can result in criminal and civil fines, imprisonment, disgorgement, oversight and debarment from government contracts.

In Europe, the EU imposes restrictive measures, or sanctions, targeting governments, entities and individuals in furtherance of its Common Foreign and Security Policy typically consisting of asset freezes and travel bans. In the EU, anti-money laundering and terrorist financing rules are generally based on the EU's Fourth Money Laundering Directive (Directive EU 2015/849), Fifth Money Laundering Directive (Directive EU 2018/843) and Financial Action Task Force Recommendations, which require reporting entity to apply a risk-based approach, conduct customer due diligence and report suspicious transactions to the relevant authorities. Separately, the UK Bribery Act 2010 prohibits UK individuals from offering, promising or providing improper payments or other benefits to government officials or other persons to obtain or retain business, extends to commercial bribery in the private sector, and can impose liability on a company for failing to prevent bribery by an associated person.

In Singapore, the primary anti-money laundering legislation is the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 (the "**CDSA**") and the primary terrorist financing legislation is the Terrorism (Suppression of Financing) Act 2002 (the "**TSOFA**"). The CDSA criminalises the acquisition, possession, use, concealment or transfer of benefits derived from criminal conduct, while the TSOFA implements the International Convention for the Suppression of the Financing of Terrorism.

In addition, we are subject to the applicable regulations related to anti-money laundering, prevention of terrorism financing, economic sanctions and anti-corruption of other jurisdictions where we operate or sell our products.

REGULATIONS RELATED TO FOREIGN EXCHANGE CONTROLS

Set forth below are laws and regulations related to foreign exchange controls in the Chinese mainland.

In the Chinese mainland, in accordance with the Regulations of the People's Republic of China on Foreign Exchange Administration last amended by the State Council on 5 August 2008, as modified by the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment on 13 February 2015, the RMB is freely convertible into other currencies for current account items, including trade and service-related foreign exchange transactions, but it is not freely convertible for capital account items, such as direct investments, unless with prior approval from and registration with the State Administration of Foreign Exchange or its local branch.

Pursuant to the Notice of State Administration of Foreign Exchange on Reforming the Mode of Management of Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises, which was promulgated on 30 March 2015, banks are allowed to directly handle the settlement of foreign exchange capital in the capital accounts of foreign-invested enterprises in the Chinese mainland based on the enterprises' actual requirements for business operation. RMB funds obtained from the settlement of foreign exchange capital of foreign-invested enterprises in the Chinese mainland should be deposited into and managed under the account for settled foreign exchange to be paid.

REGULATIONS RELATED TO PERMISSIONS FOR OUR [REDACTED]

On 17 February 2023, the China Securities Regulatory Commission (the "**CSRC**") released several regulations regarding the filing requirements for overseas offerings and listings, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines. We refer to these collectively as the "Overseas Listing Filing Rules". The Overseas Listing Filing Rules became effective on 31 March 2023. According to the Overseas Listing Filing Rules, a direct or indirect overseas [**REDACTED**] and [**REDACTED**] by a company subject to the Overseas Listing Filing Rules must be filed with the CSRC. We filed with the CSRC in relation to the [**REDACTED**] pursuant to the Overseas Listing Filing Rules, and the CSRC issued a notification regarding our completion of the filing procedures for the [**REDACTED**] of our Class B Shares on the Stock Exchange and the [**REDACTED**] on 10 July 2026.

REGULATIONS RELATED TO ESG

We are subject to evolving regulations related to environmental and sustainability matters across the jurisdictions in which we operate. For example, we are subject to regulations in a growing number of jurisdictions, including across the EU, that impose Extended Producer Responsibility (EPR) fees for products sold into the market. Furthermore, regulations related to environmental and sustainability matters are developing. For example, the Corporate Sustainability Due Diligence Directive (the "**CSDDD**"), which entered into force in July 2024 and was later amended by the Omnibus I simplification package in February 2026, requires EU member states to transpose the CSDDD into their national laws and introduces new due diligence, stakeholder engagement, monitoring and disclosure obligations. The extent to which we might need to review and/or revise the actions that we already take in these areas may depend on the precise terms of the member state national laws which are to be enacted, and so remain, at present, slightly unclear.

Furthermore, the Ecodesign for Sustainable Products Regulation (the "**ESPR**"), a framework regulation that entered into force in July 2024, introduces various obligations, including eco-design requirements, a Digital Product Passport, a digital record that provides life cycle data for each product in a standardised format, and a ban on the destruction of certain unsold consumer products. Disclosure obligations under the ESPR already apply to "large companies", requiring them to report information on the unsold consumer products they discard. Specific requirements under the ESPR will be set out in further delegated legislation. In February 2026, the European Commission adopted a Delegated Act and an accompanying Implementing Act under the ESPR, which outlines circumstances under which the destruction of certain types of unsold consumer product may be permitted and introduces a standardised format for businesses to disclose the volumes of unsold consumer products they discard, applicable from February 2027. The ban on destroying unsold apparel, clothing accessories, and footwear, along with the associated derogations under the ESPR, will apply to large companies starting in July 2026. Certain of our EU entities qualify as "large enterprises" for the purposes of the ESPR, and we are accordingly subject to the ban starting July 2026.

The EU Corporate Sustainability Reporting Directive (the "**CSRD**"), which entered into force in January 2023, requires qualifying companies to report detailed sustainability information in accordance with the recently revised European Sustainability Reporting Standards (the "**ESRS**"). The CSRD was amended by the Omnibus I simplification package in February 2026, which, among other things, raised the thresholds for in-scope companies and introduced a phased timeline for certain reporting obligations, including voluntary standards and a transitional period for value chain reporting. In addition, the ESRS underwent a significant simplification process as part of the Omnibus I simplification package, with revised ESRS adopted by the European Commission in July 2026. The new ESRS still need to be considered by the European Parliament and Council of Ministers before a delegated act confirming their scope and content can be introduced. The extent to which our EU entities may be subject to CSRD reporting obligations, and the precise scope of the applicable ESRS requirements, will depend on the final transposition of the directive and any further simplification measures by the European Parliament, Council and/or EU member states. Failure to comply with CSRD requirements may result in penalties determined at the national level by EU member states.

In addition, the EU Empowering Consumers for the Green Transition Directive (the "**Empowering Consumers Directive**"), which entered into force in March 2024 and must be applied by EU member states from 27 September 2026, seeks to strengthen the EU rules against misleading environmental claims and other unfair commercial practices. Among other things, the Empowering Consumers Directive prohibits the use of generic environmental claims, such as "eco-friendly" or "climate neutral", unless supported by recognised certification schemes or verifiable commitments. EU member states were required to transpose the directive into national law by March 2026, and national implementing measures are being adopted across the EU. The Empowering Consumers Directive may require us to review and adjust our consumer-facing sustainability-related communications and marketing practices to ensure compliance.

In June 2025, the French Senate passed a bill aimed at reducing the environmental impact of the textile industry. Following a compromise reached by a joint committee of the French National Assembly and the French Senate on 17 June 2026, the bill was definitively adopted by the French Parliament on 29 June 2026. Among other things, the bill proposes to impose an environmental surcharge on products sold by platforms qualifying as "ultra-fast-fashion" operators, which may reach up to EUR 20 per item by 2030, subject to a cap of 50% of the product's pre-tax price, and to prohibit paid advertising and promotional activities by social media influencers on behalf of brands or products sold through platforms designated as "ultra-fast-fashion" operators. The bill was promulgated by the President of the French Republic and subsequently published in the Official Journal on 9 July 2026. The law, as well as the various implementing decrees that will set out the necessary detail of the law may be challenged in the French Constitutional Council and/or before the European Commission, which could delay or affect the final form and/or impact of the legislation.

OVERVIEW

We are a global online fashion and lifestyle company serving approximately 273 million active customers in approximately 160 markets in 2025. We have reimagined the pursuit of fashion by offering a large, inclusive selection of constantly refreshed products that satisfy consumers' diverse needs, with great value for money. We help people embrace trendy lifestyles and express their individuality.

We are a global company with operations across multiple jurisdictions. Our journey started in China in 2012 and the brand "SHEIN" was introduced in 2013. SHEIN Global Holdings Limited, the holding company of the Group, was duly incorporated on 12 May 2014 under the laws of the Cayman Islands.

KEY MILESTONES

The following is a summary of our key development milestones:

Year	Event
2012	Launched with our four Founders
2013	Introduced our main brand SHEIN
2014	Pilot tested LATR
2015	Debuted our mobile app SHEIN
2018	Annual active customers reached 10 million
2020	Annual active customers reached 50 million
2021	Launched the SHEIN X programme
	Annual active customers reached 100 million
2022	Our net revenues exceeded US$20 billion for the year
2023	Officially launched our marketplace selling other brands' products
2024	Annual active customers reached 200 million
2025	Launched the SHEIN Xcelerator Programme, the evolution of SHEIN X

OUR MAJOR SUBSIDIARIES

The following table presents information on our subsidiaries with material operations within the Group (each contributing 5% or more of the Group's key financial metrics during the Track Record Period) and subsidiary that is considered material by our Group. The subsidiaries are listed in order of their respective dates of establishment.

No.	Company	Principal business activities	Shareholding controlled by our Company	Date and jurisdiction of establishment
1 . . .	Guangzhou Shein International Import & Export Co., Ltd. (廣州希音國際進出口有限公司)	Supply chain management, product selection, merchant management, product design, information technology, and research and development	100%	30 August 2017, the People's Republic of China
2 . . .	Xiyin E Commerce FZE	Online sales, marketing and procurement	100%	31 October 2019, the United Arab Emirates
3 . . .	Roadget Business Pte. Ltd.	Online platform, marketing, procurement, software development and investment holding	100%	22 November 2019, Singapore
4 . . .	Infinite Styles eCommerce Co., Limited	Online sales, marketing and procurement	100%	7 October 2020, Ireland
5 . . .	Shein Distribution Corporation	Online sales, marketing and procurement	100%	30 April 2021, the United States
6 . . .	Shein Distribution UK Limited	Online sales, marketing and procurement	100%	6 September 2021, the United Kingdom
7 . . .	Fashion Choice Pte. Ltd.	Online sales, marketing and procurement	100%	27 October 2021, Singapore
8 . . .	SHEIN US Services, LLC	Online platform	100%	5 December 2022, the United States
9 . . .	Infinite Remit Services Co., Limited	Provision of fulfilment services	100%	5 May 2023, Ireland

ESTABLISHMENT AND DEVELOPMENT OF OUR GROUP

Establishment of SHEIN Global Holdings Limited and the Group Structure

Our journey started in China in 2012 and the brand "SHEIN" was introduced in 2013. SHEIN Global Holdings Limited, the holding company of the Group, was duly incorporated on 12 May 2014 under the laws of the Cayman Islands. See "— Reorganisation."

To further strengthen our globalisation and localisation strategies, we have established subsidiaries in various jurisdictions around the world, including China, Singapore, the United States, Ireland, the United Kingdom and the United Arab Emirates, among others. These subsidiaries are primarily engaged in procurement, online sales, marketing, logistics and warehousing, software development, and investment holding, among other business functions.

Establishment of Guangzhou Shein International Import & Export Co., Ltd.

On 30 August 2017, Guangzhou Shein International Import & Export Co., Ltd. was established as a limited liability company under the laws of the PRC. The company has been a subsidiary of the Company since its establishment.

Establishment of Xiyin E Commerce FZE

On 31 October 2019, Xiyin E Commerce FZE was established as a limited liability company under the laws of the UAE. The company was wholly owned by Beauty of Fashion at the relevant time.

Establishment of Roadget Business Pte. Ltd.

On 22 November 2019, Roadget Business Pte. Ltd. was established as a private company limited by shares under the laws of Singapore. The company was wholly owned by Beauty of Fashion Investment Co., Ltd. ("**Beauty of Fashion**"), a wholly-owned subsidiary of SHEIN Global Holdings Limited, at the relevant time.

Establishment of Infinite Styles eCommerce Co., Ltd.

On 7 October 2020, Infinite Styles eCommerce Co., Ltd. was established as a private company limited by shares under the laws of Ireland. The company was wholly owned by Roadget Business Pte. Ltd. at the relevant time.

Establishment of Shein Distribution Corporation

On 30 April 2021, Shein Distribution Corporation was established as a corporation under the laws of the State of Delaware. The company was wholly owned by another wholly owned subsidiary of Roadget Business Pte. Ltd. at the relevant time.

Establishment of Shein Distribution UK Limited

On 6 September 2021, Shein Distribution UK Limited was established as a private company limited by shares under the laws of England and Wales. The company was wholly owned by Roadget Business Pte. Ltd. at the relevant time.

Establishment of Fashion Choice Pte. Ltd.

On 27 October 2021, Fashion Choice Pte. Ltd. was established as a private company limited by shares under the laws of Singapore. The company was wholly owned by Roadget Business Pte. Ltd. at the relevant time.

Establishment of SHEIN US Services, LLC

On 5 December 2022, SHEIN US Services, LLC was established as a corporation under the laws of the State of Delaware. The company was wholly owned by another wholly owned subsidiary of Roadget Business Pte. Ltd. at the relevant time.

Establishment of Infinite Remit Services Co., Limited

On 5 May 2023, Infinite Remit Services Co., Limited was established as a private company limited by shares under the laws of Ireland. The company was wholly owned by Roadget Business Pte. Ltd. at the relevant time.

REORGANISATION

We effected a reorganisation of our corporate structure in 2018 (the "**Reorganisation**"). Immediately prior to the commencement of the Reorganisation, we operated our business through a group of wholly-owned subsidiaries in China, including Guangzhou Shein International Import & Export Co., Ltd., among others.

SHEIN Global Holdings Limited was incorporated on 12 May 2014 under the laws of the Cayman Islands with an authorised share capital of US$50,000 divided into 50,000 shares of a par value of US$1.00 each. Upon incorporation, one Ordinary Share of US$1.00 was allotted and issued to the initial subscriber at par value, and was subsequently transferred at par value, on 30 June 2014, to a BVI limited liability company owned by Mr. Sky Yangtian Xu. On the same date, the authorised share capital of SHEIN Global Holdings Limited was subdivided into 500,000,000 shares of a par value of US$0.0001 each and as a result of the subdivision, the BVI company received 10,000 Ordinary Shares. In addition, on 30 June 2014, (i) a total of 49,669,245 Ordinary Shares were issued and allotted at par value to the BVI limited liability company owned by Mr. Sky Yangtian Xu, (ii) a total of 13,000,000 Ordinary Shares were issued and allotted at par value to a BVI limited liability company owned by Mr. Tony Xiaoqing Ren, (iii) a total of 13,000,000 Ordinary Shares were issued and allotted at par value to a BVI limited liability company owned by Ms. Maggie Xiaoqing Gu, and (iv) a total of 13,000,000 Ordinary Shares were issued and allotted at par value to a BVI limited liability company owned by Ms. Molly Miao Miao.

We effected the Reorganisation in 2018. As part of the Reorganisation, (i) SHEIN Global Holdings Limited established a wholly-owned subsidiary in British Virgin Islands, Beauty of Fashion, and (ii) the then existing investors in our then holding company in China subscribed for shares in SHEIN Global Holdings Limited in such proportion as to reflect their shareholdings and rights attached in our prior holding company in China. As a result of the Reorganisation, SHEIN Global Holdings Limited became the holding company of the Group.

Our PRC Legal Adviser confirmed that, (i) all necessary regulatory approvals or filings required under Chinese mainland laws in relation to the Reorganisation have been obtained or made in all material respects regarding the Reorganisation; and (ii) all share transfers and changes in registered capital as part of the Reorganisation have complied with all applicable Chinese mainland laws in all material respects.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and until the Latest Practicable Date, we did not conduct any major acquisitions, disposals, or mergers.

SHARE SPLIT, SHARE REDESIGNATION AND INCREASE IN AUTHORIZED SHARE CAPITAL

On [●], our Company undertook a 1:50 share split, whereby each of our then issued and unissued shares of all classes of US$0.0001 each in the share capital of our Company was sub-divided into 50 shares of US$0.000002 each (the "**Share Split**").

In accordance with the written notice received from each of Trendy Group Holdings Limited, Apex Sight Holdings Limited, Upright Victory Holdings Limited, Floral Field Holdings Limited, and Color Park Holdings Limited, conditional upon the conditions of the [**REDACTED**] being fulfilled and effective immediately prior to the completion of the [**REDACTED**], all of the [**REDACTED**] Class A Shares held by Trendy Group Holdings Limited, [**REDACTED**] Class A Shares held by Apex Sight Holdings Limited, [**REDACTED**] Class A Shares held by Upright Victory Holdings Limited, [**REDACTED**] Class A Shares held by Floral Field Holdings Limited and [**REDACTED**] Class A Shares held by Color Park Holdings Limited shall be converted into Class B Shares by way of reclassification and redesignation (the "**WVR Redesignation**").

On [●], our Shareholders resolved, among other things, subject to the [**REDACTED**] becoming unconditional, that (i) all Pre-[**REDACTED**] Preferred Shares (whether issued or unissued) be converted into Class B Shares by way of reclassification and redesignation and effective immediately prior to the completion of the [**REDACTED**] (the "**Preferred Share Redesignation**", and together with the WVR Redesignation, the "**Share Redesignation**"); (ii) the WVR Redesignation be noted and acknowledged; and (iii) immediately prior to the completion of the [**REDACTED**], the authorised share capital of the Company be increased to US$[100,000] divided into [50,000,000,000] shares of a par value of US$[0.000002] each, comprising (i) [3,000,000,000] Class A Shares of a par value of US$[0.000002] each, and (ii) [47,000,000,000] Class B Shares of a par value of US$[0.000002] each. See "Share Capital".

REASONS FOR THE [REDACTED]

Our Directors are also of the view that the [**REDACTED**] will present us with an opportunity to further expand our [**REDACTED**] base and broaden our access to capital markets with additional funding to further develop our business as disclosed in the section headed "Business — Our Growth Strategies" in this document.

PRE-[REDACTED] INVESTMENTS

Overview

SHEIN Global Holdings Limited was incorporated as an exempted company with limited liability under the laws of the Cayman Islands on 12 May 2014 and is currently our holding company. We have historically carried out multiple rounds of pre-[**REDACTED**] equity financings.

Series A Financing

On 17 February 2015, we issued a total of 9,433,962 ordinary shares to a certain investor at approximately US$0.5 per share for a total consideration of US$5,000,000, which were subsequently exchanged for Series A Preferred Shares and then consolidated into 5,390,091 Series A Preferred Shares. The consideration was determined based on arm's length negotiations between our Company and the investor after taking into consideration the timing of the investments and the status of our business and operating entities.

Series B Financing

On 28 April 2016, we entered into certain financing agreements with certain investors and received RMB169.0 million in total proceeds. From 28 June 2018 to 17 August 2020, we issued a total of 9,343,202 Series B Preferred Shares to such investors at approximately RMB18.1 per share. The consideration was determined based on arm's length negotiations between our Company and Series B investors after taking into consideration the timing of the investments and the status of our business and operating entities.

Series C Financing

From 28 June 2018 to 29 March 2019, we issued a total of 7,277,166 Series C Preferred Shares to Series C investors at approximately US$33.4 per share for a total consideration of US$243.0 million. The consideration was determined based on arm's length negotiations between our Company and Series C investors after taking into consideration the timing of the investments and the status of our business and operating entities.

Series C+ Financing

On 26 March 2020, we issued a total of 381,869 Series C+ Preferred Shares to Series C+ investors at approximately US$63.9 per share for a total consideration of US$24.4 million. The consideration was determined based on arm's length negotiations between our Company and Series C investors after taking into consideration the timing of the investments and the status of our business and operating entities.

Series Pre-D Financing

On 4 March 2022, certain existing shareholders sold to Series Pre-D investors a total of 413,863 Ordinary Shares at approximately US$724.9 per share for a total consideration of US$300 million, which shares were redesignated into Series Pre-D Preferred Shares.

Series D Financing

Between 4 March 2022 and 11 April 2022, we issued a total of 1,547,270 Series D Preferred Shares to Series D investors at approximately US$1,186.0 per share for an aggregate cash consideration of approximately US$1.8 billion. The consideration was determined based on arm's length negotiations between our Company and Series D investors after taking into consideration the timing of the investments and the status of our business and operating entities.

Series D+ Financing

Between 10 May 2023 and 21 December 2023, we issued a total of 2,312,161 Series D+ Preferred Shares to Series D+ investors at approximately US$751.03 per share for an aggregate cash consideration of approximately US$1.7 billion. The consideration was determined based on arm's length negotiations between our Company and Series D+ investors after taking into consideration the timing of the investments and the status of our business and operating entities.

Principal Terms of the Pre-[REDACTED] Investments

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

Series	Date of investment agreement	Date of settlement	Pre-money valuation	Approximate amount raised for our Group	Cost per share paid(1)	Discount /(premium) to the [REDACTED](2)
Series A	16 September 2014	17 February 2015	US$53.0 million	US$5.0 million	US$0.01	[REDACTED]%
Series B	28 April 2016	From 28 June 2018 to 17 August 2020	RMB1.1 billion	RMB169.0 million	RMB0.36	[REDACTED]%
Series C	28 June 2018 and 5 July 2018	From 28 June 2018 to 29 March 2019	US$2.4 billion	US$243.0 million	US$0.67	[REDACTED]%
Series C+ . . .	26 March 2020	26 March 2020	US$5.0 billion	US$24.4 million	US$1.28	[REDACTED]%
Series Pre-D. .	15 January 2022	4 March 2022	US$60.5 billion	N/A(3)	US$14.50	[REDACTED]%

Series	Date of investment agreement	Date of settlement	Pre-money valuation	Approximate amount raised for our Group	Cost per share paid(1)	Discount /(premium) to the [REDACTED](2)
Series D	Between 11 February 2022 and 31 March 2022	4 March 2022 and 11 April 2022	US$98.2 billion	US$1.8 billion	US$23.72(6)	[REDACTED]%(6)
Series D+ . . .	Between 6 April 2023 and 19 December 2023	10 May 2023 and 21 December 2023	US$64.0 billion	US$1.7 billion	US$15.02	[REDACTED]%
Class B Shares. . . .	12 August 2023 and 19 April 2024	17 August 2023 and 22 April 2024	US$64.0 billion	N/A(4) (5)	US$15.02	[REDACTED]%

Notes:

(1) This is calculated based on the approximate proceeds raised by our Group from the Pre-[**REDACTED**] Investments, taking into account the effect of the Reorganisation and the Share Split.

(2) The discount/premium to the [**REDACTED**] is calculated based on the assumption that the [**REDACTED**] is HK$[**REDACTED**] per Share, being the midpoint of the indicative [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per Share.

(3) The relevant Pre-[**REDACTED**] Investment involves transfer of Class A Shares from certain existing shareholders to the relevant Pre-[**REDACTED**] Investor and redesignation of the relevant Class A Shares to Series Pre-D Preferred Shares pursuant to the then effective articles of association of the Company. As such, no proceeds were raised from the Pre-[**REDACTED**] Investment by our Group.

(4) In August 2023, we and SPARC entered into a strategic partnership. On 12 August 2023, we entered into a subscription and exchange agreement with SPARC Group Holdings II LLC ("**SPARC**"), pursuant to which SPARC issued and delivered to us Class A common units of SPARC, representing an approximately one-third interest in SPARC, in exchange for 649,107 Class B Shares. The partnership allowed the Company and SPARC to realise business synergies between SPARC's physical retail capabilities and brand development expertise, and the Company's on-demand model.

(5) The relevant Pre-[**REDACTED**] Investment made on 19 April 2024 involved transfer of Class A Shares from an existing shareholder to the relevant Pre-[**REDACTED**] Investor and redesignation of the relevant Class A Shares to Class B Shares pursuant to the then effective articles of association of the Company. As such, no proceeds were raised from the Pre-[**REDACTED**] Investment by our Group.

(6) The cost paid per share paid and the premium to the [**REDACTED**] are calculated based on the actual number of Series D Preferred Shares rather than on an as-converted basis. Based on the Company's existing memorandum and articles, subject to customary anti-dilution adjustments, each Series D Preferred Share is convertible into 1.5791 Class B Shares.

Basis of consideration .	The basis of consideration of the Pre-[**REDACTED**] Investments was determined through our arm's length negotiations with the relevant parties, based on the valuation of our Group at the time of the investment, taking into account the timing of the investment, the then status of the businesses carried out by our Group, the outlook/growth potential and financial performance of our Group, and the industry in which we operate.
Use of proceeds from the Pre-[**REDACTED**] **Investments**.	We utilised the proceeds from the Pre-[**REDACTED**] Investments for the operations of our Group and in accordance with the business plan or budget as approved by the Board. As of the Latest Practicable Date, we have utilised 100% of the proceeds from the Pre-[**REDACTED**] Investments.
Lock-up	[The Pre-[**REDACTED**] Investors agree, if so requested by the [**REDACTED**], the Shares held by them will be subject to lock-up arrangements for the period commencing on the date of this document and ending on the date specified by the Company and the [**REDACTED**] (such period not to exceed one hundred and eighty (180) days from the date of [**REDACTED**])]. For details of the lock-up arrangements, please refer to the section headed "[**REDACTED**]".
Strategic benefits of the Pre-[**REDACTED**] **Investments**.	At the time of the Pre-[**REDACTED**] Investments, our Directors were of the view that in addition to providing additional capital for our Group's continued growth, our Group could also benefit from the knowledge and experience of our Pre-[**REDACTED**] Investors. Moreover, our Directors were of the view that our Group could benefit from the Pre-[**REDACTED**] Investments as the Pre-[**REDACTED**] Investors' investments demonstrated their confidence in the operations of our Group and served as an endorsement of our Company's performance, strengths and prospects.

Special rights of the Pre-[REDACTED] Investors

Certain special rights were granted to our Pre-[**REDACTED**] Investors under the relevant agreements, such as rights of first refusal, redemption rights, liquidation preferences, right to appoint directors or observers on the board, pre-emptive rights, rights of co-sale and information and inspection rights.

The redemption rights were automatically terminated immediately upon our submission of the [**REDACTED**] application by our Company to the Stock Exchange (the "**First Filing**") for the purpose of the [**REDACTED**] in accordance with Chapter 4.2 under the Guide, provided that such rights shall be reinstated upon the earliest of (i) the Company formally withdrawing the [**REDACTED**], (ii) the Stock Exchange rejecting the Company's [**REDACTED**], or (iii) the lapse of the Company's [**REDACTED**] and the Company not renewing such application within twelve (12) months after the lapse of the [**REDACTED**].

[All other special rights will be terminated upon the completion of the [**REDACTED**] and no special rights granted to the Pre-[**REDACTED**] Investors will survive after the [**REDACTED**], in compliance with Chapter 4.2 under the Guide.]

The Company agreed to pay certain cash amounts to its holders of Series Pre-D Preferred Shares, Series D Preferred Shares and Series D+ Preferred Shares, which comprise (1) an amount per share equal to a fixed rate of 8% per annum on the relevant issue price for the relevant Preferred Shares, calculated on a 365-day per year basis from their respective issue date to 4 March 2026, payable in three equal instalments by 31 March 2026, 30 June 2026 and 30 September 2026, and (2) an amount per share equal to a fixed rate of 12% per annum on the relevant issue price for the relevant Preferred Shares, calculated on a 365-day per year basis from 5 March 2026 through the date of closing of the [**REDACTED**], payable within 15 business days after the closing of the [**REDACTED**]. The aggregate amount of payments under (1) of the preceding sentence is approximately US$1.1 billion; the amount of payments under (2) of the preceding sentence will stop accruing on the [**REDACTED**] and the total amount is estimated to be US$[**REDACTED**].

Each Preferred Share is convertible into a number of Class B Shares based on the effective conversion price upon the closing of a qualified [**REDACTED**]. The conversion price for each series of Preferred Shares is determined in accordance with the Company's existing memorandum and articles, and is subject to customary anti-dilution adjustments. In particular, if any issuance of equity securities of the Company, including this [**REDACTED**], is made at a price per share (on an as-converted to Class B Share basis) less than the applicable conversion price for a given series of Preferred Shares, the conversion price for that series of Preferred Shares will be adjusted (i) on a broad-based weighted-average basis for Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares, Series C+ Preferred Shares, Series Pre-D Preferred Shares and Series D Preferred Shares; and (ii) on a full-ratchet basis for the Series D+ Preferred Shares (the "**Series D+ Conversion Adjustment Mechanism**") (in each case subject to certain limited exceptions). At the extraordinary general meeting of the Company's Shareholders held on 3 March 2026, alternative conversion adjustment mechanism in lieu of that described above applicable to holders of Series Pre-D Preferred Shares and Series D Preferred Shares were approved by the Shareholders, pursuant to which the Company shall compensate each holder of Series Pre-D Preferred Shares and Series D Preferred Shares to achieve the economic effect of adjusting the applicable conversion price to the final [**REDACTED**] (the "**Series Pre-D/D Conversion Adjustment Mechanism**", together with the Series D+ Conversion Adjustment Mechanism, the "**Conversion Adjustment Mechanisms**").

[**REDACTED**]

The Conversion Adjustment is expected to be implemented by payment of cash and issuance of additional Class B Shares.

Subject to the [**REDACTED**] becoming unconditional, and after giving effect to the automatic conversion of the Preferred Shares and subject to the issuance of additional Class B Shares pursuant to the Conversion Adjustment described above, (i) all of the Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares, Series C+ Preferred Shares, Series Pre-D Preferred Shares and Series D+ Preferred Shares will be converted into Class B Shares on a one-to-one basis, and (ii) each of the Series D Preferred Shares will be converted into [1.5791] Class B Shares, respectively. See "Share Capital — Weighted Voting Rights Structure" for details of the rights attached to the Class A Shares and Class B Shares.

[**REDACTED**]

[**REDACTED**]

Compliance with Pre-[REDACTED] Investment Guidance

On the basis that (i) the consideration for the Pre-[**REDACTED**] Investments was settled more than 28 clear days before the First Filing, (ii) the redemption rights were terminated upon the First Filing and all other special rights will terminate upon the completion of the [**REDACTED**], as disclosed in "— Special Rights of the Pre-[**REDACTED**] Investors" above, the Joint Sponsors confirm that the Pre-[**REDACTED**] Investments are in compliance with the Pre-[**REDACTED**] Investment Guidance as defined in Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

Information on the Pre-[REDACTED] Investors

Set out below is a description of our principal Pre-[**REDACTED**] Investors, being investors each holding 1.0% or more of our total issued Shares as at the date of this document (on a fully-converted basis). To the best knowledge of the Company, (i) each of the Pre-[**REDACTED**] Investors, together with their ultimate beneficial owners, is an Independent Third Party; and (ii) save as disclosed in this document, the Pre-[**REDACTED**] Investors are independent from each other.

IDG

EVANS VIRTUE LIMITED is a company established under the laws of BVI with limited liability. IDG Capital Project Fund IV, L.P. holds more than 50% of shares of EVANS VIRTUE LIMITED. IDG Capital Project Fund IV Associates, L.P. is the sole general partner of IDG Capital Project Fund IV, L.P. IDG Capital Project Fund IV GP Associates Limited is the sole general partner of IDG Capital Project Fund IV Associates, L.P. The ultimate beneficial owners of IDG Capital Project Fund IV GP Associates Limited are Mr. Chi Sing Ho and Mr. Quan Zhou.

BRIGHT SPRINGS LIMITED is a company established under the laws of BVI with limited liability. BRIGHT SPRINGS LIMITED is wholly owned by IDG Capital Project Fund IV, L.P., with IDG Capital Project Fund IV Associates, L.P. being its sole general partner. IDG Capital Project Fund IV Associates Limited is the sole general partner of IDG Capital Project Fund IV Associates, L.P. The ultimate beneficial owners of IDG Capital Project Fund IV GP Associates Limited are Mr. Chi Sing Ho and Mr. Quan Zhou.

IDG China Capital Fund III L.P. is an exempted limited partnership incorporated in Cayman Islands. IDG China Capital Fund III L.P. is controlled by its general partner, IDG China Capital Fund III Associates L.P. IDG China Capital Fund III Associates L.P. is an exempted limited partnership incorporated in Cayman Islands and is controlled by its general partner, IDG China Capital Fund GP III Associates Ltd. IDG China Capital Fund GP III Associates Ltd. is a limited liability company incorporated in Cayman Island, which is controlled by Mr. Chi Sing Ho and Mr. Quan Zhou.

IDG China Capital III Investors L.P. is an exempted limited partnership incorporated in Cayman Islands. IDG China Capital III Investors L.P. is controlled by its general partner, IDG China Capital Fund GP III Associates Ltd. IDG China Capital Fund GP III Associates Ltd. is a limited liability company incorporated in Cayman Island, which is controlled by Mr. Chi Sing Ho and Mr. Quan Zhou.

Sequoia Capital

SC GGF III Holdco, Ltd. is an exempted company incorporated in the Cayman Islands with limited liability. SC GGF III Holdco, Ltd. is wholly owned by Sequoia Capital Global Growth Fund III — Endurance Partners, L.P. The general partner of Sequoia Capital Global Growth Fund III — Endurance Partners, L.P. is SCGGF III — Endurance Partners Management, L.P., whose general partner is SC US (TTGP), Ltd. Sequoia Capital Global Growth Fund III — Endurance Partners, L.P. is an investment fund whose primary purpose is to make equity investments in private companies.

HSG Entities and HCEP

HSG Growth V Holdco K, Ltd. is an exempted company incorporated in the Cayman Islands with limited liability. HSG Growth V Holdco K, Ltd. is wholly owned by HongShan Capital Growth Fund V, L.P., whose general partner is HSG Growth V Management, L.P. The general partner of HSG Growth V Management, L.P. is HSG Holding Limited.

HSG Growth V 2019-B, L.P. is an exempted limited partnership formed in the Cayman Islands. The general partner of HSG Growth V 2019-B, L.P. is HSG Offshore Fund Management, L.P., whose general partner is HSG Holding Limited.

SCC Annex 2021-D L.P. is an exempted limited partnership formed in the Cayman Islands. SCC Annex 2022-A (BVI), L.P. is a limited partnership formed in the British Virgin Islands. SCC Annex 2023-A (BVI), L.P. is a limited partnership formed in the British Virgin Islands. The general partner of each of SCC Annex 2021-D L.P., SCC Annex 2022-A (BVI), L.P. and SCC Annex 2023-A (BVI), L.P. is SCGGF III — China Management, L.P. The general partner of SCGGF III — China Management, L.P. is HSG Holding Limited.

Ocean Prosperity Holdings Limited is an exempted company incorporated in the Cayman Islands with limited liability. Ocean Prosperity Holdings Limited is wholly owned by Sequoia Capital Global Growth Fund III — China Annex Fund, L.P., whose general partner is SCGGF III — China Management, L.P. The general partner of SCGGF III — China Management, L.P. is HSG Holding Limited.

HSG Growth VI Holdco E, Ltd. is an exempted company incorporated in the Cayman Islands with limited liability. HSG Growth VI Holdco E, Ltd. is wholly owned by HongShan Capital Growth Fund VI, L.P., whose general partner is HSG Growth VI Management, L.P. The general partner of HSG Growth VI Management, L.P. is HSG Holding Limited.

HSG Holding Limited is wholly owned by SNP China Enterprises Limited, which in turn is wholly owned by Mr. Neil Nanpeng Shen.

HongShan Capital Growth Fund V, L.P., HSG Growth V 2019-B, L.P., SCC Annex 2021-D L.P., SCC Annex 2022-A (BVI), L.P., SCC Annex 2023-A (BVI), L.P., Sequoia Capital Global Growth Fund III — China Annex Fund, L.P. and HongShan Capital Growth Fund VI, L.P. are investment funds whose primary purpose is to make equity investments in private companies.

HCEP Master Fund is an exempted company with limited liability incorporated under the laws of the Cayman Islands. The investment manager of HCEP Master Fund is HCEP Management Limited, which is in turn wholly-owned by HCEP Management Holding Limited. HCEP Master Fund is an investment fund whose primary purpose is to make China-related equity investments. HCEP Management Limited was incorporated under the laws of Hong Kong in 2020. There is no single ultimate beneficial owner holding 30% or more participating interest in HCEP Master Fund.

Boyu

Exclusive Depot Limited is a business company incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of Exclusive Storehouse, L.P., a partnership registered under the laws of British Virgin Islands. The general partner of Exclusive Storehouse, L.P. ("**Exclusive Storehouse**") is Exclusive Terminal Limited which is a business company incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of Boyu Capital Fund V, Pte. Ltd. ("**Boyu USD Fund V**"). Exclusive Cache Limited is a business company incorporated under the laws of British Virgin Limited and a wholly-owned subsidiary of Boyu USD Fund V, and is the only limited partner that owns over 30% of limited partnership interest in Exclusive Storehouse.

Boyu USD Fund V is a private company incorporated under the laws of the Republic of Singapore. Boyu USD Fund V is a private equity fund that provides catalytic capital and strategic support for leading companies in sectors including technology, healthcare, consumer and sustainable energy globally. Boyu USD Fund V is 100% owned by Boyu Capital Fund V, L.P., an exempted limited partnership registered under the laws of the Cayman Islands. The general partner of Boyu Capital Fund V, L.P. is Boyu Capital General Partner V, Ltd., which is a wholly-owned subsidiary of Boyu Group, LLC ("**Boyu Group**"). XYXY Holdings Ltd., a business company incorporated under the laws of British Virgin Islands and a wholly-owned subsidiary of Mr. Xiaomeng Tong ("**Mr. Tong**"), is the only member that owns more than 30% of interest in Boyu Group. None of the limited partners or underlying investors, directly or indirectly, owns 30% or more interest in Boyu Capital Fund V, L.P. Other than Mr. Tong, no person, directly or indirectly, owns 30% or more interest in Boyu Group.

None of Exclusive Depot Limited, Exclusive Storehouse, L.P., Exclusive Terminal Limited, Exclusive Cache Limited, Boyu USD Fund V, Boyu Capital Fund V, L.P., Boyu Capital General Partner V, Ltd., Boyu Group, XYXY Holdings Ltd. and Mr. Tong is a connected person of the issuer.

Greenwoods

WEALTH TOP HOLDINGS LIMITED is a business company incorporated under the laws of the British Virgin Islands. WEALTH TOP HOLDINGS LIMITED is held as to (i) 81.16% by BEST PROSPERITY BUSINESS LIMITED; (ii) 16.15% by Greenwoods Bloom Fund III, L.P.; and (iii) 2.69% by 57 Stars-Greenwoods Co-Investments SPV, L.P. WEALTH TOP HOLDINGS LIMITED is ultimately controlled by Mr. Jiang Jinzhi (蔣錦志).

Greenwoods Fortune Limited Partnership is a limited partnership formed in the British Virgin Islands. Greenwoods Fortune Limited Partnership is held as to (i) 0% by Greenwoods Bloom IV Ltd. as its general partner, (ii) 81.16% by BEST PROSPERITY BUSINESS LIMITED as its limited partner; (iii) 16.15% by Greenwoods Bloom Fund III, L.P. as its limited partner; and (iv) 2.69% by 57 Stars-Greenwoods Co-Investments SPV, L.P. as its limited partner.

Greenwoods Intelligence Limited Partnership is a limited partnership formed in the British Virgin Islands. Greenwoods Intelligence Limited Partnership is held as to (i) 0% by Greenwoods Bloom Fund IV (A) Ltd. as its general partner, (ii) 81.16% by BEST PROSPERITY BUSINESS LIMITED as its limited partner; (iii) 16.15% by Greenwoods Bloom Fund III, L.P. as its limited partner; and (iv) 2.69% by 57 Stars-Greenwoods Co-Investments SPV, L.P. as its limited partner.

Greenwoods Success Limited Partnership is a limited partnership formed in the British Virgin Islands. Greenwoods Success Limited Partnership is held as to (i) 0% by Greenwoods Bloom Fund IV (B) Ltd. as its general partner, (ii) 81.16% by BEST PROSPERITY BUSINESS LIMITED as its limited partner; (iii) 16.15% by Greenwoods Bloom Fund III, L.P. as its limited partner; and (iv) 2.69% by 57 Stars-Greenwoods Co-Investments SPV, L.P. as its limited partner.

Greenwoods Champion Limited Partnership is a limited partnership formed in the British Virgin Islands. Greenwoods Champion Limited Partnership is held as to (i) 0% by Greenwoods Bloom IV (C) Ltd as its general partner; (ii) 81.16% by BEST PROSPERITY BUSINESS LIMITED as its limited partner; (iii) 16.15% by Greenwoods Bloom Fund III, L.P. as its limited partner; and (iv) 2.69% by 57 Stars-Greenwoods Co-Investments SPV, L.P. as its limited partner.

Each of Greenwoods Fortune Limited Partnership, Greenwoods Intelligence Limited Partnership, Greenwoods Success Limited Partnership and Greenwoods Champion Limited Partnership, is ultimately controlled by Ms. Tang Hua who is the spouse of Mr. Jiang Jinzhi.

Tiger

INTERNET FUND IV PTE. LTD. is a private investment fund managed by Tiger Global Singapore Pte. Ltd, an affiliate of Tiger Global Management, LLC ("**Tiger Global**") which is controlled by Charles P. Coleman III. Tiger Global is a research-driven investment firm pursuing a long-term approach to partnering with high-quality, innovative companies across different stages of their life cycle. With more than 25 years of experience, Tiger Global aims to identify and invest in the best companies in the world.

Hui Yuan Holdings Limited

Hui Yuan Holdings Limited is a business company incorporated under the laws of the British Virgin Islands. None of the shareholders of Hui Yuan Holdings Limited holds more than 20% of the equity interest or voting power of Hui Yuan Holdings Limited. Hui Yuan Holdings Limited is a holding company specializing in investment.

CAPITALISATION OF OUR COMPANY

The following table sets out the shareholding structure of our Company as of the Latest Practicable Date and immediately upon the completion of the [**REDACTED**] (assuming the Assumptions, including both before and after the implementation of the [**REDACTED**]).

Shareholders	Class A Shares(1)	Class B Shares(1)	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series C+ Preferred Shares	Series Pre-D Preferred Shares	Series D Preferred Shares	Series D+ Preferred Shares	Subtotal	Number of Class A Shares upon completion of the [REDACTED](1)	Number of Class B Shares upon completion of the [REDACTED] before considering the [REDACTED](1)	Number of Shares upon completion of the [REDACTED] before considering the [REDACTED](1)	Shareholding percentage upon completion of the [REDACTED] before considering the [REDACTED](1)	Voting percentage upon completion of the [REDACTED] before considering the [REDACTED](1)	Number of Class B Shares upon completion of the [REDACTED] after considering the [REDACTED](1)	Number of Shares upon completion of the [REDACTED] after considering the [REDACTED](1)	Shareholding percentage upon completion of the [REDACTED] after considering the [REDACTED](1)	Voting percentage upon completion of the [REDACTED] after considering the [REDACTED](1)
Controlling Shareholder																			
Apex Sight Holdings Limited	1,286,063,250	-	-	-	-	-	-	-	-	1,286,063,250	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Other Shareholders																			
Color Park Holdings Limited	283,740,150	-	-	-	-	-	-	-	-	283,740,150	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Floral Field Holdings Limited	283,740,150	-	-	-	-	-	-	-	-	283,740,150	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Upright Victory Holdings Limited	283,740,150	-	-	-	-	-	-	-	-	283,740,150	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Trendy Group Holdings Limited.	393,169,450	-	-	-	-	-	-	-	-	393,169,450	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Pre-[REDACTED] Investors																			
Mangrove Investment Co., Ltd.	-	3,600,000	-	-	-	-	-	-	-	3,600,000	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Thrive Entities(2)	-	1,664,400	-	-	-	-	-	4,216,000	-	5,880,400	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
SPARC Group Holdings II LLC	-	32,455,350	-	-	-	-	-	-	-	32,455,350	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Prof G. LP	-	332,900	-	-	-	-	-	-	-	332,900	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
SC GGF III Holdco, Ltd.	-	-	150,801,150	-	74,867,950	-	-	-	-	225,669,100	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
SKY CASTLE MANAGEMENT LIMITED	-	-	23,124,900	-	-	-	-	-	-	23,124,900	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Vision Quest Limited	-	-	24,453,900	-	-	-	-	-	-	24,453,900	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
WINTER TRENCH LIMITED	-	-	26,203,800	-	-	-	-	-	-	26,203,800	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%

Shareholders	Class A Shares[1]	Class B Shares[1]	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series C+ Preferred Shares	Series Pre-D Preferred Shares	Series D Preferred Shares	Series D+ Preferred Shares	Subtotal	Number of Class A Shares upon completion of the [REDACTED][1]	Number of Class B Shares upon completion of the [REDACTED] before considering the [REDACTED][1]	Number of Shares upon completion of the [REDACTED] before considering the [REDACTED][1]	Shareholding percentage upon completion of the [REDACTED] before considering the [REDACTED][1]	Voting percentage upon completion of the [REDACTED] before considering the [REDACTED][1]	Number of Class B Shares upon completion of the [REDACTED] after considering the [REDACTED][1]	Number of Shares upon completion of the [REDACTED] after considering the [REDACTED][1]	Shareholding percentage upon completion of the [REDACTED] after considering the [REDACTED][1]	Voting percentage upon completion of the [REDACTED] after considering the [REDACTED][1]
Hongshan Entities and HCEP[3]	-	-	44,920,800	-	55,402,300	15,650,400	15,174,950	1,264,800	26,297,200	158,710,450	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Greenwoods Entities[4]	-	-	-	135,438,100	31,444,550	-	-	-	-	166,882,650	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
IDG Entities[5]	-	-	-	262,616,200	44,920,800	-	-	-	-	307,537,000	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Hui Yuan Holdings Limited	-	-	-	41,717,600	2,994,700	-	-	-	-	44,712,300	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Ethereal Spring Limited	-	-	-	27,388,200	-	-	-	-	-	27,388,200	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Internet Fund IV Pte. Ltd.	-	-	-	-	107,809,900	-	-	8,432,000	-	116,241,900	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
BLAZING JOY LIMITED	-	-	-	-	26,952,450	-	-	-	-	26,952,450	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
AquaVitae Limited	-	-	-	-	4,492,050	-	-	-	-	4,492,050	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Shunwei Growth III Limited	-	-	-	-	14,973,600	-	-	-	-	14,973,600	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
JUMBO GLOBAL SUCCESS NETWORK LTD.	-	-	-	-	-	2,347,550	-	-	-	2,347,550	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
SKY CHIEF HOLDINGS LIMITED	-	-	-	-	-	1,095,500	-	-	-	1,095,500	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
True Creative Limited	-	-	-	-	-	-	5,518,200	-	-	5,518,200	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Boyu Entities[6]	-	-	-	-	-	-	-	29,511,900	7,656,200	37,168,100	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Brookfield Entities[7]	-	-	-	-	-	-	-	8,432,000	-	8,432,000	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Coatue PE Asia 85 LLC	-	-	-	-	-	-	-	1,264,800	-	1,264,800	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
D1 Master Holdco I LLC	-	-	-	-	-	-	-	4,216,000	3,328,800	7,544,800	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Shelf DF Holdings, LP	-	-	-	-	-	-	-	1,054,000	-	1,054,000	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
General Atlantic Singapore EDL Pte. Ltd.	-	-	-	-	-	-	-	6,324,000	13,315,050	19,639,050	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Alliance Lordon Limited	-	-	-	-	-	-	-	4,216,000	-	4,216,000	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Preventive Healthcare LLC	-	-	-	-	-	-	-	2,108,000	-	2,108,000	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%

Shareholders	Class A Shares[(1)]	Class B Shares[(1)]	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series C+ Preferred Shares	Series Pre-D Preferred Shares	Series D Preferred Shares	Series D+ Preferred Shares	Subtotal	Number of Class A Shares upon completion of the [REDACTED][(1)]	Number of Class B Shares upon completion of the [REDACTED] before considering the [REDACTED][(1)]	Number of Shares upon completion of the [REDACTED] before considering the [REDACTED][(1)]	Shareholding percentage upon completion of the [REDACTED] before considering the [REDACTED][(1)]	Voting percentage upon completion of the [REDACTED] before considering the [REDACTED][(1)]	Number of Class B Shares upon completion of the [REDACTED] after considering the [REDACTED][(1)]	Number of Shares upon completion of the [REDACTED] after considering the [REDACTED][(1)]	Shareholding percentage upon completion of the [REDACTED] after considering the [REDACTED][(1)]	Voting percentage upon completion of the [REDACTED] after considering the [REDACTED][(1)]
Star Sphere Limited	-	-	-	-	-	-	-	6,324,000	13,315,050	19,639,050	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Aonline Investment Limited	-	-	-	-	-	-	-	-	13,315,050	13,315,050	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
MIC Capital Management																			
81 RSC Ltd	-	-	-	-	-	-	-	-	9,986,250	9,986,250	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Claure Group, LLC	-	-	-	-	-	-	-	-	7,989,050	7,989,050	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Sanabil Private Equity Investments Company	-	-	-	-	-	-	-	-	3,328,800	3,328,800	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Willett Entities[(8)]	-	-	-	-	-	-	-	-	1,364,850	1,364,850	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Reliance Retail Ventures Limited	-	-	-	-	-	-	-	-	6,657,550	6,657,550	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Coppel Capital, S.A. de C.V.	-	-	-	-	-	-	-	-	665,750	665,750	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
DST Asia IX	-	-	-	-	-	-	-	-	6,657,550	6,657,550	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
DAXN, Inc.	-	-	-	-	-	-	-	-	66,550	66,550	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Microsoft Capital Group, LLC	-	-	-	-	-	-	-	-	1,664,350	1,664,350	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Others																			
Other [REDACTED] shareholders	-	-	-	-	-	-	-	-	-	-	-	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Total	2,530,453,150	38,052,650	269,504,550	467,160,100	363,858,300	19,093,450	20,693,150	77,363,500	115,608,050	3,901,786,900	[REDACTED]	[REDACTED]	[REDACTED]	100.0%	100.0%	[REDACTED]	[REDACTED]	100.0%	100.0%

Notes:

(1) Our Company has adopted a weighted voting rights structure and will maintain this weighted voting rights structure following the completion of the [**REDACTED**]. Under this structure, our Company's share capital will comprise Class A Shares and Class B Shares. Each Class A Share will entitle the holder to exercise ten votes, and each Class B Share will entitle the holder to exercise one vote, on any resolution tabled at our Company's general meetings, except for resolutions with respect to the Reserved Matters, in relation to which each Share is entitled to one vote. All of the Preferred Shares will be converted into Class B Shares based on the applicable conversion ratio and all of the [**REDACTED**] Class A Shares held by Trendy Group Holdings Limited, [**REDACTED**] Class A Shares held by Apex Sight Holdings Limited, [**REDACTED**] Class A Shares held by Color Park Holdings Limited, [**REDACTED**] Class A Shares held by Floral Field Holdings Limited and [**REDACTED**] Class A Shares held by Upright Victory Holdings Limited be converted into Class B Shares immediately upon the completion of the [**REDACTED**]. See also "— Share Split, Share Redesignation and Increase in Authorized Share", "— Pre-[**REDACTED**] Investments — Special rights of the Pre-[**REDACTED**] Investors" and "Share Capital — Weighted Voting Rights Structure."

(2) Includes (i) Thrive Capital Partners VIII Growth-C, L.P. and (ii) Mohawk River Holdings, LLC.

(3) Includes (i) HSG Growth V Holdco K, Ltd., (ii) HSG Growth V 2019-B, L.P., (iii) SCC Annex 2021-D L.P. (iv) SCC Annex 2022-A (BVI), L.P., (v) SCC Annex 2023-A (BVI), L.P., (vi) Ocean Prosperity Holdings Limited, (vii) HSG Growth VI Holdco E, Ltd., and (viii) HCEP Master Fund.

(4) Includes (i) Greenwoods Fortune Limited Partnership, (ii) Greenwoods Intelligence Limited Partnership, (iii) Greenwoods Success Limited Partnership, (iv) Greenwoods Champion Limited Partnership and (v) WEALTH TOP HOLDINGS LIMITED.

(5) Includes (i) EVANS VIRTUE LIMITED, (ii) BRIGHT SPRINGS LIMITED, (iii) IDG China Capital Fund III L.P. and (iv) IDG China Capital III Investors L.P.

(6) Includes (i) Exclusive Depot Limited and (ii) Excellent Shaft Investment Limited.

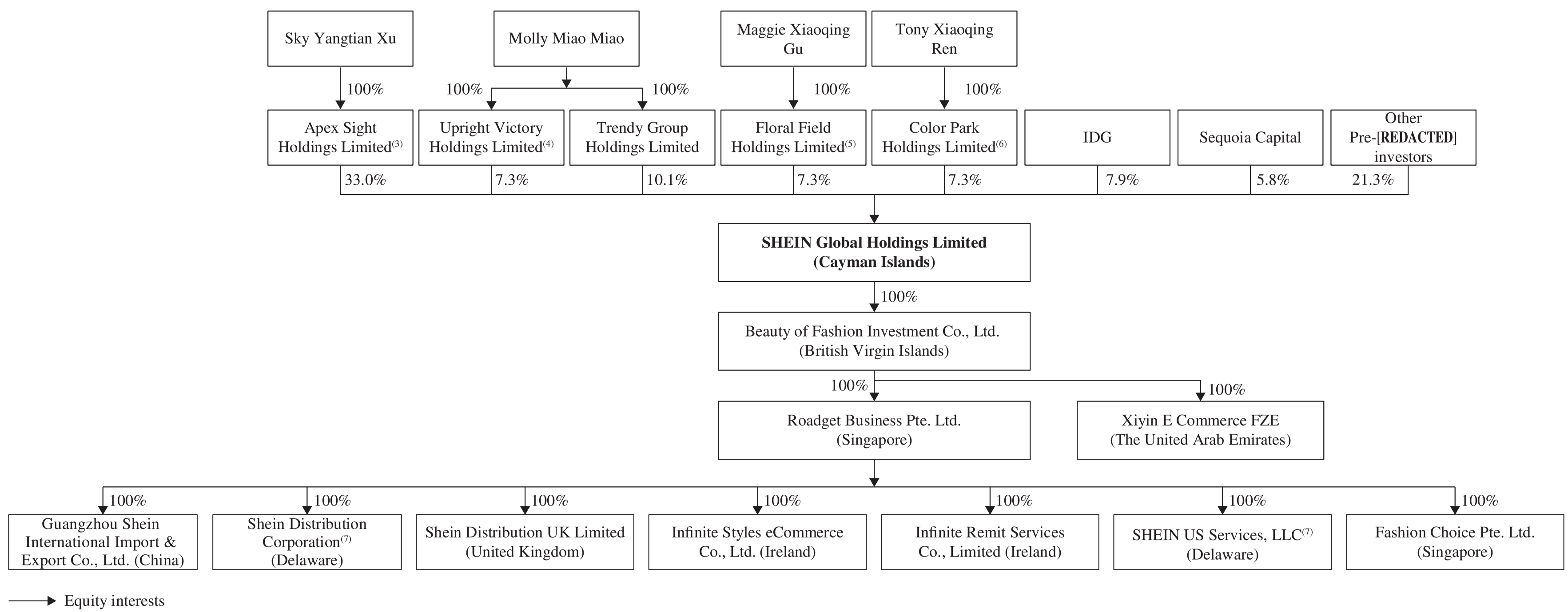
(7) Includes (i) Runway Bermuda Holdco 1 Ltd. and (ii) Runway Bermuda Holdco 2 Ltd.

(8) Includes (i) 113011 Investment Holdings LLC, (ii) 12313 Investment Holdings LLC, (iii) 63019 Holdings, LLC and (iv) Paragon Holdings I LLC.

CORPORATE AND SHAREHOLDING STRUCTURE

Corporate structure immediately before the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Group immediately prior to the [**REDACTED**]:



Notes:

(1) See "— Pre-[**REDACTED**] Investments — Information on the Pre-[**REDACTED**] Investors" for details.

(2) The corporate structure presented has been simplified.

(3) Apex Sight Holdings Limited is 100% owned by XYT Holdings Limited. XYT Holdings Limited is 100% owned by Mr. Sky Yangtian Xu.

(4) Upright Victory Holdings Limited is 100% owned by MM Style Limited. MM Style Limited is 100% owned by Ms. Molly Miao Miao.

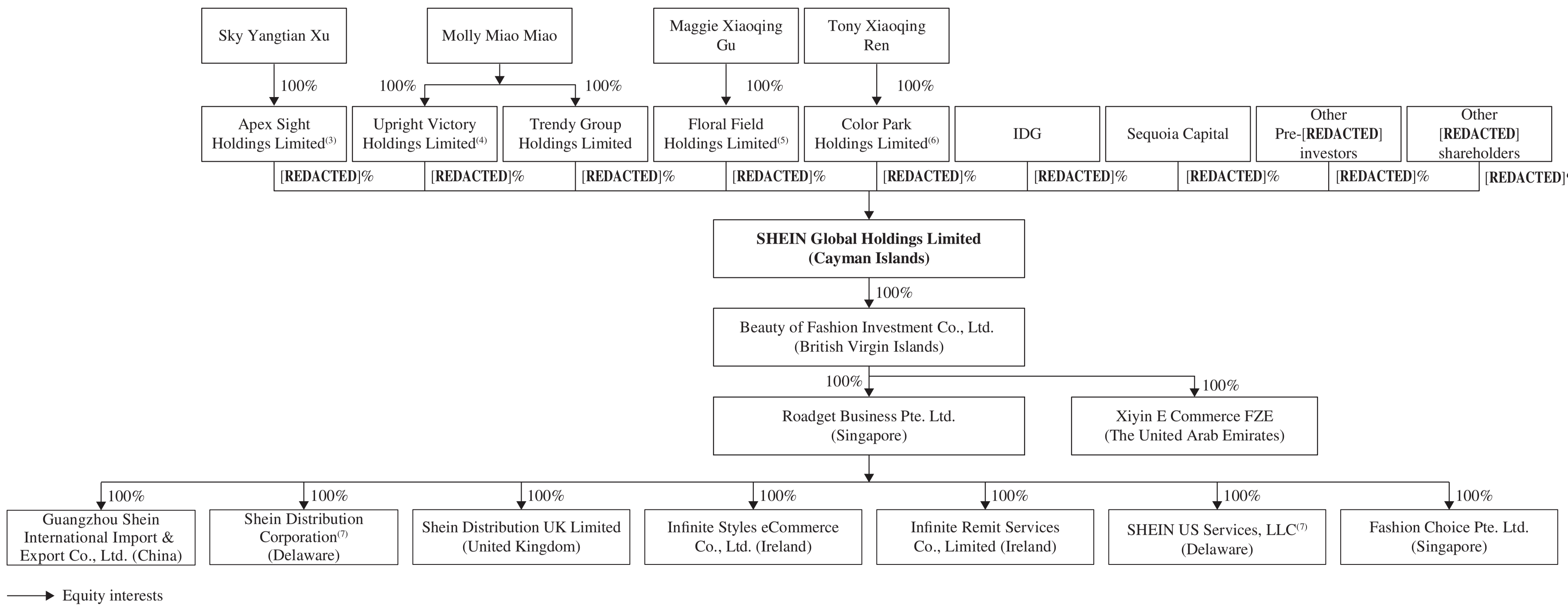
(5) Floral Field Holdings Limited is 100% owned by GXQ Holdings Limited. GXQ Holdings Limited is 100% owned by Ms. Maggie Xiaoqing Gu.

(6) Color Park Holdings Limited is 100% owned by RXQ Holdings Limited. RXQ Holdings Limited is 100% owned by Mr. Tony Xiaoqing Ren.

(7) Shein Distribution Corporation and SHEIN US Services, LLC are each indirectly wholly-owned by Roadget Business Pte. Ltd.

Corporate structure immediately following the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Group immediately following the completion of the [**REDACTED**] (assuming the Assumptions):



Notes (1) to (7): Please refer to the details contained in the preceding page.

SAFE REGISTRATION

Pursuant to the Circular of the State Administration of Foreign Exchange on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (the "**SAFE Circular 37**"), a Chinese mainland resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle that is directly established or indirectly controlled by the Chinese mainland resident for the purpose of conducting investment or financing, and must also register with the local SAFE branch for any subsequent major changes. As advised by our PRC Legal Adviser, as of the Latest Practicable Date, our Founders have completed the registration with the local SAFE branch as required under the SAFE Circular 37.

We are a global online fashion and lifestyle company serving approximately 273 million active customers in approximately 160 markets in 2025. We have reimagined the pursuit of fashion by offering a large, inclusive selection of constantly refreshed products that satisfy consumers' diverse needs, with great value for money. We help people embrace trendy lifestyles and express their individuality.

We have pioneered a proprietary operating model, Large-scale Automated Test and Reorder (LATR), which is the ultimate solution for resolving the industry's longstanding trilemma. This model enables us to achieve an optimal balance among product selection variety, design refreshment speed and inventory management efficiency. We have a global network of partners. As we make our supply chain more agile, strong and resilient, we empower our partners to thrive and grow together with us.

Our commitment to sustainable and responsible growth is woven into the fabric of our business model. By calibrating supply to demand in real time, we minimise our inventory waste to drive not only industry sustainability, but also our own profitability. We believe in doing well by doing good.

Our achievements so far include:

Leadership **Largest** Online Fashion Destination Globally[1]	Reach **273 million** Active Customers[2] in 2025 (21.2% 2023-2025 CAGR)	Selection **2 million+** Apparel styles[3] as of 31 December 2025
Scale **US$41.8 billion** Net Revenues in 2025	Growth **14.2%** 2023-2025 Net Revenues CAGR	Profitability **US$2,064 million** Net Income in 2025

Notes:

1. In terms of apparel and footwear retail sales value in 2025.

2. The term "active customers" for a given period refers to customer accounts that placed one or more orders on our apps or websites in that period, including orders of products of our own brands and products on our marketplace.

3. Refers to apparel products sold through our first-party model, where each apparel style refers to a distinct product variation, characterised by specific attributes such as design or colour. For example, t-shirts of the same design offered in three different colours would constitute three separate styles. Our first-party model refers to a selling model where we sell products to consumers, while our marketplace refers to a selling model where we facilitate sales of products by third-party sellers to customers through our online marketplace.

HOW WE GOT HERE

The pursuit of fashion is universal. We set out to make fashion more accessible and affordable. To make this possible, we started with an online direct-to-consumer business model. Over the years, we have built a proprietary infrastructure to drive the growth of our fashion brands. This infrastructure was purpose-built to enable LATR, which is underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network. We believe these innovations are integral to broadening access to fashion.

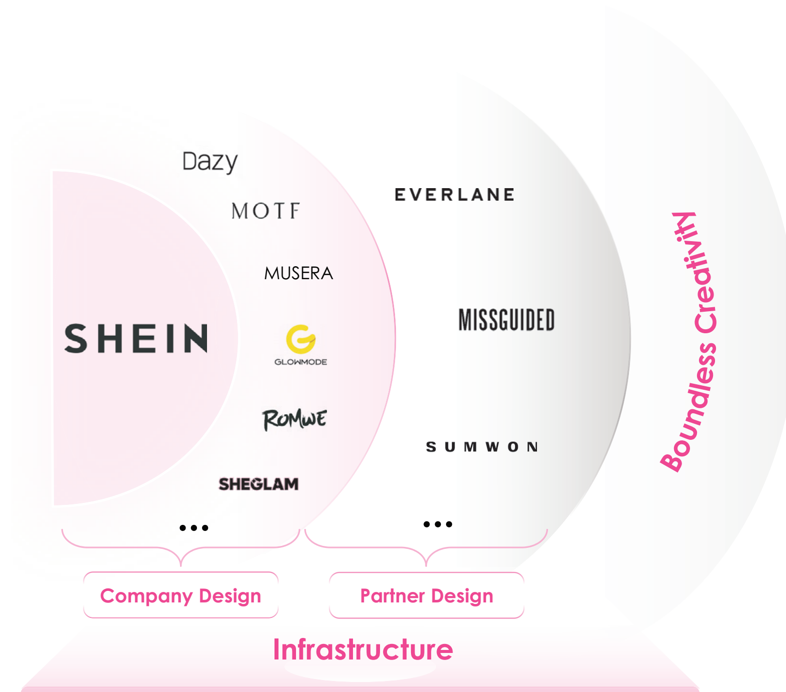
LATR enables us to quickly iterate and deliver products that delight our customers. It entails testing new products by launching them in small initial batches of approximately 100 to 200 items, evaluating customer feedback in real time, and restocking products that are in demand in as few as five days. The test and reorder strategy is not novel, but it is highly challenging to implement it at scale with cost efficiency. Leveraging our end-to-end intelligent supply chain that maximises efficiency and capacity utilisation, we deploy test and reorder at unprecedented scale to a large number of products. LATR structurally minimises production costs and keeps our inventory levels low while reducing wastage, allowing us to pass on savings to our customers. This is how we offer customers a vast and constantly refreshed fashion selection with great value for money. LATR also thrives with our global fulfilment network. With our strategic inventory placement and smart freight routing, we optimise inventory turnover, fulfilment speed and efficiency.

WHERE WE ARE GOING

We put our customers front and centre.

We started our journey under our flagship brand, SHEIN, and have expanded to a portfolio of our own brands to cover more price points, distinctive styles and broadened categories. As we aspire to enrich our fashion selection, we have developed close partnerships with many brands and designers through the SHEIN Xcelerator Programme and empower their profitable growth with our infrastructure. Some brands carry strong brand appeal and customer mindshare, yet operationally face challenges and supply chain bottlenecks. Others are smaller, early-stage players with ambitious brand visions, but lack the expertise and resources to scale up effectively. Enabled by our proprietary infrastructure, we allow more brands and designers to unleash their full potential and transform boundless creativity into reality with speed and certainty.

We believe we are uniquely positioned to empower the next generation of fashion brands, which is instrumental to our mission to make fashion accessible to all.



HOW WE ARE DIFFERENT

Better for Customers

We help people around the world access fashion, embrace trendy lifestyle and celebrate their individuality.

Our wide selection of offerings helps everyone in our diverse customer base feel seen, included and valued.

Wide selection of constantly refreshed, affordable offerings. Our vast product selection consisted of over 2 million apparel styles as of 31 March 2026, and our customers were able to discover an average of approximately 4,700 new apparel styles each day during the three months ended 31 March 2026 through our first-party model. In addition to apparel, we have added new product categories to our offerings, which now include footwear, accessories, beauty, home, and lifestyle products. By connecting long-tail demand with supply, we address our customers' diverse and evolving needs.

Experiences that customers enjoy. We have developed bonds with our customers. Within the fashion industry, we are an early adopter of leveraging online communities and influencers to engage customers. We complement our online engagement with offline activities such as marketing events, fashion shows, pop-ups and showrooms to strengthen our connection with customers. Our inclusive product selection makes it possible for people to enjoy the beauty of fashion.

Strong customer satisfaction and engagement. We have established an engaged, vibrant and global online community. Our customers have generally been staying with us for longer and shopping across more categories. Our active customers increased from approximately 186 million in 2023 to approximately 273 million in 2025 at a CAGR of 21.2%, and increased from approximately 241 million in the twelve months ended 31 March 2025 to approximately 281 million in the twelve months ended 31 March 2026. Annual customer order frequency remained broadly stable at 3.8, 4.0, 4.0, 4.0 and 3.9 for the years ended 31 December 2023, 2024 and 2025 and the twelve months ended 31 March 2025 and 2026, respectively. These metrics are a testament to our strong customer loyalty and engagement. We believe we are only in the early innings of unlocking our potential.

Better for Supply Chain Partners

We bring together a diverse group of supply chain partners globally. These include over 7,500 contract manufacturers in 2025 as well as large numbers of merchants, independent designers and other suppliers. Most of our partners are SMEs. See "Supply Chain Management" in this section for further information on our supply chain network, system and management.

Deep technology integration enables win-win. We empower our suppliers with our proprietary technology solutions to solve traditional industry pain points in capacity utilisation and workflow management. Our intelligent supply chain management system automatically allocates orders to suitable suppliers, based on expertise, price and capacity, amongst other factors. Deep technology integration with suppliers fosters transparency, production efficiency, visibility and flexibility, and enables repeat orders, cost savings and reduced inventory and waste. Benefitting from the significant order volume afforded by our scale and customer reach, our suppliers typically enjoy more predictable order flow, improved asset utilisation and higher returns on investment, even with small batch production.

Empowering supply chain partners through our proprietary infrastructure. We allow supply chain partners of all types to focus on the tasks that they excel at, and add value by bridging the gaps along the value chain. We turn designs into real products for independent designers, streamline operations and improve working capital management for suppliers, and provide marketing and logistics support for merchants. In 2021, we launched the SHEIN X programme, which aimed to empower individual designers and artists. Over the years, we have continued to explore ways to evolve and expand this programme. In October 2025, we officially upgraded and expanded the SHEIN X programme to the SHEIN Xcelerator Programme, which aims to supercharge the growth of more brands. Through this initiative, we provide brands with a suite of differentiated supply chain services and an established global sales platform so that they can achieve lower design risk, reduced inventory risk, and faster time to market. The SHEIN Xcelerator Programme supports brands of different sizes, incubating new brands and revitalising existing ones through flexible collaboration models. The brands within the Xcelerator Programme are able to reach meaningful annualised sales milestones much faster than other leading global Direct-to-Consumer brands, with a significantly healthier financial profile. For example, one of the brands in the Xcelerator Programme increased sales by approximately 15 times in its second year with the programme, while improving operating margin by over 30 percentage points during the same period. This brand also saw its inventory turnover days decrease by approximately two-thirds. The provision of brand enablement services is also driving better profitability for us, with brand enablement operating margin approximately twice as high as our group operating margin. As we empower more partners of all sizes to thrive, our partner base becomes increasingly efficient, flexible and resilient, which in turn enriches the selection for our customers and fuels our growth. Given the recency and relatively limited scale of this initiative during the Track Record Period, the SHEIN Xcelerator Programme contributed not more than 1% of our total net revenues in 2025 and for the three months ended 31 March 2026.

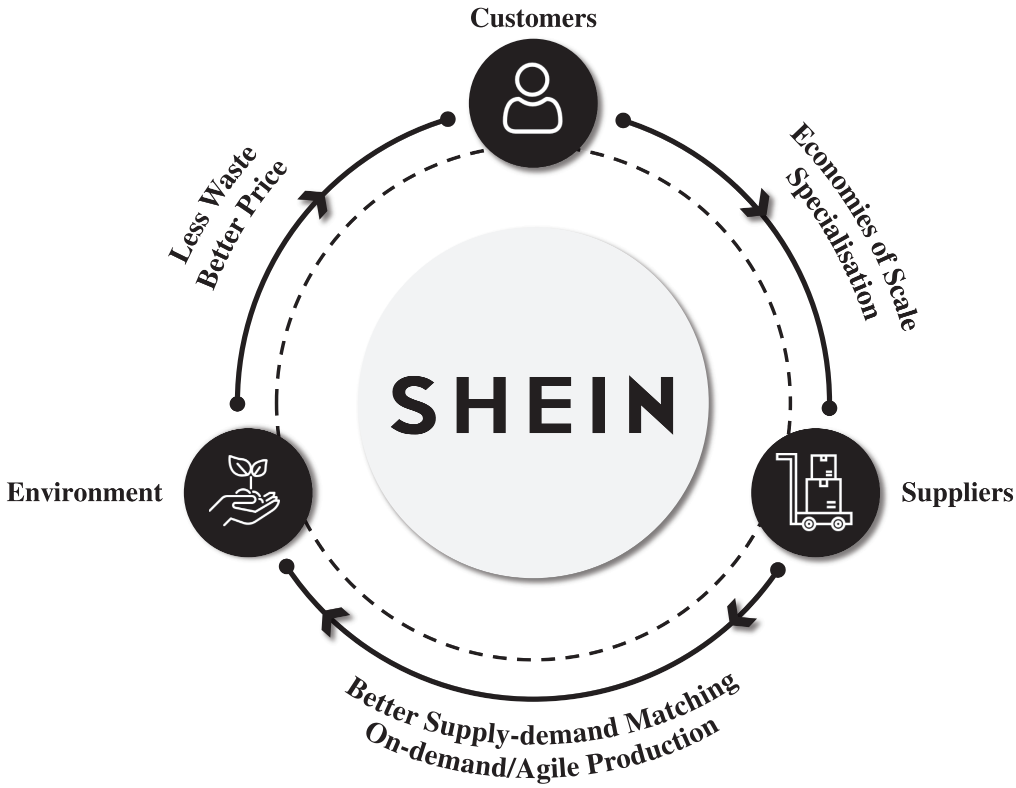
Better for the Environment

We are committed to minimising our impact on the planet we all share. The evoluSHEIN roadmap is our enterprise-wide sustainability strategy to drive our environmental and social impact initiatives focusing on people, planet and process. We believe that we can grow our business while promoting sustainable and responsible growth. We have made some progress in our sustainability journey, and will continue to refine our practices and address the challenges faced by our industry.

Innovative operating model minimises waste. We have pioneered LATR, a technology-enabled, demand-driven operating model that features small-batch production. Underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network, this model allows us to minimise overproduction, reduce inventory waste and deliver quality products to consumers around the world. This in turn helps us reduce our environmental impact and pass on savings to consumers.

Initiatives across the value chain. We actively seek ways to create positive environmental impact across the value chain, from pre-consumption to post-consumption, covering responsible design, material sourcing, manufacturing, circularity programmes and decarbonisation goals.

Equitable empowerment. We respect and embrace individuality across cultures, identities and body types through our inclusive product offerings. We promote inclusive growth by creating business opportunities for SMEs, as well as minority and women entrepreneurs. We strive to improve the lives of our employees, supply chain partners and communities.



OUR MARKET OPPORTUNITIES

We started our business by serving fashion-conscious consumers, particularly young women, offering them a wide selection of fashion items. What people wear goes beyond fulfilling their basic needs — it is a reflection of their cultures and identities. The growth in the global economy and consumption expenditure has propelled the global fashion market, encompassing apparel, footwear and accessories, into a massive market worth US$1.7 trillion in 2025, which is expected to further increase to US$2.0 trillion in 2030. This market is highly competitive, and we primarily compete with both global fashion retailers and, to a lesser extent, e-commerce platforms with fashion offerings.

The fashion industry is shifting from offline to online, driven by digital innovation and a shift in consumer preferences towards online shopping that was accelerated by the COVID-19 pandemic. Empowered by technology and agile supply chains, digital-first fashion players are offering curated shopping experiences that drive engagement and loyalty. The online fashion market grew from US$522 billion in 2021 to US$606 billion in 2025, and is expected to further increase to US$792 billion in 2030. This growth is driven by an increase in online penetration rate, which rose from 33.4% in 2021 to 34.9% in 2025 and is expected to further increase to 38.7% in 2030. Leveraging our leadership in the global fashion market, we have successfully expanded into other categories such as home & living, beauty & personal care and appliances & electronics products, amongst others.

For a detailed discussion about our market opportunities, see "Industry Overview" elsewhere in this document.

OUR COMPETITIVE STRENGTHS

We believe that the following strengths differentiate us from our peers and contribute to our competitive advantage:

Global scale and success. Our innovative and customer-centric business model has proven to be successful and replicable on a global scale. Serving approximately 273 million active customers across approximately 160 markets in 2025, we have become a global fashion icon for discovering the latest fashion with great value-for-money. We are the largest online fashion destination and one of the top five apparel and footwear companies globally in terms of 2025 retail sales value. Our net revenues have also grown rapidly, with a CAGR of 14.2% from 2023 to 2025, to reach US$41.8 billion in 2025.

Value propositions that drive strong customer satisfaction and engagement. Our customers love shopping with us, come back often, and bring their friends. We have built a large and loyal customer base around the world. In 2025, we had approximately 273 million active customers.

Our proprietary LATR operating model. Underpinned by our end-to-end intelligent supply chain and agile global fulfilment network, LATR enables us to achieve an optimal balance among product selection variety, design refreshment speed and inventory management and hence solve the industry's longstanding trilemma. Our end-to-end intelligent supply chain delivers full-chain visibility, predictive intelligence and dynamic supply chain orchestration, while the agile global fulfilment network offers global reach, strategic inventory placement, an optimised freight mix and flexible assortment dispatch. We leverage this infrastructure to deliver the latest in-demand products with speed and cost efficiency while minimising inventory risks and waste.

Thriving network of supply chain partners. We have developed a large collaboration network that empowers our supply chain partners to focus on what they excel at. Technology integration with our supply chain partners maximises their productivity and cost savings when they partner with us. Our scale and customer reach create more repeat orders even with small batch production, generating higher asset utilisation and returns on investment for our partners. As we continually optimise our global supply chain to be closer to our customers, we build resilience in our business and empower more partners to thrive and grow.

Founder-led team and enduring culture driving innovation and growth. Our business success is supported by our strong culture and values, which are centred on customers, people and sustainable growth. Our founders and management team bring extensive experience in fashion, retail, digital marketing and software engineering. They pioneered our innovative business model.

OUR GROWTH STRATEGIES

We are pursuing the following strategies to capture tremendous growth opportunities:

Attract new customers and increase customer engagement. We will focus on growing our customer base in both existing and new markets globally. We believe in the significant potential to further increase penetration in our existing markets and tap into new markets, and will continue to dynamically assess and identify suitable markets for doing so. Our value propositions will help us to further increase customer engagement. We will continue to refine our customer insights and engagement approach to drive wallet share expansion.

Further expand category and product offerings. We will continue to identify and expand into new product categories with significant potential in different markets, and further enrich our product portfolio in existing categories with new items. We have already expanded beyond fashion into lifestyle and other categories, and will continue to identify opportunities in other categories. In addition, we will attract more third-party merchants and brands to enrich the assortment and availability of merchandise on our marketplace.

Continue our commitment to advancing sustainability and social impact. We strive to create value for all of our stakeholders. We will continue to support organisations and entrepreneurs tackling critical ESG issues, and invest in emerging technologies that help protect the environment. We also aim to further collaborate with governments and other stakeholders to drive change that will benefit businesses and society in the long run.

Create more opportunities for designers and brands. We plan to further empower designers and brands, who are important partners in our ecosystem, by making our proprietary infrastructure available to them. We will enable these creative minds to commercialise their talents at scale by providing them with supply chain management, manufacturing, fulfilment and marketing services, as well as opportunities to make their products available to customers around the world. Enabled by our infrastructure, designers and brands can focus on design and their other core competencies, unleashing their full potential as they deliver their talents and value propositions to consumers globally.

Further strengthen our supply chain and fulfilment infrastructure. With the support of our adaptive global fulfilment network, we intend to further strengthen our supplier base to better serve our customers. In addition, we will continue to equip our supply chain partners with our industry know-how and technology solutions to further enhance their operational efficiency.

Continue to invest in talent and technology. We believe that talent and technology are two fundamental pillars of our success. We will continue to invest in our people, technology and infrastructure to drive innovation, improve operational efficiency and optimise the shopping experience of our customers.

KEY OPERATING AND FINANCIAL METRICS

The table below sets out certain key financial metrics for the periods indicated.

	For the Years Ended 31 December						For the Three Months Ended 31 March			
	2023		2024		2025		2025		2026	
							(unaudited)			
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(in millions, except for percentages)									
Total net revenues	**32,103**	**100.0**	**38,748**	**100.0**	**41,847**	**100.0**	**8,952**	**100.0**	**9,052**	**100.0**
Net revenues by type:										
Product revenues	31,235	97.3	35,351	91.2	37,107	88.7	7,765	86.7	7,757	85.7
Service revenues	868	2.7	3,397	8.8	4,740	11.3	1,187	13.3	1,295	14.3
Net revenues by region:										
United States	9,454	29.4	10,464	27.0	10,101	24.1	2,380	26.6	2,040	22.5
Europe	10,214	31.8	13,603	35.1	14,802	35.4	2,843	31.7	2,908	32.1
Rest of the world	12,435	38.8	14,681	37.9	16,944	40.5	3,729	41.7	4,104	45.4
Net revenues by category:										
Apparel	22,080	68.8	25,068	64.7	26,707	63.8	5,548	62.0	5,562	61.4
Others	10,023	31.2	13,680	35.3	15,140	36.2	3,404	38.0	3,490	38.6
Net income/(loss)	**2,789**		**3,365**		**2,064**		**395**		**(99)**	

Our service revenues increased during the Track Record Period following the launch of our marketplace business in the second half of 2022, and our service revenues as a percentage of total net revenues increased during the Track Record Period as our marketplace business grew. In terms of net revenues by region, the percentage of net revenues generated from the United States generally decreased during the Track Record Period, while the revenue contribution from Europe generally increased, primarily as a result of the continued expansion of our business in Europe. In terms of product category, the revenue contribution from products other than apparel increased during the Track Record Period, as we continued to diversify our product offerings to enhance our competitiveness and appeal to a broad customer base.

The tables below set out certain key operating metrics for the periods indicated.

	For the Years Ended 31 December			For the Twelve Months Ended 31 March	
	2023	2024	2025	2025	2026
Active customers (millions)	186	230	273	241	281
Customer order frequency	3.8	4.0	4.0	4.0	3.9
Total orders (millions)	715	919	1,078	970	1,090
Fulfilment expenses per order (US$)	18.9	18.3	17.7	17.7	17.9

For the years ended 31 December 2023, 2024 and 2025, we saw an increase in each of the number of active customers and total orders as our business continued to grow. Meanwhile, fulfilment expense per order decreased during this period due to a combination of factors, including enhancements in warehouse automation and process standardisation, delivery route optimisation, and improvements in operational efficiency. For the twelve months ended 31 March 2025 and 2026, we recorded an increase in the number of active customers and total orders as our business continued to grow. Meanwhile, fulfilment expense per order increased slightly during this period primarily due to the impact of evolving tariff and customs duty policies since 2025. See "Summary — Recent Developments and No Material Adverse Change — Tariff Update".

OUR INNOVATIONS

We believe that our success is attributable to our innovative business model and technologies, which differentiate us from our peers. We were one of the earliest adopters of an online direct-to-consumer business model, which we have deployed at unprecedented scale. Under this model, we use our own apps and websites to offer a large selection of constantly refreshed company-branded products manufactured by our contract manufacturers. These products are then delivered directly to consumers across the world. To make this possible, we have pioneered LATR, a unique operating model that is underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network. This model fully integrates and empowers our supply chain partners using proprietary technologies and tailored value-add. It also enables us to quickly iterate and deliver products that delight our customers and enables our supply chain partners to thrive.

Our transforming LATR

We have leveraged our end-to-end intelligent supply chain and agile global fulfilment network to pioneer LATR, a highly scalable operating model that features on-demand, small-batch production. Highly nimble and responsive to market demand, LATR enables us to resolve the industry's longstanding trilemma, achieving large selection, rapid design refreshment and efficient inventory management at the same time, which has historically not been possible for traditional retailers.

LATR entails testing new products by launching them in small initial batches of approximately 100 to 200 items, and then evaluating customer feedback in real time. If a product sells well, we order more of it. This process of testing and re-ordering is highly automated, and we apply the model at scale to a vast number of different new products.

LATR enables us to economically and rapidly address shifting consumer preferences at scale. By using a small initial production batch, we can quickly launch a large number of new products with minimal upfront commitment, inventory risk, and resource waste. If a product sells well, we can rapidly scale up its production to meet consumer demand. We can rapidly launch small initial batches, and restock products that are in demand in as few as five days.

The test and reorder strategy is highly challenging to implement at scale with cost efficiency. By successfully doing so, we have differentiated ourselves from our peers. With more than 2 million apparel styles as of 31 December 2025 and 31 March 2026, our product selection is among the largest in the industry. This selection is also refreshed faster, as we uniquely are able to restock products in as few as five days. Additionally, LATR enables us to operate highly efficiently. Our unsold inventory percentage is in the low single digits, and our inventory turnover days were just 36 days in 2025.

Our LATR operating model is built on two foundational infrastructure pillars: our end-to-end intelligent supply chain that maximises efficiency and capacity utilisation, and our agile global fulfilment network that optimises inventory turnover and fulfilment speed.

Our end-to-end intelligent supply chain

Our end-to-end intelligent supply chain is one of the pillars of our LATR operating model. This is unique because it digitalises and integrates every step of the full supply chain, and intelligentises trend identification and merchandise planning, design and development, order allocation and production optimisation, demand insights and user interactions, smart routing and fulfilment, and customer feedback. This is differentiated from traditional fashion retailers and e-commerce platforms, which only focus on a few elements of the supply chain. Traditional fashion retailers typically focus only on merchandise planning and design, while e-commerce platforms typically focus only on sales and fulfilment.

Our supply chain is intentionally built for continual and intelligent optimisation. This begins with end-to-end integration, which allows for full visibility across the supply chain, supporting actionable, data-driven decisions together with automatic order allocation and process monitoring. Building on this foundation, our predictive intelligence generates granular, personalised demand signals and enables real-time forecasting and reordering. This allows us to dynamically orchestrate the entire supply chain and facilitate intelligent resource allocation and optimised capacity and inventory management. We strive to achieve a full-stack AI uplift that supercharges operational efficiency across every layer of the supply chain.

As a result, our end-to-end intelligent supply chain is differentiated by being able to pool, coordinate, and integrate supply chain partners across the entirety of the value chain to maximise transparency and efficiency. This allows us to more effectively deliver the latest in-demand products while minimising inventory risks and waste.

Our agile global fulfilment network

Complementing our end-to-end intelligent supply chain, our agile and efficient global fulfilment network extends our reach across the world's principal consumer markets, spanning North and South America, Europe, the Middle East, Africa, South and Southeast Asia, and Oceania. Our network is built on a distributed footprint of supply chain and fulfilment locations anchored by a central logistics hub in China. This network delivers global fulfilment reach, an optimised freight mix and flexible assortment dispatch, enabling us to route and deliver products efficiently across the globe. Taken together, these capabilities allow us to serve a broad and geographically diverse customer base with agility and cost efficiency.

Our innovative technologies

We are focused on using technology to empower fashion. We have developed a proprietary technological ecosystem that empowers us to implement our unique LATR operating model. LATR is technologically demanding because it requires the full digitalisation of the supply chain to realise a very high level of operating efficiency and precise matching of supply and demand.

Our technological ecosystem is a vast and complex system of custom, proprietary software designed to make our end-to-end intelligent supply chain, agile global fulfilment network, and LATR possible. We own and operate a significant number of independently developed software systems that collectively form a proprietary technological ecosystem. In addition, we provide suppliers with a set of cloud-based software solutions that helps them manage all steps of the production process, including receiving orders, production, quality assurance, and shipping. This software is provided to suppliers for free, and enables suppliers who have limited technology capabilities to manage their production processes digitally, providing effective workflow management solutions that help solve the issue of inefficient process management. Additionally, our cloud-based software solutions enable suppliers to be fully digitally integrated with our supply chain. This allows us to automatically and intelligently allocate orders to suppliers based on expertise, price, capacity and other factors, helping suppliers maximise capacity utilisation. End-to-end digital integration with our intelligent supply chain also means suppliers benefit from our predictive insights into what products are, or are likely to be, popular with customers. By having visibility into demand, suppliers experience less working capital volatility, as they can maintain a "just right" level of inventory stock.

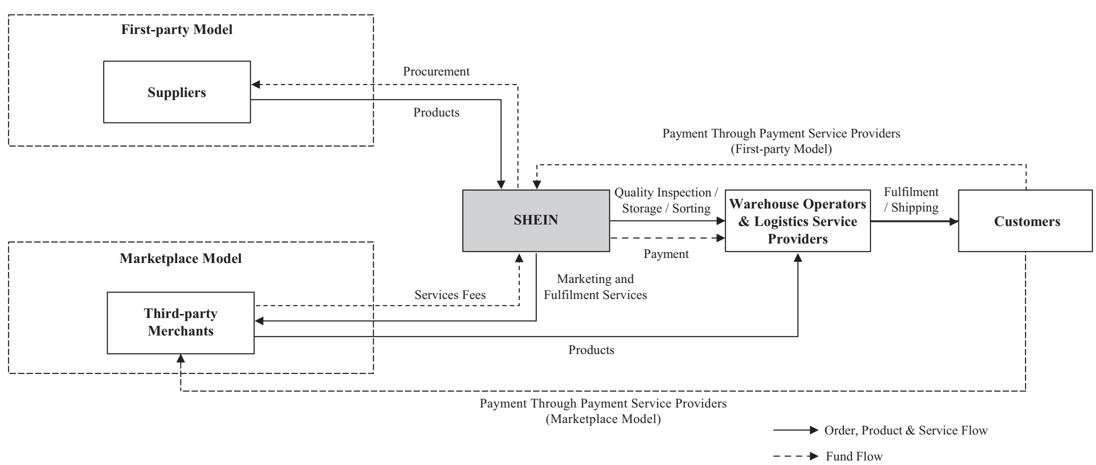
OUR PRODUCTS AND SERVICES

Our company brands, partnership brands and other brands offer consumers a vast and frequently updated selection of curated fashion and lifestyle products at affordable prices. We have become a destination for people to embrace trendy lifestyles and express their individuality.

Our brand journey began with our main company brand, SHEIN, which is focused on women's fashion, as well as a number of other company brands focused on serving customers across different price points and needs. These include MOTF for premium options, Glowmode for activewear, and SHEGLAM for cosmetics. Building on the success of our company brands, we have developed close partnerships with many brands to offer our customers an even more inclusive fashion selection. We empower these partnership brands with our agile and intelligent supply chain, allowing them to focus on design and styles to unleash their full potential and transform boundless creativity into reality with speed and certainty. To further satisfy our customers' desire for more choices and serve their everyday needs, we have also onboarded other brands, who use their own supply chains, on our marketplace to offer products across a wide range of categories, including fashion, accessories, beauty, and home and lifestyle. These complement the products offered under our own brands and partnership brands by increasing the diversity of products available to our customers.

Our wide and frequently refreshed selection of fashion and lifestyle products includes apparel, footwear, accessories, beauty, home, and lifestyle products. A significant portion of our company-branded products are designed entirely inhouse, with a focus on capturing the latest fashion trends and catering to regional preferences. As of 30 June 2026, we had over 370 in-house designers. In addition to inhouse designs, we collaborate with our contract manufacturers by leveraging our insights into fashion trends to design products that are popular with customers. We also work with independent design partners, such as those empowered by our SHEIN Xcelerator Programme, to produce distinctive designs. We procure our finished company-branded products from our contract manufacturers, and source non-company-branded products from a network of other suppliers. Our products attract customers due to the wide and constantly refreshed selection of products that we offer. Our product selection consisted of over 2 million apparel styles as of 31 March 2026, and our customers were able to discover an average of approximately 4,700 new apparel styles each day during the three months ended 31 March 2026 through our first-party model.

We have made our LATR operating model available to brands beyond our own. In doing so, we enable these brands to serve our large customer base by utilising our suite of value-added services to fulfil their specific needs. For example, merchants and brands who lack marketing or fulfilment capabilities can leverage our services to market their products and fulfil purchase orders. The following diagram illustrates the business flows, stakeholders involved and their roles under our first-party and marketplace models.



Under the first-party model, we procure products from our suppliers and deliver them to customers using the fulfilment services provided by our warehouses and logistics service providers. Under our marketplace model, third-party merchants manufacture or source their products from their own suppliers. We provide marketplace services to allow third-party merchants to sell to our users, and charge third-party merchants service fees. We also provide fulfilment services to third-party merchants to cover warehousing and logistics needs. We charge third-party merchants service fees for these services, which generally take the form of a commission for marketplace services and a fee for the fulfilment services provided.

For marketplace services, such commission is generally intended to compensate us for the costs associated with operating and supporting the marketplace, including traffic acquisition and customer reach, payment processing, platform operation, and other related marketplace services. The applicable commission rates vary depending on factors such as the relevant market, product category, service type and the scope of services provided, and generally range from 10% to 20% of the applicable transaction value.

For fulfilment services, fees are not subject to a single uniform commission percentage. Instead, fees are charged based on the specific fulfilment services provided and the applicable service standards, determined by reference to relevant operational factors, including whether warehousing is required, whether delivery services are required, the delivery distance or applicable delivery zone, the weight and dimensions of the goods, and the level of handling or service required. Accordingly, fulfilment fees are generally calculated on a service-by-service basis in accordance with the applicable fee schedule or service quotation, rather than as a fixed percentage of the transaction value.

In addition to the foregoing fee arrangements, our relationship with each third-party seller is governed by a number of terms, conditions and policies, with the most significant being a Marketplace Service Agreement that we enter into with them. The salient terms of our agreement with marketplace sellers for marketplace services include:

- *Term.* The agreement becomes effective upon the seller's registration for use of a Marketplace Service and continues until it is terminated by us or the seller.

- *Commission.* We generally charge sellers a percentage commission on sales proceeds, unless otherwise specified in a separately agreed-upon fee arrangement.

- *No exclusivity.* There is generally no exclusivity clause or equivalent clause prohibiting the seller from selling products on any other marketplace.

- *Costs allocation.* Sellers are responsible for all their own expenses in connection with the Agreement.

- *Product warranty*. Sellers must represent and warrant that they will comply with all applicable laws, including those pertaining to intellectual property, product safety and labelling, marketing and consumer protection.

- *Insurance*. We may require sellers to purchase product quality-related insurance if their gross sales exceed a certain threshold.

All marketplace sellers must represent that they are able to meet our product compliance standards and that their products are compliant with the laws and regulations in the countries where their products are sold. Marketplace sellers must abide by our Seller Code of Conduct which requires marketplace sellers to operate in full compliance with local laws, rules, governmental orders and regulatory requirements in countries or regions where they operate their business or sell their products through our marketplace. Our policies and procedures require sellers to submit documentation for our system checks and randomized manual reviews for products from specified categories, including those with specific regulatory requirements. To ensure compliance with these quality and safety standards, we conduct ongoing monitoring and random checks on products across our inventory, and take appropriate action based on those test results.

We are in the process of further expanding our related service offerings, and we plan to attract more brands, merchants and consumers to our marketplace. Our marketplace will provide us and our supply chain partners with more flexibility in the way we collaborate.

In view of our mix of products and services, the majority of our revenue consists of product revenue. We recognise revenue from the sale of apparel and other products through our mobile apps and website. We recognise product revenue at the point of time when the goods have been accepted by customers, which is when the goods are delivered to the customer. Customers either pay for the goods in advance or upon receipt of the goods. Sales related taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from net revenues. We also generate service revenues, which consist mainly of marketplace service fees charged to third-party merchants for completing sales transactions on our online marketplace. We generally act as an agent and our performance obligation is to facilitate the sale of the specified goods or services by those third-party merchants over our mobile app and website. We also generate service revenues from our cooperation with certain partnership brands. Revenues from our marketplace are recognised at the point of time upon the acceptance of goods by customers.

CUSTOMER ENGAGEMENT

Our Customers

We serve approximately 273 million active customers in approximately 160 markets in 2025. We provide our diverse customer base with broadened access to fashion and lifestyle, empowering them to express and celebrate their individuality, regardless of their culture, background, body type or identity. Our customers are primarily young women. There were no customers from whom revenues individually represented greater than 10% of the total revenues of the Group and the percentage of revenue attributable to the Group's five largest customers was less than 1% during any of the periods in the Track Record Period.

Our Customer Interfaces

We primarily engage with customers through our mobile apps and websites. SHEIN is our main app, and www.shein.com is our main website.

Regional customisation. Our mobile apps and websites have local language versions and customised layouts for our major markets. These different layouts reflect the most popular product categories and consumer preferences in catalogue browsing, and they feature current promotional events and photos of products that are fashionable and trending in target markets. We also use the know-how we have accumulated from operating in different countries and regions to tailor the products and services we offer in those markets to local preferences.

Product recommendations. Our mobile apps and websites feature customer interfaces and visual displays that are personalised for each customer, with products more likely to appeal to the customer displayed more prominently in the interface.

Merchandise display. Our dedicated user experience design team optimises our merchandise display so that consumers can discover fashion more easily. To support our frequent and sizable new product rollouts, we have an in-house visual merchandising team consisting of photographers, make-up artists, stylists and editors, who help us effectively photograph and display merchandise on our mobile apps and website.

Standard Terms and Conditions with Our Customers

The following standard terms and conditions generally apply to most of our customers, although certain regions may have additional or modified provisions to meet local practices, laws and regulations:

Payment terms. Payment is made when an order is placed by a customer.

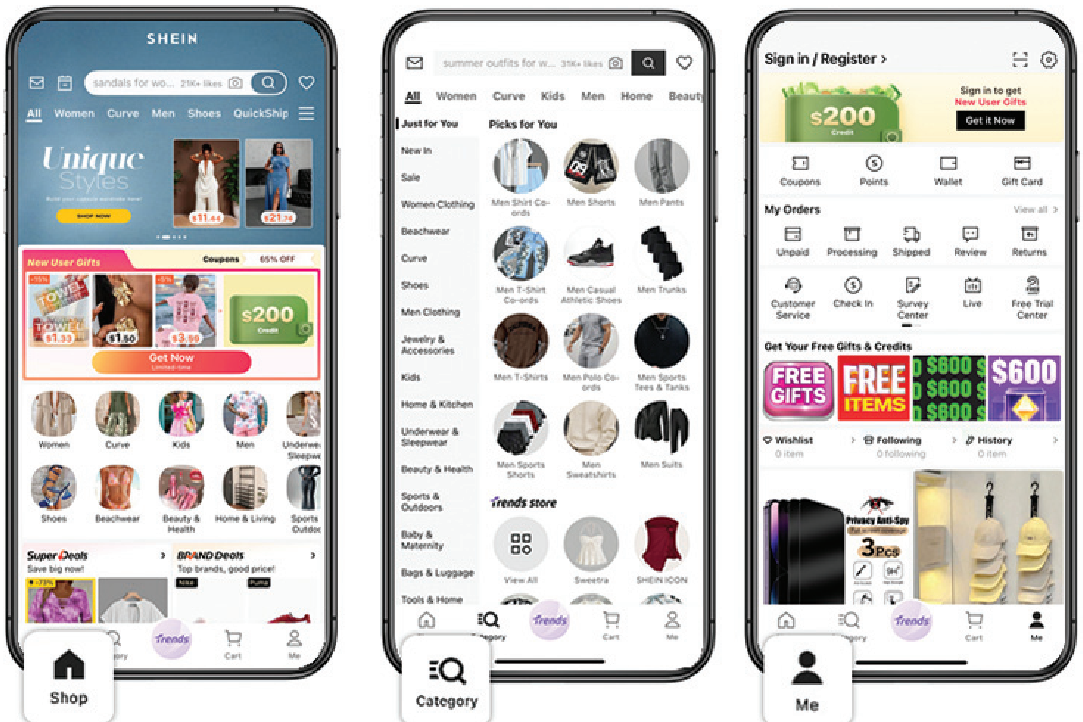
Delivery. We generally offer free shipping to our customers if the total order value exceeds a certain threshold. We provide an estimated delivery window for each order but we do not guarantee delivery within the estimated timeframe. Delayed delivery may be cancelled and refund processed subject to the applicable terms and conditions. Any legitimate claim arising from loss or damage during delivery of the order must be made within a specified time after such customer received the goods or should have received the goods. If we determine that a customer's claim is valid, at our discretion, we will either replace the item that was damaged or lost during shipment, or we will reimburse such customer the purchase price and shipping cost paid.

Warranty. We are obliged to deliver our products in the condition required by applicable laws and regulations.

Return and refund. Most items sold may be returned within a certain period of time after delivery with some exceptions if they meet all applicable return requirements in accordance with our return policies. We offer free return shipping in selected regions and on a specified number of return(s) of one or multiple eligible items for every order within the return window. We also reserve the right, at our sole discretion, to issue a refund for an item without the need of returning the item. For products that are returned in accordance with our return policies and pass our quality check, refunds will be processed and issued. In jurisdictions where customers have a statutory right of withdrawal, our current practice and procedures comply with applicable laws and regulations.

Third-party merchants. We do not guarantee the availability, quality, timing, condition, safety or legality of products offered for sale by third-party merchants. To the fullest extent permitted by applicable law, we expressly disclaim and are released from any and all liability that may arise between customers and any third-party merchants. We disclaim all warranties, representations, and conditions of any kind with respect to any products offered or sold by third-party merchants.

Below are images showing key interfaces that customers see as they shop on SHEIN:



Note: User interfaces shown from SHEIN's US mobile site for illustrative purposes.

MARKETING

To drive better customer engagement, we utilise a range of marketing channels to deliver advertisements or promotional messages to consumers around the world.

We have a vibrant online community. We work with popular online influencers across the world, who help us promote our brand or products. From time to time, we may design limited edition products for particularly popular online influencers. In addition, we also engage in a variety of performance-based marketing activities, including paid search, product listing advertisements, paid social and search engine optimisation.

We have conducted offline marketing and promotional activities mainly via marketing events, fashion shows, pop-ups and showrooms. We also have promotions in the form of special holiday events in different regions.

SUPPLY CHAIN

Our Supply Chain Partner Network

We have a global network of supply chain partners that includes contract manufacturers, merchants, and other suppliers that include upstream suppliers of fabrics procured by and packaging used by contract manufacturers. Currently, our supply chain partners outside of China primarily serve the domestic and regional markets of the regions in which they are located.

We empower our supply chain partners with advanced technology capabilities and value-added services, helping them reach a vast customer base and grow. In particular, we provide suppliers with a suite of cloud-based software solutions that helps them manage the key steps of the production process, including receiving orders, production, quality assurance, and shipping. These solutions enable suppliers who have limited technology capabilities to manage their production processes digitally, effectively and efficiently.

Our most significant supply chain partners are our contract manufacturers, from whom we procure finished company-branded products. In 2023, 2024 and 2025, we had approximately 5,800, 7,200 and 7,500 contract manufacturers, respectively, and the products that we procured from these contract manufacturers accounted for a substantial majority of our products in terms of procurement value in each of these years. Set out below are the salient terms of our standard agreement with our contract manufacturers:

- *Term.* Our agreement typically provides for a one-year term, which renews automatically unless terminated.

- *Minimum purchase agreements.* We do not specify any minimum purchase requirements.

- *Product quality and warranty.* Contract manufacturers are required to warrant that their products meet national and regional requirements and our quality and standards, and we have the right to cause contract manufacturers to replace defective products, among other remedies.

- *Order management*. Orders are placed through our supplier management system.

- *No exclusivity.* Contract manufacturers are not restricted from supplying products to other companies.

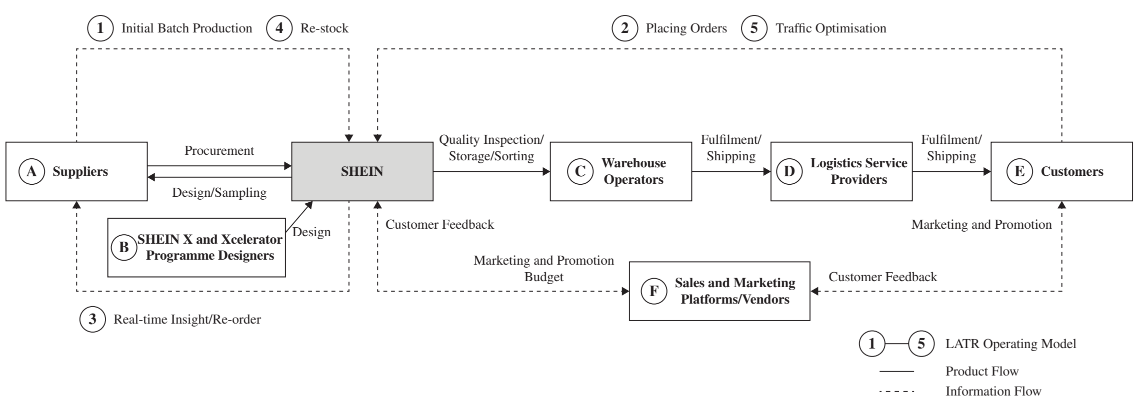
- *Compliance*. The contract manufacturer must comply with all applicable laws, including those relating to labour and the environment, as well as our code of conduct and other policies.

- *Subcontracting*. The contract manufacturer may not subcontract its obligations without our consent.

- *Termination*. The agreement may be terminated upon 30 days' written notice by either party, among other conditions.

We also procure non-company-branded products and services from our other suppliers. There were no suppliers from whom purchases individually represented greater than 10% of the total purchases of the Group during any of the periods in the Track Record Period. For each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026, the Group's five largest suppliers in each period accounted for 14.9%, 12.2%, 16.4% and 16.4% of the Group's total purchase, respectively, among which the largest supplier in each period accounted for 5.0%, 3.9%, 6.0% and 5.2%, respectively. We generally enter into framework agreements with our contract manufacturers, which typically last for one year with a renewal option. As we have a large number of supply chain partners, we do not believe that our business is dependent on any one of them.

The following flow chart illustrates how we and our supply chain partners serve our customers:



The key steps involved in our LATR operating model, as shown in the flow chart above, are the following:

(1) *Initial batch production*. Leveraging our data-powered insights about what products are likely to sell well, our contract manufacturers make an initial batch of production of 100-200 items.

(2) *Placing orders*. Customers select products from our mobile apps and website to place orders.

(3) *Real-time insight/re-order*. We analyse customer purchase behaviour on a real-time basis, identify winning products, and share our insights with suppliers. Where products sell well, we place a large re-order for mass production. We are able to automatically select optimal suppliers for mass production by identifying suppliers with underutilised capacity.

(4) *Re-stock*. After receiving re-order insights from us, contract manufacturers mass produce the product to enable us to restock the product (i.e. place new stock of the product on shelf).

(5) *Traffic optimisation*. We use a combination of data insights, algorithms and other technological innovations to continually ensure customers are presented with products they like on our mobile app and website.

The key stakeholders shown in the flow chart above are the following:

(A) *Suppliers*. These are primarily contract manufacturers who produce company-branded products and with whom we have entered into direct procurement contracts. They may design the products themselves, use our designs, or use designs from SHEIN X and Xcelerator Programme Designers. These suppliers are integrated into our end-to-end intelligent supply chain and empowered by our supply chain solutions.

(B) *SHEIN X and Xcelerator Programme Designers*. Empowered through the SHEIN X and Xcelerator Programme, designers create and design while we handle manufacturing, marketing and retail. SHEIN X and Xcelerator designers can either pay for services provided by us or earn commissions on sales of products they design and retain the intellectual property rights to their designs.

(C) *Warehouse operators*. These operate our global network of warehouses, to which orders are shipped from supply chain partners. Upon receiving customer orders, we package and ship products directly from our warehouses to customers.

(D) *Logistics service providers*. These consist of logistics service providers that we utilise to deliver products to customers.

(E) *Customers*. We have a large, global customer base. We had approximately 273 million active customers for the year ended 31 December 2025, and served approximately 160 countries and regions as of 31 December 2025.

(F) *Sales and Marketing Platforms/Vendors*. These are service providers that help us optimise our sales and marketing efforts.

Our Intelligent Supply Chain

Our end-to-end intelligent supply chain is one of the foundational pillars of our LATR operating model. We have developed an intelligent supply chain management system to coordinate and manage the production of the products we sell. We provide suppliers with a set of proprietary, cloud-based, modular software solutions that helps them manage all steps of the production process, including receiving orders, production, quality assurance, and shipping. This software is provided to suppliers for free, and enables suppliers who have limited technology capabilities to manage their production processes digitally, providing effective workflow management solutions that help solve the issue of inefficient process management.

Additionally, our cloud-based software solutions enable suppliers to be fully digitally integrated with our supply chain from end to end, giving us full-chain visibility. This allows us to automatically allocate orders to suppliers based on expertise, price, capacity and other factors, helping suppliers maximise capacity utilisation. Integration with our end-to-end intelligent supply chain also means suppliers benefit from our predictive intelligence capabilities, which provide granular insights into what products are, or are likely to be, popular with customers. Coupled with our real-time forecasting and reordering capabilities, suppliers experience less working capital volatility, as they can maintain a "just right" level of inventory stock.

The key strengths of our supply chain management system are its digitalisation, flexibility, automation and transparency.

- *Intelligence*. The intelligent nature of our supply chain management system enables us and our supply chain partners to operate together as one, enhancing operational efficiency and synchronisation in the process. We offer suppliers a suite of supply chain management software that is integrated with our proprietary technology platform, enabling us to plan and manage every major step of the supply chain process, including merchandising planning, design, sourcing, manufacturing, and fulfilment. This digital foundation extends to our AI-powered design capabilities, which apply technology to pattern development and AI fashion photography.

- *Flexibility*. Our supply chain management system lays the foundation of LATR. It enables us to respond quickly to shifts in consumer preferences and market trends, as well as shorten our product cycles, supported by dynamic supply chain orchestration that facilitates intelligent resource allocation and optimised capacity and inventory management across the network.

- *Automation*. Our supply chain management system automates key tasks in the supply chain process, such as placing orders and matching products with suppliers. Through automatic order allocation and process monitoring, together with real-time forecasting and reordering, we improve our operational efficiency and responsiveness across the supply chain.

- *Transparency*. Our intelligent supply chain management system is able to provide full-chain visibility into our suppliers' production capacity and progress, and supporting actionable, data-driven decisions throughout the process. The transparency provided by our intelligent supply chain management system also plays an important role in our quality control process, making it easier to address production issues and improve product quality.

Large-scale, Automated, Test and Reorder (LATR)

We have leveraged our end-to-end intelligent supply chain and agile global fulfilment network to develop LATR, a highly scalable proprietary operating model that features on-demand, small-batch production. Initially applied to apparel, this model is highly nimble and responsive to market demand. We refer to this operating model as LATR, which stands for Large-Scale, Automated, Test and Reorder. It entails launching new products in small initial batches to test how strong market demand is for the product. If the product sells well, we order more of it. This process of testing and re-ordering is highly automated, and we apply the model at scale to a vast number of different new products. The diagram below illustrates our LATR operating model.

Demand-Supply Matching

Through LATR, we can economically and rapidly address shifting consumer preferences at scale. Because an initial production batch consists of approximately 100 to 200 items, we can quickly launch a large number of new products with minimal upfront commitment, inventory risk, and resource waste. If a product sells well, we can rapidly scale up its production to meet consumer demand. We can rapidly launch small initial batches, and restock products that are in demand in as few as five days.

Supply Chain Management

Responsible sourcing and supplier management. SHEIN is a signatory to the United Nations Global Compact (UNGC) and supports the Ten Principles focused on labour standards, the environment, and anti-corruption. We are committed to responsible sourcing, as well as promoting social responsibility and sustainable practices. To that end, in recent years we have adopted and implemented a robust set of supply chain management policies and programmes. These mechanisms require suppliers to comply with health and safety, employment and social welfare, and environmental standards, as well as applicable laws and regulations. For example, we have implemented a supplier code of conduct, which has been formulated to generally align with the core conventions of the International Labour Organization and the United Nations' Universal Declaration of Human Rights, and prohibits the use of unethical or unlawful employment practices. The code of conduct also requires suppliers to seek prior consent from SHEIN before entering into any subcontracting arrangements, and requires suppliers to ensure the continuous compliance of any permitted subcontractors with the rules set out in the code of conduct. Our code of conduct is periodically updated to ensure that it addresses changing supply chain conditions and evolving regulatory risks. We also published supplier responsibility standards that further detail our expectations for our global supply chain across areas such as employment, health and safety, the environment, and ethics.

We continue to enforce compliance with our code of conduct and other supplier policies through the SRS policy, which establishes clear guidelines and accountability measures for violations of our code of conduct. We have also collaborated with third-party experts, such as social compliance organisations, to benchmark and align our SRS framework with industry standards. Under SRS policy, all new contract manufacturers must undergo an SRS screening assessment as part of the onboarding process with us. Those who do not meet our standards will not be approved to work with us. Once onboarded, we provide contract manufacturers with ongoing sessions about complying with our code of conduct, and encourage them to complete self-assessments about their SRS compliance.

Existing suppliers are subject to full on-site SRS audits annually, with the frequency and prioritisation determined based on multiple factors, such as supplier size in terms of procurement value, past SRS audit results and random sampling. In addition to auditing contract manufacturers, we also conduct SRS audits of subcontractors and upstream suppliers to verify that our contract manufacturers are enforcing our compliance requirements through their supply chain. As a result of our scoping approach, in 2023, 2024 and 2025, we conducted approximately 4,200, 4,550 and 5,150 SRS on-site audits, respectively, on supply chain partners (including mainly contract manufacturers) and subcontractors globally. Our SRS audits covered contract manufacturers who accounted for approximately 95% of our company-branded products by procurement value in each of 2023, 2024 and 2025. We have continued to build up our compliance programme to cover more supply chain partners and subcontractors globally.

SRS audits are conducted both by our own inhouse audit teams, as well as internationally renowned third-party auditors, including Bureau Veritas, Intertek, Openview, SGS, TÜV Rheinland and QIMA, all of which are member firms of the Association of Professional Social Compliance Auditors. Our in-house audit team members generally have relevant professional backgrounds in social responsibility auditing or supply chain compliance management, together with relevant practical experience. All in-house audit personnel are required to complete structured training on a range of topics, including, among other things, SRS standards, assessment criteria and audit procedures, as well as training provided by multiple third-party auditors. Our in-house team primarily focus on conducting SRS screening assessments of new supply chain partners during the onboarding process. We allocate SRS audit assignments between our inhouse team and third-party auditors based on a holistic assessment of project requirements, available audit resources, the stage of development of our supply chain in the relevant market, and overall quality assurance considerations. The proportion of audits conducted by third-party auditors as compared to our inhouse team varies by market accordingly. For example, in 2025, over 99% of on-site SRS audits were conducted by third-party auditors.

During SRS audits, auditors conduct extensive procedures to assess compliance with our SRS policy, including collecting samples of workers' payslips and timesheets, and interviewing workers to examine compliance with our policies. Supply chain partners are audited against an extensive assessment checklist that evaluates their compliance with our code of conduct and other social responsibility commitments and guidelines. We periodically review these severity classifications to strengthen alignment with industry standards, regulatory requirements and stakeholder expectations.

Through SRS audits, suppliers and subcontractors may be assigned a grade of A, B, C, D or E. Particularly severe violations are classified as either Immediate Termination Violations ("**ITVs**") or Immediate Remediation Violations ("**IRVs**"). ITVs cover the most severe violations, including ethics and transparency issues (such as bribery or refusal to cooperate with SRS audits) and severe violations of employee rights. IRVs cover serious violations that warrant urgent rectification in order for us to continue our business relationship with the relevant supplier, including other types of violations besides those which constitute ITVs (such as failure to pay minimum wage, delayed wage payments or other severe wage violations), workplace health and safety issues and serious environmental pollution.

Any supplier or subcontractor who is found during an SRS audit to have committed an ITV or an IRV is assigned an E grade. If an SRS audit determines that one of our contract manufacturers has committed an ITV, that contract manufacturer is subject to immediate termination of its business relationship with us. Contract manufacturers found with IRVs are required to remediate their practices within a strict timeline or likewise face termination, but we do not tolerate repeat offences and suppliers that are rated E for two consecutive audits are terminated. Similarly, if an SRS audit identifies that an upstream supplier or subcontractor has committed an ITV or has failed to remediate an IRV within the prescribed timeline, we unilaterally take action by prohibiting contract manufacturers from procuring from that upstream supplier or subcontractor. Any terminated suppliers are removed from our enterprise resourcing planning system, which serves to remove that supplier from our supply chain. Accordingly, we terminated relationships with 5, 12 and 5 suppliers in 2023, 2024 and 2025, respectively, due to their violation of our SRS policy. Nevertheless, even for suppliers that we have decided to terminate, we send them an action plan with guidance on how to remediate identified violations, in order to educate and empower them to take steps to improve conditions in their facilities.

We provide additional incentives for suppliers who receive an A or B grade on their SRS audits, which has included expanded training access and opportunities to supply for our product initiative aimed at accelerating the use of preferred materials and scaling responsible manufacturing. Suppliers who receive a grade of D or E are placed under closer monitoring as they pose higher compliance and business risks for SHEIN, and are required to undergo an additional on-site audit within the same 12-month period. In all cases, suppliers receive a copy of their SRS audit report together with a set of remediation suggestions to act upon.

In addition to SRS audits, we implement grievance mechanisms, encouraging employees and contractors working at supplier facilities to report any suspicions or concerns that they may have, including those about potential labour issues. We maintain a multichannel feedback system for reporting concerns directly to SHEIN. Additionally, during some supplier audits, our SRS auditors distribute grievance cards to workers, which outline the process for submitting complaints. We protect whistleblowers and any discrimination against them is strictly prohibited under our policies.

Training and empowerment. We hold regular workshops and trainings for suppliers on social compliance, covering labour practices and other topics. Through these sessions, suppliers maintain their understanding of our supply chain governance policies, learn best practices for compliance with local labour laws, and gain a better understanding of compliance risks in their operations. Additionally, through our Supplier Community Empowerment Programme, we have been implementing long-term initiatives to empower suppliers in factory enhancement, facilities upgrades, technology innovation, training support and community engagement, helping to create a stronger and more resilient supply chain.

Materials usage. We are making efforts to use more preferred materials that include environmental improvements over conventional or status quo options, such as recycled polyester, forest-safe man-made cellulosic fibres sourced from producers that achieved a 'Green Shirt' rating in Canopy's annual Hot Button Report, and rescued deadstock fabrics. We leverage our scale to pre-negotiate the pricing of materials from key fabric suppliers and provide a listing of these fabrics on a digital fabric library that our contract manufacturers can easily access to directly purchase any fabrics they need.

Product safety and quality. Across the products listed on our apps and website, we have put in place a multifaceted product safety protocol which ensures product compliance with applicable laws and regulations and our product standards, across various stages from listing to point of sale. To help ensure that our company-branded apparel products meet applicable chemical safety standards, we maintain and implement a restricted substances list, which sets out restricted substance standards for chemical formulas that may be used in the production process, such as dyes, additives, and finishing agents, and was developed with reference to the

Zero Discharge of Hazardous Chemicals (ZDHC) manufacturing restricted substance list. For both apparel and non-apparel products, we conduct random inspections of selected finished products on a monthly basis. These inspections include a number of different tests, depending on the product type, composition, and associated risks. For apparel products, for instance, we test for factors such as tear strength, pilling and colour fastness, in addition to chemical testing. These tests are conducted by international third-party testing agencies. In 2025, we conducted over 800,000 inspections on apparel products for compliance with relevant standards. For company-branded products, once we identify any non-compliance with relevant standards, we will take appropriate follow-up actions, which may include imposing fines, restricting orders from or even terminating the business relationship with the noncompliant supplier, depending on the severity of the case. For products on our marketplace, once a marketplace seller's performance is assessed to be non-compliant or in violation of our requirements, we will take measures against the seller such as removing the product listing, restricting the seller's store operations, or even termination of the seller, depending on the severity of the case. To date, we have not received any material complaints or experienced any material product recalls, product returns, order cancellations or liability claims during the Track Record Period and up to the Latest Practicable Date.

FULFILMENT

We serve more than 273 million active consumers in approximately 160 markets across the world. Effective fulfilment capabilities are crucial to maintaining customer satisfaction through our agile global fulfilment network.

Warehouses. We have a global network of warehouses, comprising over approximately 6.0 million square meters of warehouse space across Asia, North America, Europe, the Middle East and South America as of 30 June 2026. Once the Company's supply chain partners produce a small batch of products, that batch is shipped to one of the Company's warehouses. Upon receiving customer orders, the Company packages and ships products directly from its warehouses to customers around the world. We have been increasing our efforts to establish warehouses around the world in order to be closer to the markets that we serve.

Delivery. While our shipping policies vary from market to market, we generally offer free shipping to our customers if the total order value exceeds a certain threshold. We use third-party logistics service providers to provide cross-border shipping and last-mile delivery. The costs of using these service providers can vary based on market conditions. For example, the COVID-19 pandemic affected logistics service providers, causing decreased air freight capacity and an increase in shipping costs before returning to relatively normal levels as the COVID-19 pandemic receded in 2023. Some of our logistics service providers are also responsible for customs clearance, as well as compensating us for lost or delayed items. In 2025 and for the three months ended 31 March 2026, over 90% of orders were delivered within 10 business days from the time the order was dispatched.

Returns and customer service. We care deeply about customer satisfaction, and have adopted generous return policies for different markets. Generally, after our customers receive a product, they have a certain period of time to return that product for a refund or exchange. Return shipping is either free or based on a market-comparable rate. We had 25 customer service centres around the world as of 31 March 2026.

TARIFFS

As we ship products from the Chinese mainland to customers across approximately 160 markets, our business is subject to constantly evolving tariffs, duties and other trade-related costs in the jurisdictions where our customers are located. See "Regulations — Regulations Related to Import and Export" and "Summary — Recent Developments and No Material Adverse Change — Tariff Update". Currently, the majority of the products manufactured by our supply chain partners are stored in our central warehouses in the Chinese mainland before shipping. In 2025, products stored in our central warehouses in the Chinese mainland represented over 90% of our net revenues. Since May 2025, in response to the removal of the *de minimis* exemption, we have begun passing on the majority of the additional tariff costs by increasing our prices in the U.S. market. We are also adjusting our import and export practices as necessary. For example, for products previously eligible for the *de minimis* exemption, we have transitioned from a simple customs entry process for *de minimis* packages to a customs clearance process that requires more extensive documentation and procedures. Amongst other things, we have adopted necessary protocols for the formal entry process to ensure compliance with the more stringent documentation and other procedural requirements. Beyond the U.S. market, we expect to pursue a wide range of options in Europe in response to the removal of the EUR 150 customs duty exemption for low-value consignments. See "Risk Factors — B. Risks Related to International Trade and Taxation — Tariffs and International Trade Policy — The modification or removal of the *de minimis* or other similar exemptions from import duties, or the increase of tariffs, value-added taxes or other duties, may materially and adversely affect our business and financial condition."

In navigating the evolving duty and tariffs landscape across our markets, we have generally adopted a principles-based framework that includes (a) passing through incremental duty costs to consumers via targeted price adjustments, supported by our dynamic pricing technology and strategy, (b) reducing cross-border duty exposure by increasing locally-held inventory and expanding partnerships with local fulfilment providers, and (c) maintaining a dedicated trade compliance function to monitor evolving customs and trade policy developments and adapt our practices accordingly.

TECHNOLOGY

We have developed a proprietary technology platform that integrates and supports all of our business functions and helps us operate more effectively. We own and operate more than 1,700 in-house developed software systems that collectively form a proprietary technology platform capable of managing and automating the flow of goods, services, information and funds throughout our business, including in the areas of supply chain management, intelligent manufacturing, intelligent operations and maintenance, and data analytics. Our technology platform integrates big data and artificial intelligence capabilities.

The key features of our proprietary technology platform include:

- *Product lifecycle management*. We use our proprietary technology platform to manage the key steps in the lifecycle of each product, including trend forecasting, merchandise planning, design, manufacturing, sales, fulfilment and customer feedback. Our technology platform also helps us analyse and identify current fashion trends to address the evolving needs of our global, diverse customer base.

- *Supply chain management.* Our proprietary technology platform helps us better manage our vertically-integrated supply chain. We empower suppliers with cloud-based software that helps them manage the key links in the supply chain, including receiving orders, production, quality assurance, and shipping.

- *Procurement management*. Our technology platform efficiently connects our procurement specialists and suppliers by providing a one-stop portal through which procurement specialists can browse, select and purchase designs or products offered by suppliers.

- *Demand tracking*. Technology helps us track consumer demand for each product in real time. For example, in the context of LATR, we use technology to manage both initial orders and reorders, calculating when and how much we should re-order based on the sales performance of each product. This information is then passed through our proprietary technology platform to place reorders with our suppliers. Our ability to track demand and reorders accurately is instrumental for maintaining optimal levels of inventory.

- *Warehouse management*. We use technology to monitor each step of the warehousing process, from the time a product is inspected and stocked, right up to when the product is loaded for shipping. Inside each warehouse, inventory is bar-coded and tracked through our warehouse management system, allowing real-time monitoring of inventory levels across our logistics network and item tracking at individual warehouse sites.

We have built technology infrastructure that helps ensure high availability and a low risk of downtime. Our technology infrastructure enables us to accurately process and fulfil increasingly large numbers of orders at peak periods while maintaining processing speed and quality consistency, as well as providing supply chain visibility. We currently use Amazon Web Services, Microsoft Azure, Google Cloud Platform and other third-party cloud computing services to host our network infrastructure.

We are also making investments to modernise garment manufacturing technologies and processes. Established in 2022, the SHEIN Centre of Innovation for Garment Manufacturing (the "**CIGM**") focuses on developing waste reduction and efficiency-enhancing technologies that can be standardised and scaled across our entire supply chain. The CIGM engages in garment manufacturing tool and equipment development, focusing on intelligent production and automation, to improve production quality and efficiency, achieve cost savings, and machinery adjustments to make it easier for supplier personnel to operate. In 2025, the CIGM was granted 12 patents and had 34 patents pending for new technologies and tools. The CIGM also developed over 70 new sewing and garment-making tools, helping our supply chain partners achieve significant productivity improvements.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Overview

Our commitment to sustainable and responsible growth is woven into the fabric of our business model. We have established our evoluSHEIN roadmap as an enterprise-wide sustainability strategy to drive our environmental and social impact initiatives, and have set tangible goals to track our progress. We believe that we can transform traditional industry practices through innovation, and advancing sustainability will remain a key focus as our business grows. See also "Regulations — Regulations Related to ESG" elsewhere in this document.

We actively identify and monitor ESG risks and opportunities that may impact our business. We utilise a double materiality assessment that serves as a strategic compass to guide our sustainability and social impact initiatives by identifying the issues that our stakeholders assessed to have the most significant impact on our financial performance, and that our operations have on the planet and the communities we serve. By identifying the material issues and their corresponding impacts, risks, and opportunities, we can develop and implement strategies that are aligned with our organisational goals and values, as well as the perspectives and expectations of our key stakeholders. Our materiality assessment consists of the following steps: (1) review of our business activities and value chain, (2) identification of relevant sustainability-related issues and scoping of potential impacts, risks and opportunities, (3) engagement of stakeholders, (4) prioritisation of sustainability matters, and (5) calibration of material impacts and risks.

The key risks we have identified are described in more detail in "Risk Factors" section, and particularly those set out under the subheading "— F. Environmental, Social and Governance ("ESG") Risks."

ESG Governance

Our ESG policies and activities are overseen by our Board, our Sustainability Committee, and our global head of sustainability. Our Sustainability Committee consists of not only certain of our Directors and senior executives, but also representatives of our external stakeholders. Collectively, the members bring extensive experience in ESG and sustainability oversight, including dedicated leadership roles focused on ESG and sustainability at global investment firms, executive oversight of our own sustainability strategy and business model, and experience in responsible investment and stakeholder engagement gained at institutional investors. Our Sustainability Committee advises on and oversees our strategies and initiatives to manage, monitor and measure ESG matters in our operations and management. Our Sustainability Committee is responsible for, amongst other things, advising our Board with respect to our overall strategy and management with respect to ESG matters, as well as adopted ESG-related policies, strategies and initiatives. Under the leadership of our global head of sustainability, our sustainability team works closely with all business functions to implement sustainability policies and initiatives.

To further ensure that our ESG efforts are aligned with those of our key stakeholders and the wider community, we have established the SHEIN ESG External Advisory Board (EEAB), an advisory group consisting of external ESG experts. The EEAB is focused on providing us with strategic advice on key ESG topics.

Innovative Operating Model That Minimises Waste

We believe we have a unique operating model that, by design, helps us minimise overproduction and inventory waste. We have pioneered LATR, a highly scalable, proprietary operating model that features small-batch, on-demand production. Underpinned by an end-to-end intelligent supply chain and an agile global fulfilment network, this model enables us to base order decisions on customer feedback in real time, which helps keep our inventory waste low. This means we can offer a wide range of products without accumulating large inventories of unsold products, as well as consistently achieve a high inventory turnover. We aim to continually improve our processes and practices to reduce waste in pursuit of a circular future.

Initiatives Across the Value Chain

We are taking active steps to mitigate our environmental impact across the value chain. In addition to our responsible sourcing and supply chain management initiatives described above, we are also pursuing initiatives in the following areas:

Decarbonisation. We are committed to reducing overall emissions in our own operations and across our value chain. We have established voluntary climate-related targets, which have been approved by the Science Based Targets initiative (SBTi) in accordance with their criteria and considerations for the 1.5°C emissions pathway. These targets are as follows: (i) near-term targets to reduce absolute Scope 1 and 2 GHG emissions by 42% from 2023 levels by 2030 and reduce absolute Scope 3 GHG emissions by 25% from 2023 levels by 2030, as well as to increase active annual sourcing of renewable electricity to 100% by 2030, (ii) long-term targets to reduce absolute Scope 1, 2 and 3 GHG emissions by 90%, relative to 2023 levels, by 2050, and (iii) a long-term net-zero target of working towards net-zero GHG emissions by 2050. In 2024, with the support of a sustainability consultant, we developed a decarbonisation roadmap which translates our science-based targets into a sequenced set of actions across Scopes 1, 2 and 3, outlining the strategic actions, resources, and milestones needed to achieve our near- and long-term science-based emissions reduction targets as validated by the SBTi. The roadmap: (1) identifies key decarbonisation levers across our operations and value chain; (2) prioritises actions based on emissions-reduction potential, feasibility, readiness and cost; (3) accounts for our on-demand business model, projected growth and evolving regulatory expectations; and (4) is reviewed periodically to reflect developments in technology, policy and market conditions. Our priority actions aim to reduce: (1) direct emissions within own operations (i.e. from offices and warehouses we operate), and emissions from our electricity purchases and (2) indirect emissions across our entire value chain beyond our own operations, which depend on our collaboration with our suppliers and other value chain partners.

To reduce our Scope 1 and 2 emissions, our current priority actions include transitioning to renewable energy, improving energy efficiency, as well as eliminating direct fossil fuel use where possible and reducing fugitive emissions. In 2025, we made progress towards these actions by, among other things, purchasing more electricity derived from renewable sources for our own operations and implementing energy efficiency measures across our facilities in the Chinese mainland. In 2025, renewable energy made up approximately 85% of the electricity consumption across our operations, up from 76% in 2024. We also increased our on-site electricity production from solar energy, with 93.9 MWp of installed solar photovoltaic capacity, a 67% increase in capacity compared to 2024. In 2025, we consumed 36,909.5 MWh of solar energy, corresponding to an estimated reduction of 19,576 metric tons of CO_2e.

To reduce our Scope 3 emissions, our priority actions include reducing the use of virgin materials and transitioning to lower-impact alternatives, promoting lower-impact manufacturing processes, optimising transportation routes and improving transport efficiency as well as minimising and managing our waste. In 2025, we made progress towards these goals by, among other things, supporting the adoption of rooftop solar energy in our supply chain by connecting suppliers with third-party experts who support suppliers in developing solar PV installation plans, promoting the use of lower-impact manufacturing processes in supplier facilities, as well as optimising air routes and switching to trucking for shorter routes. By the end of 2025, 142 of our suppliers had installed rooftop solar photovoltaic systems, with a total of 139.6 MWp installed capacity since 2023. The consumption of solar energy is expected to result in emission reduction of 64,806 metric tons of CO_2e.

The table below sets out our emissions by type for the years indicated:

Category	Description	Year Ended 31 December		
		2023[(1)]	2024[(2)]	2025
		(metric tons CO_2e)		
Scope 1	Fossil fuel combustion emissions	1,446	2,809	5,331
	Fugitive emissions	5,107	1,407	2,979
Scope 2	Market-based emissions	25,788	26,695	20,535
	Location-based emissions	91,505	121,566	122,777
Scope 1 + Scope 2	Market-based emissions	32,341	30,911	28,846
Scope 3 (under our near-term SBTi Targets)	All Scope 3 under our near-term SBTi targets	18,122,772	20,443,652	19,045,150
Scope 3 (Total)	Total Scope 3	21,260,511	26,173,068	25,575,117
Total Scope 1 + 2 + 3 (under our near-term SBTi targets)	Total Scopes 1 to 3 under our near-term SBTi targets	18,155,113	20,474,563	19,073,995
Total Scope 1 + Scope 2 + Scope 3	**All scopes combined**	**21,292,851**	**26,203,979**	**25,603,962**

Notes:

(1) In 2024 and 2025, we updated our emission calculation methodology which has led to recalculations of our historical emissions.

(2) As a result of certain updates to the Scope 3 emissions data, there is a slight difference in the reported 2024 emissions data between our 2024 and 2025 ESG reports.

Design. We continue to advance our product initiative aimed at accelerating the use of preferred materials and promoting more sustainable practices. Garments made under this initiative must consist of at least 30% preferred materials with a lower environmental impact than conventional or status quo options, be manufactured by suppliers that have achieved an above-average rating in an SRS audit conducted by an accredited third-party or have been certified to an independent third-party standard, and be shipped in packaging comprising at least 50% preferred materials, such as recycled PE. In 2025, around 7% of company-branded products made with textiles designated by SHEIN were made in accordance with the standards of this product initiative. We are committed to sourcing more company-branded products through this initiative. We leverage our digitally connected supply chain and utilise a proprietary materials traceability management system to track the sourcing of our preferred materials, such as recycled polyester.

Materials. We are making efforts to use more preferred materials for both apparel and packaging. We are a member of Textile Exchange, and we use their guidance on our use of preferred materials to select materials with improved environmental or social sustainability outcomes and impact. We are also signatories of the CanopyStyle and Pack4Good initiatives led by Canopy, a non-profit organisation dedicated to protecting the world's forests, biodiversity, and climate. We have set a target of transitioning approximately 30% of the polyester used for SHEIN-branded products to recycled polyester, a preferred material for our business, by 2030. In 2025, 9.2% of polyester directly sourced for SHEIN-branded products was recycled polyester, of which 13.4% was textile-to-textile recycled polyester. As a signatory of Canopy's Pack4Good initiative, we are taking steps to reduce and eliminate the impact of our paper-based packaging on the world's Ancient and Endangered Forests. As at the end of 2025, paper boxes used for our deliveries were FSC-certified with on-product labels. Through our engagement with Canopy, we are exploring additional opportunities and assessing the feasibility to further reduce the negative impacts on forests. This includes looking at how we can reduce overall material use, increase recycled content, or integrate Next-Generation fibres. In addition, we will work with Canopy to map our paper packaging supply chain to gain greater transparency into our current sourcing and identify areas for further improvement.

In 2025, 55.4% of all express delivery bags used in packages shipped by us globally were made of at least 50% recycled PE. We also made progress on our goal of transitioning our garment polybags to 100% Global Recycled Standard (GRS)-certified recycled PE, with 3.5% of all garment polybags procured for our brands meeting this standard in 2025. In 2025, in addition to increasing recycled content, we continued to find new ways to consume less plastic by optimising the thickness and design of our express delivery and garment polybags and use less packaging, without compromising functionality, which is estimated to have avoided 46.7 tonnes of virgin plastic in 2025.

Production. We promote the adoption of production technologies and processes that improve resource efficiency. These include cool transfer denim printing, a less water-intensive denim production process, and digital thermal transfer printing, a zero water waste printing process verified by third-party studies.

Circularity and waste. As a signatory of World Circular Textiles Day, we have taken steps to support the collective mission of shifting the fashion and textiles industry toward full circularity. We have launched SHEIN Exchange, a peer-to-peer resale platform which allows customers to sell pre-owned SHEIN items, in the United States, France, the United Kingdom and Germany. This platform has seen significant growth, with around 3.5 million new users joining in 2025, bringing the total number of active users to over 9.5 million. In 2025, more than 83,700 products were listed on this platform by approximately 78,400 unique sellers. We also work extensively to address waste across the product life cycle. In 2025, our partnership with Aloqia helped us rescue around 10,500 meters of deadstock fabric, corresponding to savings of approximately 70,690 cubic metres of water, 1,605 kg of chemicals, and 13.8 metric tons of CO_2e compared to traditional production according to the impact measurement algorithms developed by Aloqia. Moreover, we increased our proportion of packaging procured that contained at least 50% preferred materials, such as recycled polyethylene or paper packaging not sourced from Ancient and Endangered Forests for almost 20% of SHEIN-branded products, up from 17% in 2024.

Equitable Empowerment

We strive to improve the lives of our customers, employees, supply chain partners, and members of the larger global community that our business impacts each day.

Empowering customers. We aim to bridge the accessibility gap in fashion. We empower customers with affordable means of self-expression regardless of culture, gender, age, body type, ability or economic status. We have an inclusive product selection designed to serve customers' diverse styling needs, including extended sizing and alternative fit proportions.

Empowering employees. From our founding we have been committed to creating an inclusive business and work environment. Two of our four founders and approximately 55% of our employees are women. We provide employees at all levels with opportunities to develop their skills and grow their careers.

Empowering entrepreneurs. Through the SHEIN Xcelerator Programme, we have empowered nearly 20 brands from around the world with our direct-to-consumer services, helping them to access global markets and build their own brands. Through our end-to-end intelligent supply chain, we provide business opportunities to diverse small and mid-sized businesses around the world.

Empowering suppliers. Through our Supplier Community Empowerment Programme, we have been implementing long-term initiatives to empower our suppliers in aspects such as manufacturing technology innovation, training support, facilities enhancements, and community engagement.

Empowering communities. SHEIN Cares is our philanthropic commitment to support organisations advancing important causes in the communities around the world that our business impacts, such as empowering entrepreneurs and designers, promoting women's empowerment and gender equality, supporting the development of our youth, and alleviating poverty. Our philanthropic work is complemented by the SHEIN Foundation, a nonprofit organization established in 2024 to foster more inclusive and sustainable growth in the communities that SHEIN engages with across our global footprint.

DATA PRIVACY AND CYBERSECURITY

We are committed to protecting our users' privacy and personal information. We have developed policies to govern how we collect, store and access customer data and to ensure the security of our data and infrastructure. These policies are designed to meet the requirements of and comply with applicable cybersecurity and data protection laws, such as the California Privacy Rights Act, the California Consumer Privacy Act, the European Union General Data Protection Regulation, the UK General Data Protection Regulation and the UK Data Protection Act 2018.

Data Practices

We are focused on securing the data in our business. We strive to only collect the minimum amount of data necessary to provide our products and services and to optimise the customer experience. We have made public our privacy policy and disclosed the purposes for which we collect personal data. We obtain consent from users of our websites and mobile apps for the processing activities as described in our customer-facing privacy policy. For example, we obtain consent when a customer first registers a SHEIN account, each time they login, and before we set non-essential web cookies on their web browser.

Customer data is collected when customers interact with, create an account on, or order products from our websites or mobile apps. When information is collected from or about our customers, we take measures aimed at processing, using, and storing that information in compliance with applicable laws and regulations. We store consumer data with third-party cloud service providers, which are currently Amazon Web Services, Microsoft Azure and Google Cloud Platform. We generally store customer data in the jurisdiction in which it was collected. For example, for customers in the European Union, their data is stored in Google Cloud in Frankfurt, Germany. For U.S. customers, their data is stored in the United States on Microsoft Azure or Amazon Web Services. In the ordinary course of business, customer data may sometimes be required to be transmitted outside of the jurisdiction where the data is collected, such as when a buyer orders a product from a seller located in another jurisdiction and the order information must be transmitted to the seller so that they can attach it to the package to be delivered to the buyer. We strive to ensure that our third-party service providers can only use our customer's personal information for a limited set of purposes. To that end, we use contracts that prevent our service providers from using personal information for any purpose other than that for which we collected it from our customers. Most data shared with third-party logistics service providers is governed by our Data Processing Addendum, which restricts their ability to utilise shared data except as necessary to provide contracted services at our direction. In certain jurisdictions, some logistics service providers have taken the legal position that, by allowing customers to directly access their platforms for package tracking and other related services, they are a joint controller of customer data. In such instances, we require these logistics service providers to execute a Data Sharing Agreement, which identifies them as joint controllers but still limits them to only using customer data to provide the contracted services.

To further protect consumer data and ensure compliance, we have adopted global personal data de-identification standards and built corresponding technologies and infrastructure. Data is categorised into different types and levels with different access rights, helping ensure control over access to customer data. Persons without the requisite access rights will not be able to access customer data, or will only be able to access anonymized customer data. Our cybersecurity team conducts security annual audits to ensure compliance with cybersecurity and privacy regulatory requirements. Additionally, third-party certified bodies conduct periodic audits according to our certifications. These include BSI for ISO 27001 and 27701 certifications and Atsec for PCI DSS certifications. We have also implemented strict access controls to make sure that data can only be accessed by authorised personnel.

Ensuring Cybersecurity

We are committed to keeping our IT infrastructure secure and meet compliance requirements globally. We intend to further enhance our cybersecurity posture.

We have adopted cybersecurity and data privacy policies that are aligned with standards set by the International Standards Organization (the "**ISO**"), the National Institute of Standards and Technology (the "**NIST**"), and the Payment Card Industry's Digital Security Standard (the "**PCI DSS**"). Our policies set forth requirements and procedures designed to, amongst others, (i) protect us against cyberattacks and security vulnerabilities in our IT infrastructure systems, (ii) manage information security activities, (iii) integrate security-by-design and privacy-by-design principles throughout our software development lifecycle, (iv) ensure the security of the endpoints in our corporate and logistics networks, (v) protect our systems and data from unauthorised access or use, (vi) protect the safety of our physical facilities against unauthorised access or disruptions, (vii) protect our cloud infrastructure, and (viii) ensure we only use trusted software.

We have a dedicated cybersecurity and risk management organisation comprising around 190 staff as of 31 March 2026. Led by our chief security officer, who reports directly to our CEO, this organisation is focused on building and running security capabilities to identify threats, mitigate risks and ensure regulatory compliance. Globally, we have established clear lines of reporting, and our cybersecurity risks and associated mitigation practices are evaluated by senior leadership, helping ensure that we hold ourselves accountable with respect to cybersecurity matters. Our global Security Operations Centre also runs incident response plans that are aligned with global standards to monitor, document and remediate the impact of any potential cybersecurity incidents.

We are committed to continually refining our cybersecurity practices and ensuring that our data and systems are safe. We work with leading cybersecurity firms to conduct regular risk assessments based on internationally recognised security standards and frameworks, including ISO standards, NIST standards and the PCI DSS. Through these efforts, we continually refine our cybersecurity measures. We intend to further deepen our collaboration with industry experts and enhance our corporate governance practices with respect to data privacy and cybersecurity.

Our internal control consultant has reviewed data privacy policy and other supporting documents, examined our security certifications, and made inquiries with our management in respect of our mechanisms for collecting, using and storing personal data. Based on the above, our Directors are of the view that our internal controls with respect to data privacy and cybersecurity are adequate and effective.

Advances in technology, the expertise of hackers, new discoveries in the field of cryptography or other events or developments could result in a compromise or breach of the technology that we use to protect confidential information. We have been subject to immaterial cyberattacks in the past. See "D. Risks Related to Data Security, IP and Technology — Data Security and Privacy — Failure to protect personal, confidential or sensitive information of our customers and supply chain partners and network against security breaches could cause us to incur unexpected expenses and loss of revenues and may materially harm our reputation and business" in "Risk Factors".

Except as disclosed in "Business — Legal Proceedings", during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material claims, investigations or legal proceedings (whether settled, pending or threatened) relating to any alleged material non-compliance with applicable laws and regulations with respect to cybersecurity, data privacy and personal data protection. With respect to the matters disclosed in "Business — Legal Proceedings", to the best of our knowledge, our practices are not materially non-compliant with applicable laws and regulations relating to data privacy and cybersecurity.

INTELLECTUAL PROPERTY

We regard our trademarks, copyrights, domain names, know-how, proprietary technologies, and other intellectual property as critical to our success. We maintained 2,138 trademark registrations, and had 916 registered domain names worldwide, including *www.shein.com*, as of 31 March 2026. We also have applied for the registration of 598 trademarks pending registration and we have copyright protection for our proprietary designs and photographs.

In addition to efforts to protect our own intellectual property, we have also adopted policies and procedures to prevent infringing upon the intellectual property rights of others. We educate our employees, designers and suppliers on intellectual property integrity, including by sharing guidance materials and holding training sessions. Before new SHEIN-branded and SHEIN Xcelerator products are posted on our mobile apps and website, we review them using a multi-layer IP review process that includes the use of image recognition solutions and manual review to check the potential new products against trademark databases from the US Patent and Trademark Office and World Intellectual Property Organization. Our suppliers are required to certify that the products they supply to us do not infringe on the intellectual property rights of others, and we may ask them to provide intellectual property registrations or other documentary evidence of ownership or originality. We also provide an online IP complaint portal where rights holders can submit takedown notices for alleged infringement of trademark, copyright, patent or design rights. Our policies mandate the immediate removal of infringing items. We take disciplinary action against suppliers that are found to have provided us with infringing products, including listing restrictions, financial penalties and termination.

We cannot assure you these efforts are sufficient to protect our intellectual property or to mitigate claims of intellectual property infringement. For more information, see "D. Risks Related to Data Security, IP and Technology — Intellectual Property and Technology Infrastructure — We are from time to time subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business operations" and "— Intellectual Property and Technology Infrastructure — We may not be able to prevent others from unauthorised use of our intellectual property, which could harm our business and competitive position" in "Risk Factors".

COMPETITION

The fashion industry is highly competitive. We primarily compete with global fashion brands and, to a lesser extent, e-commerce platforms with fashion offerings. We believe that we are positioned favourably against those competitors based on our value propositions that drive strong customer satisfaction and engagement, our unique LATR operating model underpinned by our end-to-end intelligent supply chain and agile global fulfilment network, thriving network of partners, and founder-led team and enduring culture driving innovation and growth.

EMPLOYEES

As of 31 December 2023, 2024 and 2025 and 31 March 2026, we had 16,519, 18,169, 18,389 and 17,751 employees, respectively. As of 31 March 2026, 82.0% of our employees were located in Asia and Oceania (including 79.3% located in the Chinese mainland), 12.7% were located in the Americas and 5.3% were located in Europe and the Middle East. The following table sets forth the total number of our employees by function as of 31 March 2026:

Function	Total Number of Employees	Percentage
Sales and Marketing	1,349	7.6%
Merchandising	4,321	24.3%
Fulfilment	6,454	36.4%
Research and Development	4,456	25.1%
General and Administrative	1,171	6.6%
Total	**17,751**	**100.0%**

Our success depends on our ability to attract, retain, and motivate qualified employees. We give our employees around the world opportunities for skills development and career growth while respecting their diverse cultures, abilities and lifestyles. We help our employees identify and achieve career goals, and we host team-building events and volunteer activities that allow them to give back to their communities. We offer employees competitive salaries, performance-based cash bonuses and equity-based incentives, comprehensive training and development programmes, and other fringe benefits and incentives.

We have adopted a Code of Ethics outlining employee requirements, rights and obligations. Every employee undergoes training on this code and agrees to be bound by its requirements throughout their employment with us. We prohibit discrimination, harassment, bullying, retaliation, and conflicts of interest and promote a safe and healthy work environment.

We believe that we maintain a good working relationship with our employees, and we have not experienced any material labour disputes, strikes or work stoppages.

PROPERTIES AND FACILITIES

We have leased offices and warehouses across the world. As of 30 June 2026, we leased an aggregate of approximately 0.2 million square meters for office space and an aggregate of approximately 6.0 million square meters for regional distribution warehouses. We had 37, 6, 18 and 11 warehouses in China, the United States, Europe and elsewhere, respectively, as of 30 June 2026. The table below sets out the location, square footage and lease expiry dates of our warehouses as of 30 June 2026:

Location	Leased Gross Floor Area (m^2)	Lease Expiry Dates
China	4,087,038	Various dates between August 2026 and April 2034
United States . . .	408,777	Various dates between December 2031 and December 2034
Europe	1,018,481	Various dates between August 2026 and February 2033
Other	527,688	Various dates between December 2026 and February 2038
Total	**6,041,984**	

INSURANCE

We maintain certain insurance policies to safeguard against risks and unexpected events. During the Track Record Period, we have subscribed to various forms of insurance relating to our business operations, including (i) cyber insurance covering liabilities and losses associated with cybersecurity incidents and business interruptions resulting therefrom, (ii) commercial general liability insurance covering personal injury and property damage to third parties resulting from accidents (including product liabilities) during our business operations, (iii) warehouse property insurance covering losses of goods and equipment stored in our warehouses caused by fire, theft, natural disasters and other unexpected events, (iv) warehouse liability insurance covering personal injury or property damage to third parties associated with our warehouse operations, (v) employer's liability insurance covering liabilities and losses associated with claims against our directors, senior management and other officers resulting from our employees' work-related injuries, (vi) social insurance and commercial insurance for our employees in accordance with local laws and regulations, and (vii) directors and officers liability insurance. See "G. Risks Related to Our Financial Performance, Capital Resources and Internal Control — Results of Operations, Seasonality and Internal Controls — We have limited insurance coverage, which could expose us to significant costs" in "Risk Factors".

Our contract manufacturers bear liability for the quality of the products they produce and are required to ensure compliance with applicable quality standards, production standards, hygiene standards, and inspection and quarantine standards in the relevant countries or regions. Our contract manufacturers assume liability for their products, including all incidents (such as personal injury, issues relating to safety and health, explosion and fire) resulting from the quality of their products, product return and exchange, compensation paid to customers, resulting losses incurred on us including due to closure or suspension of business. Our contract manufacturers are also required to ensure that their products do not infringe upon any intellectual property rights or trademarks and do not contain improper content and they assume full responsibility and undertake to indemnify us for any breach thereof.

Merchants are generally responsible for the products they distribute on our marketplace. They are required to comply with all applicable laws pertaining to intellectual property, product safety and labelling, marketing and consumer protection. Merchants are generally obligated to indemnify us for (i) any breach of applicable laws, (ii) their products (including the offer, sale, refund, cancellation, return, or adjustments thereof, (iii) any trademark, content or information they provide to us, (iv) any actual or alleged infringement or misappropriation of any intellectual property rights by any of their products or any content or information they provide, (v) any personal injury, death, or property damage arising out of or related to their products and product information; and (vi) their disputes with any users of our marketplace. Merchants also release us from claims and damages in connection with any dispute that may arise between them and any other user of our marketplace. We, on the other hand, will defend, indemnify, and hold harmless merchants and their representatives against any third-party claims arising from our non-compliance with applicable laws or allegations that the software used by us to operate any website infringes or misappropriates that third party's intellectual property rights.

We generally engage logistics service providers on their standard terms. These terms typically provide that the liabilities of the logistics service providers are capped at a certain amount per item or per kilogram unless we specifically declare the value of an item and subscribe for additional insurance from the logistics service providers or third party insurer. The liabilities of logistics service providers are also typically limited to direct losses. Losses incurred as a result of (i) force majeure events, (ii) the transportation of dangerous goods, (iii) the special condition of or special requirement for the care of the delivery items, (iv) our failure to provide true and accurate information relating to the delivery items or, where applicable, to make a true and accurate declaration to the customs and other competent authorities relating thereto, are typically excluded, and we may be required to indemnify the logistics service providers under these circumstances.

We believe our insurance coverage is sufficient for the needs of our operations and appropriate for our current risk profile, and that our insurance coverage is customary for companies of comparable size in our industry.

LEGAL PROCEEDINGS

From time to time, we are involved in claims, investigations, litigation, legal or administrative disputes and proceedings that arise in the ordinary course of business, including, among other things, employment matters, copyright, trademark and other intellectual property disputes, consumer protection matters, product compliance, ESG-related disclosures, import of goods, and data security matters. These proceedings may distract our management's attention and consume a significant part of our time and other resources. In addition, even if we ultimately succeed in a given proceeding, there may be negative publicity created in the course of or surrounding that proceeding, which may materially and adversely affect our reputation. In the case of an adverse outcome, we may be required to pay significant monetary damages, incur significant costs, assume significant liabilities or modify, suspend or terminate parts of our operations. As a result, our business, financial condition, and results of operations may be materially and adversely affected.

Set out below are certain legal and regulatory proceedings in which we were previously involved and which to our knowledge have been resolved as of the date of this document:

- In 2018, we became aware that certain personally identifiable information of our customers, including names, login credentials and credit card information, was stolen during a concerted criminal cyberattack on our computer network, which was subsequently investigated by the Office of the Attorney General of the State of New York. In October 2022, we reached a settlement agreement with the Office of the Attorney General, pursuant to which we paid US$1.9 million in settlement payment in the same month and have maintained a comprehensive information security programme that includes a series of cybersecurity measures to protect consumer information.

- In 2025, we were fined by DGCCRF, the French authority which oversees both competition and consumer protection in France, in relation to our historical pricing display and environmental claims, and this matter has since been resolved through a settlement involving a fine of EUR 40 million completed in July 2025.

- In November 2025, French authorities commenced proceedings against us regarding the sale of certain inappropriate products by third-party merchants on our marketplace. We immediately removed the relevant products and banned the merchants involved in this incident from our marketplace, and cooperated with the authorities in the investigation. In December 2025, a court dismissed the French government's request to suspend our French website for three months, while ordering no sale of certain adult products on our French website until a substantive age-verification mechanism is implemented. In March 2026, the appellate court rendered its decision upholding the original judgment, dismissing all of the French government's claims.

Certain other legal and regulatory proceedings remain ongoing as of the date of this document, including the following proceedings:

- In August 2023, France's data privacy regulator, CNIL, carried out an inspection of our website. Subsequently, in September 2025, CNIL issued a fine of EUR 150 million against us in connection with our practices for obtaining user consent and cookie practices, though CNIL conceded that all alleged non-compliance had been remediated prior to the fine. We have appealed this decision to the Conseil d'État, France's supreme administrative court. The appeal remains pending and we are also evaluating other options that we may pursue.

- In December 2023, Temu filed a complaint in the United States District Court for the District of Columbia, accusing us of violating US antitrust laws through unfair competitive practices. In September 2025, our motion to dismiss was partially granted. We continue to vigorously defend ourselves against these allegations. In addition, we are involved in IP infringement lawsuits against Temu and their competition counterclaim against us in the UK, which also remain unresolved.

- In February 2026, the European Commission opened a formal investigation against us under the EU Digital Services Act in relation to (i) the systems we have in place to limit the sale of illegal products in the EU, (ii) the risks linked to the design of our service, as well as the systems we have in place to mitigate such risks, and (iii) the transparency of our recommender systems. The opening of the formal investigation does not prejudge the outcome. We are cooperating with the European Commission in this investigation, which remains at an early stage.

- In April 2026, the Irish Data Protection Commission (the "**DPC**") commenced a statutory inquiry into our transfers of certain EU personal data to China, following a complaint filed by a privacy advocacy group. We are currently cooperating with this investigation and intend to vigorously defend our position that our transfers of EU personal data are compliant with the GDPR. This investigation is currently at an early stage. We remain committed to responsible data protection practices and are constantly enhancing our processes to better safeguard customers' data and improve data compliance programmes.

- In June 2026, DGCCRF imposed administrative fines totalling approximately EUR 22.5 million on two of our subsidiaries in connection with deficiencies identified in our order confirmation practices, the exercise of consumer withdrawal rights, product traceability disclosures and environmental information disclosures relating to synthetic textile products. We disagree with this decision, believe the fines to be manifestly disproportionate, and are in the process of contesting both sanctions.

- The U.S. Federal Trade Commission (the "**FTC**") has been conducting an investigation into our U.S. business operations, and we are actively cooperating with the FTC in connection with such investigation. Although it is possible that we may reach a settlement with the FTC in connection with the investigation, we currently cannot predict the probable outcome of the investigation and the timing of such outcome, and we cannot rule out that such outcome could occur in the near term. The outcome of the investigation, whether in settlement or otherwise, may require us to make significant monetary payments that could have a material adverse effect on our financial condition and results of operations.

As of 31 March 2026, we had recorded aggregate provisions of approximately US$80.0 million in respect of the ongoing proceedings described above. See Appendix I to this document for more details. The amounts of any provisions we record in connection with any claims, litigation, disputes, proceedings and investigations are inherently subject to substantial uncertainties. Accordingly, the final amounts that we may ultimately be required to pay, if any, could differ materially, either higher or lower, from the provisions recorded.

Based on currently available information, we do not believe that the ultimate outcome of any unresolved matters, individually or in the aggregate, is reasonably likely to have a material adverse effect on the Group's financial position, results of operations, or cash flows. The legal proceedings in which we are currently involved may increase the risks of negative publicity and reputational damage, potentially eroding stakeholder trust, diminishing customer loyalty, and resulting in the loss of business opportunities. See "I. General Regulatory and Litigation Risks — We are from time to time party to litigation and other legal or administrative disputes, proceedings and investigations that may require us to expend significant resources and subject us to penalties, reputational damage or other negative consequences" in "Risk Factors".

LICENSES, PERMITS AND APPROVALS

We are required to maintain or renew the permits, licenses and approvals material for our operations. During the Track Record Period and up to the Latest Practicable Date, we had obtained all necessary permits, licenses and approvals from the competent government departments and regulatory authorities that are material for our business operations in the jurisdictions where we operate. The following table sets forth our key licenses, permits and approvals. As of the Latest Practicable Date, the following licenses, permits and approvals are all valid, and we are not aware of any legal impediments in renewing them.

Holder	Type of permit, license or approval	Expiry Date
Guangzhou Yuntong Foreign Trade Comprehensive Services Co., Ltd	Registration of a Consignee or Consignor of Imported or Exported Goods	2099

Holder	Type of permit, license or approval	Expiry Date
Guangzhou Shein Supply Chain Management Co., Ltd	Registration of a Consignee or Consignor of Imported or Exported Goods	2099
Guangzhou Shein International Import & Export Co., Ltd. . . .	Registration of a Consignee or Consignor of Imported or Exported Goods	2099
Nanjing Xiyin E-Commerce Co., Ltd	Registration of a Consignee or Consignor of Imported or Exported Goods	2099

COMPLIANCE

In our Directors' view, we have complied with applicable laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date, and we have not been subject to any litigation, arbitration, administrative proceedings pending or threatened or any instances of non-compliance that led to fines, enforcement actions or other penalties, which individually or in aggregate, would have a material adverse impact on our business operations and financial performance.

RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted and implemented various policies and procedures to ensure rigorous risk management and internal control. These policies and procedures cover various aspects of our business operations, such as financial reporting, systems of disclosure and reporting, internal control, human resources and regulatory risk management. We are dedicated to continually improving these policies and procedures. In order to monitor the continuous implementation of post-[**REDACTED**] risk management policies and corporate governance measures, we have taken or will continue to take the following risk management measures:

- Our board of directors is responsible for monitoring our internal control system, assessing its effectiveness and maintaining suitable and effective risk tolerance levels.

- The audit committee of our board of directors and our audit team assists our management with developing risk management policies and reviewing major risk management matters, providing guidance to relevant departments on risk management measures, and overseeing the implementation of risk management policies.

- Our financial reporting, legal and compliance, human resources and other relevant teams are responsible for implementing our risk management policies and implementing day-to-day risk management initiatives.

- When necessary, we engage external professional advisors to work with our internal audit and legal teams to conduct regular reviews to ensure the validity of all registrations, licenses, permits, filings and approvals.

TRANSFER PRICING

We conduct intercompany transactions between Roadget Business Pte. Ltd. and its major subsidiaries incorporated in various jurisdictions, including China, Singapore, the United States, Ireland and the United Arab Emirates. Roadget Business Pte. Ltd. primarily is responsible for procurement, online operations, marketing, software development and investment holding, while the regional distributors primarily engage in procurement, marketing, online sales and other services to customers in their respective markets.

We have engaged external tax advisers to undertake ongoing reviews of our transfer pricing arrangements to ensure continued compliance with the arm's length principles under the OECD Transfer Pricing Guidelines. Based on the reviews conducted by the external tax advisers, our Directors believe that our transfer pricing arrangements are in compliance with those arm's length principles and did not identify any material inconsistencies with those principles. We also prepare and maintain annual transfer pricing documentation in accordance with applicable local regulatory requirements and OECD standards, thereby substantiating the arm's length nature of our significant related party transactions. We closely monitor our transfer pricing practices and intend to continue engaging external advisors as necessary to ensure ongoing compliance in all relevant jurisdictions.

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 IFRS.

The following discussion and analysis contains 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 document.

OVERVIEW

We are a global online fashion and lifestyle company serving approximately 273 million active customers in approximately 160 markets in 2025. We have reimagined the pursuit of fashion by offering a large, inclusive selection of constantly refreshed products that satisfy consumers' diverse needs, with great value for money. We help people embrace trendy lifestyles and express their individuality.

We have pioneered a proprietary operating model, LATR, which is the ultimate solution for resolving the industry's longstanding trilemma. This model enables us to achieve an optimal balance among product selection variety, design refreshment speed and inventory management efficiency. We have a global network of partners. As we make our supply chain more agile, strong and resilient, we empower our partners to thrive and grow together with us.

We generate our revenues primarily by selling apparel and other fashion and lifestyle products directly to consumers around the world through our mobile apps and websites. We procure products from a large number of supply chain partners and incur cost of sales. For our apparel products, we utilise LATR, which entails launching and testing products in small initial batches, followed by reordering strong sellers ahead of time through our end-to-end intelligent supply chain. As a result, we are able to achieve fast inventory turnover and maintain a low level of inventory written down and loss on inventory obsolescence. In addition, our LATR operating model is built on an agile global fulfilment network. We operate a global network of warehouses and collaborate with third-party logistics and payment service providers to fulfil customer orders around the world. Fulfilment expenses comprise the largest part of our operating expenses.

Our net revenues have grown substantially in recent years, reaching US$32.1 billion, US$38.7 billion and US$41.8 billion in 2023, 2024 and 2025, respectively. Our net revenues increased from US$9.0 billion in the three months ended 31 March 2025 to US$9.1 billion in the three months ended 31 March 2026. Our operating income was US$1,376 million, US$966 million and US$1,707 million in 2023, 2024 and 2025, respectively. Our operating income was US$348 million and US$258 million in the three months ended 31 March 2025 and 2026, respectively.

Our net income was US$2,789 million, US$3,365 million and US$2,064 million in 2023, 2024 and 2025, respectively. We recorded a net loss of US$99 million in the three months ended 31 March 2026, compared to net income of US$395 million in the same period in 2025.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, financial condition and results of operations are affected by a number of general factors that impact online fashion and lifestyle companies, including, among other things, overall economic trends and their impact on consumer behaviour, pandemics and other public health crises, production and procurement costs, the competitive environment and geopolitical tensions.

For example, the COVID-19 outbreak and the resulting social distancing shifted consumer shopping from offline to online and accelerated e-commerce penetration. Meanwhile, it affected logistics service providers, upon which online retailers including us depend to deliver products to customers. For example, airfreight capacity decreased significantly and shipping costs increased significantly during the COVID-19 pandemic. See "A. Risks Related to Our Business and Growth Prospects — Macroeconomic and Other Matters — We face risks related to natural disasters, health epidemics and other outbreaks, wars and conflicts, and climate change and other environmental issues, which could significantly disrupt our operations and result in adverse economic changes that affect our business" in "Risk Factors".

In addition to these general factors, our results of operations are affected by the following company-specific factors.

Customer Purchases

Growth in the number of total orders is a key driver of our revenue growth. Total orders we fulfilled increased from 715 million in 2023 to 919 million in 2024 and to 1,078 million in 2025, and increased from 970 million in the twelve months ended 31 March 2025 to 1,090 million in the twelve months ended 31 March 2026. This growth was primarily attributable to our success in driving better customer engagement. We measure our effectiveness in customer engagement by analysing certain key operating data, including active customers and order frequency. Our annual active customers increased from 186 million in 2023 to 273 million in 2025 and increased from approximately 241 million in the twelve months ended 31 March 2025 to approximately 281 million in the twelve months ended 31 March 2026. Annual customer order frequency remained broadly stable at 3.8, 4.0 and 4.0 for the years ended 31 December 2023, 2024 and 2025, and 4.0 and 3.9 for the twelve months ended 31 March 2025 and 2026, respectively.

Increases in customer purchases are mainly driven by the attractiveness of our product offerings and our ability to successfully expand into new product categories or geographic markets. We offer a broad, constantly refreshed selection of products across multiple categories such as apparel, footwear, accessories, beauty, home, and lifestyle products, among others. Geographically, we sold products to customers across approximately 160 markets in 2025.

Supply Chain and Inventory Management

Our end-to-end intelligent supply chain, which is one of the pillars of our LATR operating model, enables speed and scale of new product launches, while minimising our inventory waste. Our end-to-end intelligent supply chain integrates a large number of supply chain partners. It synchronises supply chain workflows and allows us to plan and manage every major step of the supply chain process. The technology integration enabled by our software allows orders to be allocated automatically to the most suitable supply chain partners. We can significantly minimise restocking lead time, reducing inventory requirements and the risk of offering out-of-favour products. Our inventory turnover days were 35, 34, 36 and 38 days in 2023, 2024 and 2025 and the twelve months ended 31 March 2026, respectively. Our inventory written down and loss on inventory obsolescence represented approximately 1% to 2% of cost of sales in 2023, 2024 and 2025 and the three months ended 31 March 2026.

In addition to the efficiency of our supply chain and the effectiveness of LATR, our inventory level and turnover are affected by other factors, such as seasonality, changes in product cycles and pricing, promotions, changes in consumer spending patterns, changes in consumer tastes, fulfilment speed, acceptance rate of cash-on-delivery products, and processing time for returned products.

Fulfilment Capabilities

Our agile global fulfilment network is another pillar of our LATR operating model. Our results of operations depend in part on our ability to fulfil orders quickly and cost-effectively.

To optimise customer experience, we have a global network of warehouses and collaborate with third-party logistics and payment service providers to fulfil orders from around the world. Our end-to-end intelligent supply chain and our agile global fulfilment network allow fast delivery of customer orders globally. Effective order fulfilment is one of the key components of the experience we are focused on delivering to our customers. Our fulfilment expenses are affected by several factors such as the cost of logistics services and the development of logistics infrastructure in the local markets. Our scale allows us to negotiate with third-party logistics providers for more favourable terms. Our fulfilment expenses were US$13,501 million, US$16,847 million and US$19,072 million constituting 42.1%, 43.5% and 45.6% of our net revenues in 2023, 2024 and 2025, respectively. Our fulfilment expenses were US$3,831 million and US$4,322 million, constituting 42.8% and 47.7% of our net revenues in the three months ended 31 March 2025 and 2026, respectively.

Marketing Efficiency

While we believe our product offerings and customer experience are the key to attracting customers and driving customer engagement, our results of operations are also affected by the effectiveness of marketing activities. We have a vibrant online community and work with popular online influencers across the world to promote our brands and products. We also engage in a variety of performance-based marketing activities, including paid search, product listing advertisements, paid social, and search engine optimisation. Our online marketing efforts are further complemented by offline marketing and promotional activities mainly via marketing events, fashion shows, and showrooms. We incurred marketing expenses of US$3,453 million, US$4,159 million, US$6,191 million and US$1,430 million in 2023, 2024 and 2025 and the three months ended 31 March 2026, respectively, representing 10.8%, 10.7%, 14.8% and 15.8% of our net revenues in the same periods. We closely monitor our efficiency in acquiring new customers. We continually optimise customer acquisition spending by adjusting allocations across channels and geographies to maximise return on investment.

Exchange Rates

Our results of operations are affected by the fluctuations in foreign exchange rates. We allow our customers to pay us in their preferred currencies, including the US Dollar, Euro and other currencies. Our expenses and liabilities related to our supply chain, marketing and other partners are also denominated in a mix of currencies. Any significant appreciation or depreciation of a currency in which we generate revenues or in which our expenses and liabilities are denominated could have an impact on the results of our operations.

BASIS OF PREPARATION

Our consolidated financial statements are prepared in accordance with IFRS. The critical accounting estimates that we believe to have the most significant impacts on the preparation of the accompanying consolidated financial statements are described below.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our financial statements requires us to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosures. We base our estimates on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates.

For further information on our significant accounting estimates, see Note 2A to the Accountants' Report in Appendix I to this document.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated results of operations and percentages of our total net revenues for the periods presented. This information should be read together with the consolidated financial information and related notes included elsewhere in this document. The results of operations in any period are not necessarily indicative of our future trends.

	For the Years Ended 31 December						For the Three Months Ended 31 March			
	2023		2024		2025		2025		2026	
							(unaudited)			
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(in millions, except for percentages)									
Net revenues	**32,103**	**100.0**	**38,748**	**100.0**	**41,847**	**100.0**	**8,952**	**100.0**	**9,052**	**100.0**
Operating expenses:										
Cost of sales[(1)]	(12,777)	(39.8)	(15,249)	(39.4)	(13,433)	(32.1)	(3,339)	(37.3)	(2,679)	(29.6)
Fulfilment expenses[(2)]	(13,501)	(42.1)	(16,847)	(43.5)	(19,072)	(45.6)	(3,831)	(42.8)	(4,322)	(47.7)
Marketing expenses[(2)]	(3,453)	(10.8)	(4,159)	(10.7)	(6,191)	(14.8)	(1,088)	(12.2)	(1,430)	(15.8)
Technology and content expenses[(2)]	(668)	(2.1)	(849)	(2.2)	(896)	(2.1)	(220)	(2.5)	(241)	(2.7)
General and administrative expenses[(2)]	(328)	(1.0)	(678)	(1.7)	(548)	(1.3)	(126)	(1.4)	(122)	(1.3)
Total operating expenses	**(30,727)**	**(95.7)**	**(37,782)**	**(97.5)**	**(40,140)**	**(95.9)**	**(8,604)**	**(96.1)**	**(8,794)**	**(97.1)**
Operating income	**1,376**	**4.3**	**966**	**2.5**	**1,707**	**4.1**	**348**	**3.9**	**258**	**2.9**
Fair value changes of convertible redeemable preferred shares	1,231	3.8	2,431	6.3	328	0.8	–	–	(328)	(3.6)
Share of income/(losses) from associates	(36)	(0.1)	(171)	(0.4)	3	0.0	(21)	(0.2)	(16)	(0.2)
Interest income	472	1.5	597	1.5	621	1.5	135	1.5	150	1.7
Exchange gain/(loss)	(34)	(0.1)	(55)	(0.1)	(95)	(0.2)	47	0.5	(72)	(0.8)
Others, net	(14)	(0.0)	1	0.0	(50)	(0.1)	(14)	(0.2)	(12)	(0.1)
Income/(loss) before income taxes	**2,995**	**9.3**	**3,769**	**9.7**	**2,514**	**6.0**	**495**	**5.5**	**(20)**	**(0.2)**
Income tax expense	(206)	(0.6)	(404)	(1.0)	(450)	(1.1)	(100)	(1.1)	(79)	(0.9)
Net income/(loss)	**2,789**	**8.7**	**3,365**	**8.7**	**2,064**	**4.9**	**395**	**4.4**	**(99)**	**(1.1)**

Notes:

(1) Includes inventory written down and loss on inventory obsolescence of US$121 million, US$199 million and US$185 million for the years ended 31 December 2023, 2024 and 2025, respectively, and US$53 million and US$47 million for the three months ended 31 March 2025 and 2026, respectively.

(2) Share-based compensation expenses were allocated as follows:

	For the Years Ended 31 December			For the Three Months Ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
	US$	*US$*	*US$*	*US$*	*US$*
			(in millions)		
Fulfilment expenses	15	17	28	7	9
Marketing expenses	9	17	16	4	5
Technology and content expenses	12	14	13	3	4
General and administrative expenses	13	23	28	8	8
Total	**49**	**71**	**85**	**22**	**26**

Net Revenues

We primarily derive our revenues from the sale of apparel and other fashion and lifestyle products through our mobile apps and websites, for which we recognise revenue at the point of time when the goods have been accepted by customers. The majority of customers pay for the goods in advance, with the rest paying upon acceptance of the goods. Sales related taxes collected from customers and remitted to governmental authorities are excluded from net revenues.

Our net revenues were US$32.1 billion, US$38.7 billion and US$41.8 billion in 2023, 2024 and 2025, respectively, and US$9.0 billion and US$9.1 billion in the three months ended 31 March 2025 and 2026, respectively. Our revenues were primarily recognised on a point-in-time basis.

We began to generate a small amount of service revenue from our newly launched marketplace business in the second half of 2022. Through our marketplace model, we allow third-party merchants and brands to sell products on our marketplace, and we may provide them with services including marketing and fulfilment and charge them service fees.

Below is a breakdown of our net revenues by region for the periods presented:

	For the Years Ended 31 December						For the Three Months Ended 31 March			
	2023		2024		2025		2025		2026	
							(unaudited)			
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(in millions, except for percentages)									
United States	9,454	29.4	10,464	27.0	10,101	24.1	2,380	26.6	2,040	22.5
Europe	10,214	31.8	13,603	35.1	14,802	35.4	2,843	31.7	2,908	32.1
Rest of the world	12,435	38.8	14,681	37.9	16,944	40.5	3,729	41.7	4,104	45.4
Total net revenues	**32,103**	**100.0**	**38,748**	**100.0**	**41,847**	**100.0**	**8,952**	**100.0**	**9,052**	**100.0**

Total Operating Expenses

The following table sets forth the components of our total operating expenses by amounts and percentages of our total net revenues for the periods presented:

	For the Years Ended 31 December						For the Three Months Ended 31 March			
	2023		2024		2025		2025		2026	
							(unaudited)			
	US$	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*	*US$*	*%*
	(in millions, except for percentages)									
Cost of sales	12,777	39.8	15,249	39.4	13,433	32.1	3,339	37.3	2,679	29.6
Fulfilment expenses	13,501	42.1	16,847	43.5	19,072	45.6	3,831	42.8	4,322	47.7
Marketing expenses	3,453	10.8	4,159	10.7	6,191	14.8	1,088	12.2	1,430	15.8
Technology and content expenses	668	2.1	849	2.2	896	2.1	220	2.5	241	2.7
General and administrative expenses	328	1.0	678	1.7	548	1.3	126	1.4	122	1.3
Total operating expenses	**30,727**	**95.7**	**37,782**	**97.5**	**40,140**	**95.9**	**8,604**	**96.1**	**8,794**	**97.1**

Cost of sales. Our cost of sales constituted 39.8%, 39.4%, 32.1% and 29.6% of our net revenues in 2023, 2024 and 2025 and the three months ended 31 March 2026, respectively. The fluctuations are attributable to various factors, including our pricing and promotional strategies and cost optimisation efforts, changes in the mix of geographic markets, changes in our product mix, and fluctuations in currency exchange rates. As our marketplace business further grows, our cost of sales as a percentage of net revenues will continue to be affected.

Fulfilment expenses. Fulfilment expenses primarily consist of payroll, bonus and benefits of staff for our fulfilment functions, rental expenses for warehouses, shipping and handling expenses, packaging expenses and costs attributable to product procurement. Tariffs and customs duties are also recognised as fulfilment expenses where goods are shipped directly from the Company's warehouse to overseas customers, as such costs are incurred to fulfil customer orders.

Marketing expenses. Marketing expenses primarily consist of payroll, bonus and benefits of marketing staff, advertising costs, agency fees and costs for promotional materials. We plan to continue to invest in our marketing efforts to drive the future growth of our business.

Technology and content expenses. Technology and content expenses primarily consist of payroll, bonus and benefits of the staff in the technology and system department, telecommunications expenses, model fees and photography expenses. We expect our technology and content expenses to increase in absolute amounts to support our business expansion and growth.

General and administrative expenses. General and administrative expenses primarily consist of payroll, bonus and benefit costs for corporate employees, legal, finance, rental expenses and other corporate overhead costs. We expect our general and administrative expenses to increase in absolute amounts as our business continues to grow.

Net Income/(Loss)

We generated net income of US$2,789 million, US$3,365 million and US$2,064 million in 2023, 2024 and 2025, respectively. We recorded a net loss of US$99 million in the three months ended 31 March 2026, compared to net income of US$395 million in the three months ended 31 March 2025.

Our net income/(loss) reflects the impact of (i) share of income/(losses) from associates, which was a loss of US$36 million, a loss of US$171 million and an income of US$3 million in 2023, 2024 and 2025, respectively, and a loss of US$21 million and a loss of US$16 million in the three months ended 31 March 2025 and 2026, respectively, (ii) impairment loss on other long-term investments, which was nil, US$55 million and nil in 2023, 2024 and 2025, respectively, and nil and nil in the three months ended 31 March 2025 and 2026, respectively, (iii) fair value changes of convertible redeemable preferred shares, comprising gains of US$1,231 million, US$2,431 million and US$328 million in 2023, 2024 and 2025, respectively, and nil in the three months ended 31 March 2025, and losses of US$328 million in the three months ended 31 March 2026, and (iv) share-based compensation expenses, which were US$49 million, US$71 million and US$85 million in 2023, 2024 and 2025, respectively, and US$22 million and US$26 million in the three months ended 31 March 2025 and 2026, respectively.

Our net income increased from US$2,789 million in 2023 to US$3,365 million in 2024, which was mainly attributable to (i) an increase in our net revenues, primarily due to the increase in total orders as a result of our success in driving better customer engagement; (ii) an increase in fair value changes of convertible redeemable preferred shares in 2024, mainly due to changes in the valuation of our Company; and (iii) a decrease in our cost of sales as a percentage of net revenues in 2024, reflecting a greater contribution from service revenues and cost optimisation efforts.

Despite an increase of US$0.7 billion in our operating income in 2025, our net income decreased from US$3,365 million in 2024 to US$2,064 million in 2025, which was mainly attributable to a decrease in fair value changes of convertible redeemable preferred shares from US$2.4 billion in 2024 to US$0.3 billion in 2025 due to changes in the valuation of our Company.

We recorded a net loss of US$99 million in the three months ended 31 March 2026, compared to net income of US$395 million in the three months ended 31 March 2025, which was mainly attributable to fair value losses on our convertible redeemable preferred shares of US$328 million in the three months ended 31 March 2026.

Taxation

Cayman Islands

Under the current laws of the Cayman Islands, we are not subject to tax on our income or capital gains. In addition, upon payments of dividends by us to our Shareholders, no Cayman Islands withholding tax will be imposed.

Singapore

Our subsidiaries in Singapore are generally subject to the tax rate of 17% for the periods presented. Based on our assessment and relevant tax regulations, certain subsidiaries are entitled to the following concessionary tax treatment, as listed below:

Certain subsidiaries obtained the Development and Expansion Incentive in 2021 and 2023, under which the qualified income is taxed at a concessionary rate of 5% for a five-year concession period from the respective approval dates, subject to meeting the relevant terms and conditions. A subsidiary in Singapore obtained the Finance and Treasury Centre's incentive in 2023, under which the qualified income is taxed at a concessionary rate of 8% for a five-year concession period from the respective approval dates, subject to the subsidiary meeting the relevant terms and conditions.

United States

Our operations in the United States are subject to 21% of the applicable federal income tax rate and relevant state income tax rate for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026 according to the Tax Cuts and Jobs Act of 2017 of the United States, which was signed into law on 22 December 2017, effective 1 January 2018, for all corporations.

Europe

The applicable corporate income tax rates for our subsidiaries in Europe ranged from 12.5% to 31.9% for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

Chinese mainland

Our subsidiaries in the Chinese mainland are generally subject to the tax rate of 25% for the periods presented. Based on our assessment and relevant tax regulations, certain subsidiaries are entitled to concessionary tax treatment, as listed below:

Certain subsidiaries in the Chinese mainland are classified as a Technology Advanced Service Enterprise and are entitled to a concessionary tax rate of 15%, under the Law of the People's Republic of China on Enterprise Income Tax for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026. A subsidiary in the Chinese mainland is classified as a Software Enterprise and is entitled to a concessionary tax rate of 12.5% under the Law of the People's Republic of China on Enterprise Income Tax for the year ended 31 December 2023.

Pillar 2 model rules

The Organization for Economic Co-operation and Development (the "**OECD**") has proposed a global minimum tax of 15% on income arising from different jurisdictions ("**Pillar 2**"), which has been agreed upon in principle by many countries. Although the model rules provide a framework for applying the minimum tax, countries may enact Pillar 2 slightly differently from the model rules, on different timelines, and may adjust domestic tax incentives in response to Pillar 2.

Under these rules, the Pillar 2 effective tax rate ("**ETR**") is determined on a jurisdictional basis, and a top-up tax is payable where the jurisdictional ETR falls below 15%. Transitional Country-by-Country Safe Harbour rules ("**TCSH**") have been introduced to provide temporary relief from compliance obligations during the initial implementation period. Where the relevant TCSH conditions are met, no top-up tax is required to be paid for the respective jurisdictions.

For jurisdictions where the Pillar 2 rules became effective from 1 January 2024, the amount of incremental tax relating to Pillar 2 recorded by us for the year ended 31 December 2024 is not material. For the year ended 31 December 2025, we have identified certain jurisdictions where the Pillar 2 rules became effective from 1 January 2025 and with a jurisdictional ETR below 15%.

If our holding company in the Cayman Islands is deemed to be a tax resident of a jurisdiction other than the Cayman Islands, our Shareholders may be subject to tax on gains realised on the sale or other disposition of Shares or on the dividends we pay to them. Any such tax may reduce the returns on investment in the Shares. See "B. Risks Related to International Trade and Taxation — Tax Matters — If we are classified as a tax resident of certain jurisdictions for income tax purposes, such classification could result in unfavourable tax consequences to us and our Shareholders" in "Risk Factors."

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended 31 March 2026 Compared to Three Months Ended 31 March 2025

Net Revenues

Our net revenues increased by 1.1% from US$9.0 billion in the three months ended 31 March 2025 to US$9.1 billion in the three months ended 31 March 2026, primarily due to the increase in total orders fulfilled from 240 million in the first quarter of 2025 to 251 million in the first quarter of 2026, which was the result of our success in driving customer engagement. Such success was in turn attributable to our efforts to (i) continue to expand and refresh product offerings to drive market demand, (ii) enhance our advertising and marketing efforts to elevate brand awareness, (iii) continue to expand our business across different markets, and (iv) drive sales through promotional activities. Our active customers increased from 241 million in the twelve months ended 31 March 2025 to 281 million in the twelve months ended 31 March 2026, and our annual customer order frequency decreased from 4.0 in the twelve months ended 31 March 2025 to 3.9 in the twelve months ended 31 March 2026. In May 2025, the U.S. *de minimis* exemption was removed for Chinese imports, which, combined with the increase in U.S. tariffs, had an adverse impact on our sales in the U.S. and the overall growth of our net revenues in the second half of 2025 and the first quarter of 2026. The U.S. market net revenues decreased by 14.3% from US$2.4 billion in the three months ended 31 March 2025 to US$2.0 billion in the three months ended 31 March 2026, primarily due to a high comparable base in the first quarter of 2025 before the tariff measures were implemented. We have since observed signs of normalisation in consumer purchasing behaviour and sales trends.

Total Operating Expenses

Our total operating expenses increased by 2.2% from US$8.6 billion in the three months ended 31 March 2025 to US$8.8 billion in the three months ended 31 March 2026.

- *Cost of sales.* Our cost of sales decreased by 19.8% from US$3,339 million in the three months ended 31 March 2025 to US$2,679 million in the three months ended 31 March 2026. This decrease was driven by a number of factors, including the increasing portion of the marketplace model which does not incur cost of sales, our cost optimisation efforts, and fluctuations in currency exchange rates. Our cost of sales as a percentage of net revenues was 37.3% in the three months ended 31 March 2025 and decreased to 29.6% in the three months ended 31 March 2026, which was primarily due to the increasing portion of the marketplace model in our overall business, our pricing adjustments, and our cost optimisation efforts.

- *Fulfilment expenses.* Our fulfilment expenses increased by 12.8% from US$3,831 million in the three months ended 31 March 2025 to US$4,322 million in the three months ended 31 March 2026. This increase was primarily driven by the growth in order volume and the impact of changes in the U.S. tariffs on fulfilment costs. Our fulfilment expenses as a percentage of our net revenues increased from 42.8% in the three months ended 31 March 2025 to 47.7% in the three months ended 31 March 2026, mainly due to the impact of U.S. tariffs on fulfilment costs, as well as the increasing proportion of the marketplace model in our overall business. As we recognise service revenue for the marketplace model, which is a fraction of the product sale price, the growing proportion of the marketplace model led to a decline in net revenue per order, which further contributed to the increase in fulfilment expenses as a percentage of our net revenues.

- *Marketing expenses.* Our marketing expenses increased by 31.4% from US$1,088 million in the three months ended 31 March 2025 to US$1,430 million in the three months ended 31 March 2026. The increase in marketing expenses was primarily attributable to an increase in advertising costs from US$937 million in the three months ended 31 March 2025 to US$1,098 million in the three months ended 31 March 2026, which, in turn, was primarily due to our enhanced efforts to drive better customer engagement. As a result, our marketing expenses as a percentage of our net revenues increased from 12.2% in the three months ended 31 March 2025 to 15.8% in the three months ended 31 March 2026.

- *Technology and content expenses.* Our technology and content expenses increased by 9.5% from US$220 million in the three months ended 31 March 2025 to US$241 million in the three months ended 31 March 2026. The increase was primarily due to our business expansion and enhanced investment in technology to provide better customer experience and further strengthen our system capabilities.

- *General and administrative expenses.* Our general and administrative expenses decreased by 3.2% from US$126 million in the three months ended 31 March 2025 to US$122 million in the three months ended 31 March 2026, declining as a percentage of our net revenues from 1.4% to 1.3% and remaining at a relatively low level.

Operating Income

As a result of the foregoing, our operating income decreased from US$348 million in the three months ended 31 March 2025 to US$258 million in the three months ended 31 March 2026.

Fair Value Changes of Convertible Redeemable Preferred Shares

Our fair value changes of convertible redeemable preferred shares were a loss of US$328 million in the three months ended 31 March 2026, compared to nil in the three months ended 31 March 2025. The change was primarily due to the modification of the terms of the convertible redeemable preferred shares in March 2026.

Share of Losses from Associates

Our share of losses from associates decreased from US$21 million in the three months ended 31 March 2025 to US$16 million in the three months ended 31 March 2026, which was mainly driven by year-over-year improvement in the operating results of SPARC, in which we made an equity investment in the second half of 2023.

Interest Income

Our interest income increased from US$135 million in the three months ended 31 March 2025 to US$150 million in the three months ended 31 March 2026.

Exchange Gain/(Loss)

We recorded exchange loss of US$72 million in the three months ended 31 March 2026, compared to exchange gain of US$47 million in the three months ended 31 March 2025, mainly due to fluctuations in exchange rates.

Others, Net

Our others, net decreased from a loss of US$14 million in the three months ended 31 March 2025 to a loss of US$12 million in the three months ended 31 March 2026.

Income Tax Expense

Our income tax expense decreased from US$100 million in the three months ended 31 March 2025 to US$79 million in the three months ended 31 March 2026. The decrease in income tax expense was mainly due to the decrease in earnings from our operating activities in the three months ended 31 March 2026 compared to the three months ended 31 March 2025. The change in the effective tax rate was mainly due to the continued expansion and development of our business activities and investments in different geographic markets, which resulted in a shift in the mix of earnings from our operating activities across jurisdictions and a greater share of earnings from our operating activities being generated in certain jurisdictions with relatively higher effective tax rates in the three months ended 31 March 2026, compared to the three months ended 31 March 2025.

Net Income/(Loss)

As a result of the foregoing, we incurred a net loss of US$99 million in the three months ended 31 March 2026, compared to net income of US$395 million in the three months ended 31 March 2025.

Year Ended 31 December 2025 Compared to Year Ended 31 December 2024

Net Revenues

Our net revenues increased by 8.0% from US$38.7 billion in 2024 to US$41.8 billion in 2025, primarily due to the increase in total orders fulfilled from 919 million in 2024 to 1,078 million in 2025, which was the result of our success in driving customer engagement. Such success was in turn attributable to our efforts to (i) continue to expand and refresh product offerings to drive market demand, (ii) enhance our advertising and marketing efforts to elevate brand awareness, (iii) continue to expand our business across different markets, and (iv) drive sales through promotional activities. Our active customers increased from 230 million in 2024 to 273 million in 2025, and our annual customer order frequency remained at 4.0 in 2024 and 2025. In May 2025, the U.S. *de minimis* exemption was removed for Chinese imports, which, combined with the increase in U.S. tariffs, had an adverse impact on our sales in the U.S. and the overall growth of our net revenues in 2025, though we have observed more normalized consumer behaviour since then.

Total Operating Expenses

Our total operating expenses increased by 6.2% from US$37.8 billion in 2024 to US$40.1 billion in 2025.

- *Cost of sales.* Our cost of sales decreased by 11.9% from US$15,249 million in 2024 to US$13,433 million in 2025. This decrease was driven by a number of factors, including the increasing portion of the marketplace model which does not incur cost of sales, our pricing adjustments, our cost optimisation efforts, and fluctuations in currency exchange rates. Our cost of sales as a percentage of net revenues was 39.4% in 2024 and decreased to 32.1% in 2025, which was primarily due to the decrease in cost of sales as discussed above.

- *Fulfilment expenses.* Our fulfilment expenses increased by 13.2% from US$16,847 million in 2024 to US$19,072 million in 2025. This increase was largely in line with the increase in sales volume. Our fulfilment expenses as a percentage of our net revenues increased from 43.5% in 2024 to 45.6% in 2025, mainly due to the increasing proportion of the marketplace model in our overall business. As we recognise service revenue for the marketplace model, which is a fraction of the product sale price, the growing proportion of the marketplace model led to a decline in net revenue per order. Although such decline was partially offset by reductions in fulfilment expense per order, the net effect was an increase in fulfilment expenses as a percentage of our net revenues.

- *Marketing expenses.* Our marketing expenses increased by 48.9% from US$4,159 million in 2024 to US$6,191 million in 2025. The increase in marketing expenses was primarily attributable to an increase in advertising costs from US$3,981 million in 2024 to US$5,009 million in 2025, which, in turn, was primarily due to our enhanced efforts to drive better customer engagement. As a result, our marketing expenses as a percentage of our net revenues increased from 10.7% in 2024 to 14.8% in 2025.

- *Technology and content expenses.* Our technology and content expenses increased by 5.5% from US$849 million in 2024 to US$896 million in 2025. The increase was primarily due to our business expansion and enhanced investment in technology to provide better customer experience and further strengthen our system capabilities.

- *General and administrative expenses.* Our general and administrative expenses decreased from US$678 million in 2024 to US$548 million in 2025, declining as a percentage of our net revenues from 1.7% to 1.3% and remaining at a relatively low level.

Operating Income

As a result of the foregoing, our operating income increased from US$966 million in 2024 to US$1,707 million in 2025.

Fair Value Changes of Convertible Redeemable Preferred Shares

Our fair value changes of convertible redeemable preferred shares decreased from US$2,431 million in 2024 to US$328 million in 2025. The decrease was primarily due to changes in the valuation of our Company.

Share of Income/(Losses) from Associates

We recorded share of income from associates of US$3 million in 2025, compared to share of losses from associates of US$171 million in 2024. The share of income from associates in 2025 was mainly driven by income of our associates, partially offset by losses incurred by SPARC, in which we made an equity investment in the second half of 2023.

Interest Income

Our interest income increased from US$597 million in 2024 to US$621 million in 2025.

Exchange Gain/(Loss)

Our exchange loss increased from US$55 million in 2024 to US$95 million in 2025, mainly due to fluctuations in exchange rates.

Others, Net

Our others, net in 2025 was a loss of US$50 million, compared to a gain of US$1 million in 2024.

Income Tax Expense

Our income tax expense increased from US$404 million in 2024 to US$450 million in 2025. The increase in income tax expense was mainly due to the increase in earnings from our operating activities in 2025 compared to 2024. Furthermore, since 2024, a growing number of jurisdictions have adopted the minimum tax rules under the OECD's BEPS 2.0 initiative, which also contributed to the increase in our income tax expense in 2025. The change in the effective tax rate was mainly due to the continued expansion and development of our business activities and investments in different geographic markets, which resulted in a shift in the mix of earnings from our operating activities across jurisdictions and a greater share of earnings from our operating activities being generated in certain jurisdictions with relatively lower effective tax rates in 2025, compared to 2024.

Net Income

As a result of the foregoing, our net income decreased by 38.7% from US$3,365 million in 2024 to US$2,064 million in 2025.

Year Ended 31 December 2024 Compared to Year Ended 31 December 2023

Net Revenues

Our net revenues increased by 20.7% from US$32.1 billion in 2023 to US$38.7 billion in 2024, primarily due to the increase in total orders fulfilled from 715 million in 2023 to 919 million in 2024, which was the result of our success in driving customer engagement. Such success was in turn attributable to our efforts to (i) continue to expand and refresh product offerings to drive market demand, (ii) enhance our advertising and marketing efforts to elevate brand awareness, (iii) continue to expand our business across different markets, and (iv) drive sales through promotional activities. Our active customers increased from 186 million in 2023 to 230 million in 2024, and our order frequency increased from 3.8 in 2023 to 4.0 in 2024.

Total Operating Expenses

Our total operating expenses increased by 23.0% from US$30.7 billion in 2023 to US$37.8 billion in 2024.

- *Cost of sales*. Our cost of sales increased by 19.3% from US$12,777 million in 2023 to US$15,249 million in 2024. This increase was largely in line with the increase in our sales volume. Our cost of sales as a percentage of net revenues was 39.8% in 2023 and decreased to 39.4% in 2024.

- *Fulfilment expenses.* Our fulfilment expenses increased by 24.8% from US$13,501 million in 2023 to US$16,847 million in 2024. This increase was largely in line with the increase in sales volume. Our fulfilment expenses as a percentage of our net revenues increased from 42.1% in 2023 to 43.5% in 2024, primarily due to the increasing proportion of the marketplace model in our overall business. As we recognise service revenue for the marketplace model, which is a fraction of the product sale price, the fulfilment expenses as a percentage of our service revenue derived from the marketplace model are higher than the fulfilment expenses as a percentage of our product revenue.

- *Marketing expenses.* Our marketing expenses increased by 20.4% from US$3,453 million in 2023 to US$4,159 million in 2024. The increase in marketing expenses was primarily attributable to an increase in advertising costs from US$3,316 million in 2023 to US$3,981 million in 2024, which, in turn, was primarily due to our enhanced efforts to drive better customer engagement. Our marketing expenses as a percentage of our net revenues were 10.8% in 2023 and 10.7% in 2024, remaining relatively stable.

- *Technology and content expenses.* Our technology and content expenses increased by 27.1% from US$668 million in 2023 to US$849 million in 2024. The increase was primarily attributable to (i) an increase in payroll, bonus and benefits of the staff in the technology and system department from US$214 million in 2023 to US$307 million in 2024, primarily due to an increase in technology staff headcount from approximately 2,400 to approximately 4,000, and (ii) an increase in cloud services and big data technologies expenses, primarily due to our business expansion and enhanced investment in technology to provide better customer experience and further strengthen our system capabilities.

- *General and administrative expenses.* Our general and administrative expenses increased significantly from US$328 million in 2023 to US$678 million in 2024. The increase was primarily a result of our business expansion and continued localisation efforts, as we incurred additional expenses in expanding into and within different geographic markets and building up our local operations.

Operating Income

As a result of the foregoing, our operating income decreased by 29.8% from US$1,376 million in 2023 to US$966 million in 2024. Our operating income as a percentage of net revenues decreased from 4.3% in 2023 to 2.5% in 2024, which was due to various reasons, including (i) the increase in our fulfilment expenses and general and administrative expenses as a percentage of our net revenues in 2024; (ii) changes in the mix of products, with a higher proportion of sales generated from product categories with relatively lower margins such as home & living, as we continued to expand our product offerings, and changes in the geographic markets, as we entered new markets in 2024 and incurred additional expenses to support such expansion; and (iii) adjustment in pricing and promotional activities, as we intensified our sales and marketing initiatives such as discounting and sales events in 2024 to drive sales, including in the newly entered markets.

Fair Value Changes of Convertible Redeemable Preferred Shares

Our fair value changes of convertible redeemable preferred shares increased from US$1,231 million in 2023 to US$2,431 million in 2024, mainly due to changes in the valuation of our Company.

Share of Income/Losses from Associates

We recorded share of losses from associates of US$171 million in 2024, compared to share of losses from associates of US$36 million in 2023. The share of losses from associates in 2024 was mainly due to losses incurred by SPARC, in which we made an equity investment in the second half of 2023.

Interest Income

Our interest income increased by 26.5% from US$472 million in 2023 to US$597 million in 2024, mainly due to an increase in interest-bearing bank deposits.

Exchange Gain/Loss

Our exchange loss increased from US$34 million in 2023 to US$55 million in 2024, mainly due to fluctuations in exchange rates.

Others, Net

Our others, net in 2024 was a gain of US$1 million, compared to a loss of US$14 million in 2023.

Income Tax Expense

Our income tax expense increased from US$206 million in 2023 to US$404 million in 2024. The change in the effective tax rate was mainly due to the continued expansion and development of our business activities and investments in different geographic markets, which resulted in a shift in the mix of earnings from our operating activities across jurisdictions and a greater share of earnings from our operating activities being generated in certain markets with relatively higher effective tax rates in 2024, compared to 2023. For example, we are subject to a federal corporate income tax rate of 21% in the U.S. and tax rates ranging from 12.5% to 31.9% in Europe. See "— Description of Major Components of Our Results of Operations — Taxation." In 2024, a greater share of earnings from our operating activities was generated by our local subsidiaries in the U.S. and Europe, which are subject to the higher effective tax rates in those markets.

Net Income

As a result of the foregoing, our net income increased by 20.7% from US$2,789 million in 2023 to US$3,365 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth the components of our current assets and liabilities as at the dates indicated:

	As of 31 December			As of 31 March	As of 31 May
	2023	**2024**	**2025**	**2026**	**2026**
					(unaudited)
	US$	*US$*	*US$*	*US$*	*US$*
			(in millions)		
Current assets					
Cash and cash equivalents and restricted cash	3,931	3,390	5,031	4,873	3,692
Short-term investments	6,265	8,086	9,723	9,929	11,592
Receivables and prepayments	1,096	1,783	1,252	1,577	2,398
Inventories	1,637	1,500	1,261	1,384	1,527
Other current assets	88	127	326	383	448
Total current assets	**13,017**	**14,886**	**17,593**	**18,146**	**19,657**
Current liabilities					
Accounts payable	2,749	2,935	3,019	3,234	4,060
Accrued expenses and other current liabilities*	1,958	2,814	3,268	4,134	4,414
Contract liabilities	694	770	789	1,016	1,362
Income tax payable	707	771	933	972	952
Convertible redeemable preferred shares, current portion	–	–	18,048	17,294	17,294
Total current liabilities	**6,108**	**7,290**	**26,057**	**26,650**	**28,082**
Net current assets/(liabilities)	**6,909**	**7,596**	**(8,464)**	**(8,504)**	**(8,425)**

* Below is a breakdown of accrued expenses and other current liabilities as at the dates indicated:

	As of 31 December			As of 31 March	As of 31 May
	2023	2024	2025	2026	2026
					(unaudited)
	US$	*US$*	*US$*	*US$*	*US$*
			(in millions)		
Accrued advertising expense	262	480	468	596	616
Accrued payroll and staff welfare	197	281	303	327	240
Accrued IT service expense	144	197	193	172	166
Refund liabilities	223	344	464	446	520
Refund payables	95	100	131	135	147
Payable to purchase property and equipment	69	99	60	62	63
Other taxes payables	458	525	553	559	709
Lease liabilities	122	191	233	234	243
Payables to marketplace merchants	217	232	286	302	385
Refundable deposits	12	43	124	133	145
Accrued reusable material processing costs	12	47	108	107	104
Distribution payables to certain holders of convertible redeemable preferred shares	–	–	–	713	713
Others	147	275	345	348	363
Accrued expenses and other current liabilities	1,958	2,814	3,268	4,134	4,414

We had net current assets as of 31 December 2023 and 2024, and recorded net current liabilities as of 31 December 2025, 31 March 2026 and 31 May 2026. The increase in net current assets from 31 December 2023 to 31 December 2024 was primarily due to an increase in short-term investments as we purchased more short-term investments with the cash generated from our growing business. The change from net current assets as of 31 December 2024 to net current liabilities as of 31 December 2025 was primarily because we recorded the current portion of convertible redeemable preferred shares as of 31 December 2025, mainly attributable to the reclassification of convertible redeemable preferred shares from non-current liabilities to current liabilities. The increase in net current liabilities from 31 December 2025 to 31 March 2026 was primarily due to an increase in accrued expenses and other current liabilities. The decrease in net current liabilities from 31 March 2026 to 31 May 2026 was primarily due to an increase in short-term investments.

Non-Current Assets and Non-Current Liabilities

The following table sets forth the breakdown of our non-current assets and non-current liabilities as at the dates indicated:

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
		(in millions)		
Non-current assets				
Property and equipment	396	551	619	634
Right of use assets	497	959	1,105	1,122
Intangible assets	40	39	38	38
Non-current restricted cash	78	34	32	29
Deferred tax assets	81	94	102	103
Investments in associates	470	251	266	246
Investments at fair value through profit or loss	82	169	158	163
Long-term time deposits	–	211	–	–
Other non-current assets	157	127	120	128
Non-current liabilities				
Convertible redeemable preferred shares, non-current portion	20,807	18,376	–	–
Deferred tax liabilities	1	7	5	5
Lease liabilities	407	744	868	891
Other long-term liabilities	6	1	–*	21

* Less than US$1 million

Receivables from Payment Platforms and Service Providers

Receivables from payment platforms and service providers mainly represent amounts due from online payment channels and delivery service providers who collect the payments from customers on our behalf upon delivery and are recorded net of allowance for credit losses, if any. As of 31 December 2023, 2024 and 2025 and 31 March 2026, our receivables from payment platforms and service providers were US$823 million, US$1,303 million, US$718 million and US$919 million, respectively.

The following is an aged analysis of trade receivables from customers, which is included in receivables from payment platforms and service providers, net of allowance, for credit losses presented based on the invoice dates at the end of each reporting period.

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
		(in millions)		
Within 3 months	1	6	15	18
3 – 12 months	–	2	4	4
1 – 2 years	1	–*	–*	–*
	2	8	19	22

* Less than US$1 million.

As of 31 May 2026, US$916 million, or 99.7%, of our receivables from payment platforms and service providers as of 31 March 2026 had been settled.

Contract liabilities

Our contract liabilities represent the obligation to transfer goods or services to customers for which we have received consideration from customers. We record advances from customers as the substantial majority of our customers pay for goods in advance. As of 31 December 2023, 2024 and 2025 and 31 March 2026, our contract liabilities were US$694 million, US$770 million, US$789 million and US$1,016 million, respectively. The increase was primarily due to the growth in our sales volume. The turnover days for our net revenues were -12, -12, -12 and -13 days in 2023, 2024 and 2025 and for the twelve months ended 31 March 2026, respectively, remaining relatively stable across the periods. The turnover days for net revenues for a given year is equal to average of quarterly contract liabilities and refund liabilities balances divided by net revenues during the year and then multiplied by 360. The turnover days for net revenues for the twelve months ended 31 March 2026 is equal to average of four recent quarterly contract liabilities and refund liabilities balances divided by net revenues for the trailing four quarters and then multiplied by 360.

As of 31 May 2026, US$857 million, or 84%, of our contract liabilities as of 31 March 2026 had been settled.

Inventories

Our inventories mainly include finished goods. As of 31 December 2023, 2024 and 2025 and 31 March 2026, our inventories were US$1,637 million, US$1,500 million, US$1,261 million and US$1,384 million, respectively. The decrease from 31 December 2023 to 31 December 2024 and again from 31 December 2024 to 31 December 2025 was primarily due to our enhanced efforts to reduce inventories. The increase from 31 December 2025 to 31 March 2026 was primarily due to extended in-transit lead time resulting from the disruption of certain international shipping routes due to the Iran War. Our inventory turnover days were 35, 34, 36 and 38 days in 2023, 2024 and 2025 and for the twelve months ended 31 March 2026, respectively, remaining relatively stable. Our inventory turnover days for a given year is equal to average balances of inventories, net at the end of each quarter of the year divided by cost of sales during the year and then multiplied by 360. Our inventory turnover days for the twelve months ended 31 March 2026 is equal to average balances of inventories, net at the end of four trailing quarters divided by cost of sales for the trailing four quarters and then multiplied by 360.

As of 31 December 2023, 2024 and 2025 and 31 March 2026, over 95% of our inventories were aged within 12 months.

As of 31 May 2026, US$999 million, or 72%, of our inventories as of 31 March 2026 had been sold.

Accounts Payable

Our accounts payable primarily include accounts payable to our supply chain partners and fulfilment service providers. As of 31 December 2023, 2024 and 2025 and 31 March 2026, our accounts payable were US$2,749 million, US$2,935 million, US$3,019 million and US$3,234 million, respectively. The increase from 31 December 2023 to 31 December 2024, and further to 31 December 2025 and 31 March 2026, was primarily driven by the increase in purchases of goods from supply chain partners and fulfilment volume as a result of the expected growth in our sales volume. Our accounts payable turnover days were 33, 32, 34 and 34 days in 2023, 2024 and 2025 and for the twelve months ended 31 March 2026, respectively. During the Track Record Period, our accounts payable turnover days remained relatively stable. Accounts payable turnover days for a given year is equal to average accounts payable at the end of each quarter of the year divided by total of cost of sales and fulfilment expenses during the year and then multiplied by 360. Accounts payable turnover days for the twelve months ended 31 March 2026 is equal to average balances of accounts payable at the end of four trailing quarters divided by cost of sales and fulfilment expenses for the trailing four quarters and then multiplied by 360.

The following is an aged analysis of accounts payable presented based on the invoice dates at the end of each reporting period.

	As of 31 December			As of 31 March
	2023	**2024**	**2025**	**2026**
	US$	*US$*	*US$*	*US$*
		(in millions)		
Within 3 months	2,691	2,833	2,792	2,926
3 – 12 months	44	45	163	197
1 – 2 years	13	54	43	85

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
		(in millions)		
Over 2 years	1	3	21	26
	2,749	2,935	3,019	3,234

As of 31 May 2026, US$2,637 million, or 82%, of our accounts payable as of 31 March 2026 had been settled.

Income Tax Payable

Our income tax payable represents current income tax obligations that have been incurred in the ordinary course of business or transactions but not yet paid to the relevant tax authorities. As of 31 December 2023, 2024 and 2025 and 31 March 2026, our income tax payable was US$707 million, US$771 million, US$933 million and US$972 million, respectively. The increase was primarily due to the increase in income tax expense as a result of the growth in our business.

As of 31 May 2026, US$60 million, or 6%, of our income tax payable as of 31 March 2026 had been settled.

KEY FINANCIAL RATIOS

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

	For the Years Ended 31 December			For the Three Months Ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
Net revenues growth	41.1%	20.7%	8.0%	N/A	1.1%
Operating margin[(1)]	4.3%	2.5%	4.1%	3.9%	2.9%
Net margin[(2)]	8.7%	8.7%	4.9%	4.4%	(1.1)%

Notes:

(1) Calculated using operating income divided by net revenues for the year/period.

(2) Calculated using net income/loss divided by net revenues for the year/period.

Our net margin remained stable at 8.7% in 2023 and 2024. Our net margin decreased from 8.7% in 2024 to 4.9% in 2025, which was mainly driven by a decrease in fair value changes of convertible redeemable preferred shares in 2025 primarily resulting from changes in the valuation of our Company, partially offset by an improvement in operating margin in 2025. Our net margin changed from 4.4% in the three months ended 31 March 2025 to negative 1.1% in the three months ended 31 March 2026, primarily due to fair value losses on our convertible redeemable preferred shares of US$328 million, representing approximately 3.6% of net revenues, in the three months ended 31 March 2026. See "— Description of Major Components of Our Results of Operations — Net Income/(Loss)" for a discussion of the fluctuations in our net income during the Track Record Period.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, our primary sources of liquidity have been cash flows from operations and proceeds from equity financings. Cash and cash equivalents consist of cash on hand, demand deposits, and highly liquid investments with original maturity of three months or less that are unrestricted from withdrawal or use. Restricted cash mainly represents security deposits held in designated bank accounts for issuance of bank acceptance and letter of guarantee for logistics services and for warehouse leases. Short-term investments consist primarily of fixed-term deposits that are offered by high credit rating international banks with maturity dates ranging from three months to one year. The substantial majority of our customers pay for goods in advance, which, coupled with our asset-light business model, allows us to maintain good operating cash flow.

A majority of our cash, cash equivalents and restricted cash were denominated in US Dollars as of 31 March 2026. As of 31 March 2026, our short-term investments were predominantly denominated in US Dollars.

Our Directors are of the view that, taking into account the financial resources available to us, including cash and cash equivalents, our available banking facilities, cash flows from operating activities and [**REDACTED**] from the [**REDACTED**], we have sufficient working capital for at least 12 months from the date of this document.

The cash resources we consider in cash management include, but are not limited to, cash and cash equivalents, restricted cash, short-term investments, and long-term time deposits. As of 31 December 2023, 2024 and 2025 and 31 March 2026, the aggregate amounts of our cash resources were US$10,274 million, US$11,721 million, US$14,786 million and US$14,831 million, respectively.

The following table sets forth a summary of our cash flows for the periods presented:

	For the Years Ended 31 December			For the Three Months Ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
	US$	*US$*	*US$*	*US$*	*US$*
			(in millions)		
Selected Consolidated Statements of Cash Flow Data:					
Net cash generated from operating activities	1,757	1,405	2,838	1,058	392
Net cash used in investing activities	(4,168)	(1,820)	(1,066)	(310)	(122)
Net cash generated from/(used in) financing activities	1,599	(206)	(284)	(66)	(429)
Effect of exchange rate changes on cash and cash equivalents	36	32	88	(6)	(9)
Net (decrease)/increase in cash and cash equivalents	(776)	(589)	1,576	676	(168)
Cash and cash equivalents at beginning of the year/period	4,270	3,494	2,905	2,905	4,481
Cash and cash equivalents at end of the year/period	3,494	2,905	4,481	3,581	4,313

Operating Activities

Net cash generated from operating activities in the three months ended 31 March 2026 was US$392 million, as compared to loss before income taxes of US$20 million for the same period. The difference was primarily due to adjustments, mainly consisting of an increase of US$328 million in fair value changes of convertible redeemable preferred shares, partially offset by a decrease of US$150 million in interest income. In addition to these changes, the difference between our net cash generated from operating activities and our loss before income taxes was also due to certain changes in our working capital accounts, primarily due to an increase of US$235 million in contract liabilities and an increase of US$222 million in accounts payable, partially offset by an increase of US$209 million in receivables from payment platforms and service providers.

Net cash generated from operating activities in 2025 was US$2,838 million, as compared to income before income taxes of US$2,514 million for the same period. The difference was primarily due to a decrease of US$647 million in receivables from payment platforms and service providers and an increase of US$334 million in accrued expenses and other current liabilities, partially offset by an increase of US$204 million in other receivables, prepayments and other assets. The decrease in receivables from payment platforms and service providers was mainly due to our effective collection from such platforms and providers, while the increase in other receivables, prepayments and other assets and accrued expenses and other current liabilities reflected our significant business growth. In addition to these changes in our working capital accounts, the difference between our net cash generated from operating activities and our income before income taxes was also due to the impact of certain other items, in particular, depreciation of right-of-use assets of US$247 million, inventory written down and loss on inventory obsolescence of US$185 million and depreciation and amortisation expenses of property and equipment and intangible assets of US$151 million, partially offset by a decrease of US$621 million in interest income and a decrease of US$328 million in fair value changes of convertible redeemable preferred shares.

Net cash generated from operating activities in 2024 was US$1,405 million, as compared to income before income taxes of US$3,769 million for the same period. The difference was primarily due to adjustments, mainly consisting of a decrease of US$2,431 million in fair value changes of convertible redeemable preferred shares and a decrease of US$597 million in interest income, partially offset by an increase of US$200 million in depreciation of right-of-use assets, an increase of US$199 million in inventory written down and loss on inventory obsolescence and an increase of US$171 million in share of losses from associates. In addition to these changes, the difference between our net cash generated from operating activities and our income before income taxes was also due to certain changes in our working capital accounts, primarily including an increase of US$542 million in receivables from payment platforms and service providers and an increase of US$286 million in other receivables, prepayments and other assets, partially offset by an increase of US$854 million in accrued expenses and other current liabilities.

Net cash generated from operating activities in 2023 was US$1,757 million, as compared to income before income taxes of US$2,995 million for the same period. The difference was primarily due to adjustments, mainly consisting of a decrease of US$1,231 million in fair value changes of convertible redeemable preferred shares and a decrease of US$472 million in interest income, partially offset by an increase of US$121 million in inventory written down and loss on inventory obsolescence and an increase of US$119 million in depreciation of right-of-use assets. In addition to these changes, the difference between our net cash generated from operating activities and our income before income taxes was also due to certain changes in our working capital accounts, primarily including an increase of US$862 million in inventories and an increase of US$309 million in receivables from payment platforms and service providers, partially offset by an increase of US$927 million in accounts payable and an increase of US$725 million in accrued expenses and other current liabilities.

Investing Activities

Net cash used in investing activities in the three months ended 31 March 2026 was US$122 million, consisting primarily of placement of short-term time deposits of US$3,549 million, partially offset by proceeds from redemption of short-term investments upon maturities of US$3,325 million.

Net cash used in investing activities in 2025 was US$1,066 million, consisting primarily of placement of short-term time deposits of US$12,023 million, placement of restricted cash of US$648 million and purchases of property and equipment of US$222 million, partially offset by proceeds from redemption of short-term investments upon maturities of US$10,715 million.

Net cash used in investing activities in 2024 was US$1,820 million, consisting primarily of placement of short-term time deposits of US$13,029 million, placement of long-term time deposits of US$602 million, placement of restricted cash of US$470 million and purchases of property and equipment of US$285 million, partially offset by proceeds from redemption of short-term investments upon maturity of US$11,567 million.

Net cash used in investing activities in 2023 was US$4,168 million, consisting primarily of placement of short-term time deposits of US$5,746 million, placement of restricted cash of US$581 million, purchases of property and equipment of US$190 million and prepayment for land use rights of US$102 million, partially offset by proceeds from redemption of short-term investments upon maturity of US$1,853 million.

We operate under a management approved treasury policy (reviewed at least annually) that prioritises capital preservation and liquidity over yield and prohibits speculative trading and the use of leverage. Counterparty risk is managed through a pre-approved list of financial institutions that meet minimum long-term credit-rating thresholds and are subject to concentration limits. We invest mainly in short-dated bank deposits and certificates of deposit, within defined credit, tenor and concentration limits. Under our chief financial officer's oversight, investments follow a documented approval workflow with segregation of duties and dual authorisation. Exposures, performance and limit utilisation are monitored on an ongoing basis; any limit breaches are escalated and remedied in accordance with defined procedures.

Financing Activities

Net cash used in financing activities in the three months ended 31 March 2026 was US$429 million, primarily attributable to distribution to certain holders of convertible redeemable preferred shares of US$369 million and total lease payments of US$74 million.

Net cash used in financing activities in 2025 was US$284 million, primarily attributable to lease payments.

Net cash used in financing activities in 2024 was US$206 million, primarily attributable to lease payments.

Net cash generated from financing activities in 2023 was US$1,599 million, primarily due to proceeds from the issuance of preferred shares of US$1,737 million, partially offset by total lease payments of US$127 million.

CAPITAL EXPENDITURES

Our capital expenditures are primarily incurred for purposes of purchasing land use rights, property and equipment and constructing warehouses to expand our warehouse infrastructure and improve automation and efficiency of our warehouse operations. Our cash capital expenditures for purchases of property and equipment were US$190 million in 2023, US$285 million in 2024, US$222 million in 2025 and US$60 million in the three months ended 31 March 2026. In 2023, we made a prepayment of US$102 million for the land use rights over another parcel of land to build our warehouses. In 2024 and 2025 and the three months ended 31 March 2026, we paid US$285 million, US$222 million and US$60 million, respectively, primarily to purchase machinery equipment used in our warehouses. We intend to fund our future capital expenditures with our existing cash balance and bank loans. We expect to continue to make well-planned capital expenditures to meet the expected growth of our business.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of 31 December			As of 31 March	As of 31 May
	2023	**2024**	**2025**	**2026**	**2026**
					(unaudited)
	US$	*US$*	*US$* (in millions)	*US$*	*US$*
Lease liabilities:					
Current (included in accrued expenses and other current liabilities)	122	191	233	234	243
Non-current (included in lease liabilities)	407	744	868	891	897
Convertible redeemable preferred shares	20,807	18,376	18,048	17,294	17,294
Amount due to a related party	–	6	–	–	–
Total	**21,336**	**19,317**	**19,149**	**18,419**	**18,434**

Lease Liabilities

We have operating leases for certain warehouses and office space. As of 31 December 2023, 2024 and 2025, 31 March 2026 and 31 May 2026, our total lease liabilities, including current and non-current portion, were US$529 million, US$935 million, US$1,101 million, US$1,125 million and US$1,140 million, respectively.

Convertible Redeemable Preferred Shares

We issued multiple series of convertible redeemable preferred shares which are designated as financial liabilities at fair value through profit or loss, and initially recognised at fair value on the date of issuance. The carrying amounts of these convertible redeemable preferred shares are US$20,807 million, US$18,376 million, US$18,048 million, US$17,294 million and US$17,294 million as of 31 December 2023, 2024 and 2025 and 31 March 2026 and 31 May 2026, respectively. Such convertible redeemable preferred shares will be converted into Class B Shares immediately before completion of the [**REDACTED**]. For details of the convertible redeemable preferred shares, see Note 16 to the Accountants' Report in Appendix I.

Amount Due to a Related Party

As of 31 December 2024, we had non-trade payable to a related party of US$6 million. The balance was unsecured, non-interest bearing and non-trade in nature, and was fully settled by 31 December 2025.

Except as disclosed above, as of 31 May 2026, the latest date for determining our indebtedness, 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. Our Directors confirm that there has not been any material change in our indebtedness since 31 May 2026 up to the date of this document.

As of 31 May 2026, we had approximately US$243 million unutilized banking facilities.

CONTINGENT LIABILITIES

We did not have any material contingent liabilities as of 31 December 2023, 2024 and 2025, 31 March 2026 and 31 May 2026.

CONTRACTUAL OBLIGATIONS

The following table sets forth our contractual obligations as of 31 March 2026:

	Payment Due by Period US$ (in millions)			
	Total	Less than 1 year	1-5 years	Over 5 Years
Capital commitments	249	89	103	57
Operating lease commitments	10	4	6	–*

* Less than US$1 million

Capital commitments relate to the purchase of property and equipment and the construction of warehouses.

Operating lease commitments relate to leases for certain warehouses and office space that have been entered into but have not yet commenced. Other than as shown above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of 31 March 2026.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details relating to our related party transactions, see "Related Party Transactions" and Note 21 to the Accountants' Report set out in Appendix I to this document. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. In addition, we have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity or that are not reflected in the accompanying consolidated financial information. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

HOLDING COMPANY STRUCTURE

SHEIN Global Holdings Limited is a holding company with no material operations of its own. We currently conduct our operations mainly through our subsidiaries in China, Singapore, the United States, Ireland, the United Kingdom, the United Arab Emirates and elsewhere. As a result, although other means are available for us to obtain financing at the holding company level, SHEIN Global Holdings Limited's ability to pay dividends to the Shareholders and to service any debt it may incur may depend upon dividends paid by our revenue-generating subsidiaries. If any of our subsidiaries incurs debt on its own behalf, the instruments governing such debt may restrict its ability to pay dividends to SHEIN Global Holdings Limited. Our subsidiaries in certain jurisdictions may also be subject to regulatory restrictions when distributing dividends. For example, our subsidiaries in Singapore may only pay dividends out of profit.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISK

We are exposed to a variety of financial risks, including foreign exchange risk and interest rate risk. For details, see Note 2 to the Accountants' Report set out in Appendix I to this document.

Foreign Exchange Risk

Our results of operations are affected by the fluctuations in foreign exchange rates. We allow our customers to pay us in their preferred currencies, including the US Dollar, Euro and other currencies. Our expenses and liabilities related to our supply chain, marketing and other partners are also denominated in a mix of currencies. Any significant appreciation or depreciation of a currency in which we generate revenues or in which our expenses and liabilities are denominated could have an impact on our results of operations. We have not used any derivative financial instruments to hedge exposure to such risk.

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest income generated by excess cash, which is mostly held in interest-bearing bank deposits. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to material risks due to changes in market interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure.

Following the [**REDACTED**], we may invest the net [**REDACTED**] that we receive from the [**REDACTED**] in interest-earning instruments. Investments in both fixed rate and floating rate interest-earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall.

DIVIDEND POLICY

We intend to adopt, before the [**REDACTED**], a dividend policy pursuant to which we target to declare and distribute dividends on an annual basis after the [**REDACTED**] in an amount not less than 50% of our net profit generated in a fiscal year after deducting any significant capital expenditures or as otherwise authorized by the Board.

Our Board has absolute discretion on whether to declare and distribute dividends, subject to Cayman Islands laws and the Articles of Association. Even after the adoption of the above dividend policy, the decision on whether to declare dividends and the exact amount of any such distributions in any year will be based upon our Company's operations and earnings, cash flow, financial condition, general business conditions and strategies, capital requirements, future business prospects, statutory and contractual restrictions applying to the payment of dividends and other factors that our Board may consider relevant, and will be subject to adjustment and determination by the Board and compliance with applicable laws and regulations. In addition, our Shareholders in general meeting may declare dividends, but no dividend may be declared in excess of the amount recommended by our Board. In either case, all dividends are subject to certain restrictions under Cayman Islands law, namely that we may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in us being unable to pay our debts as they fall due in the ordinary course of business. As advised by our legal adviser as to Cayman Islands law, the financial position of accumulated losses does not necessarily prohibit a Cayman Islands company from declaring and paying dividends, as dividends may be declared and paid out of the share premium account notwithstanding the company's profitability.

During the Track Record Period, no dividends were paid or declared by us. See "Risk Factors — J. Risks Related to Our Class B Shares and the [**REDACTED**] — We cannot assure you that we will declare and distribute any amount of dividends in the future, and the return on your investment in our Class B Shares will likely depend on price appreciation of our Class B Shares."

DISTRIBUTABLE RESERVES

As at 31 March 2026, we did not have any distributable reserves.

[REDACTED] EXPENSES

Our [**REDACTED**] expenses mainly include [**REDACTED**] fees of HK$[**REDACTED**] and professional fees paid to legal, accounting and other advisors of HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**], respectively, for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**]. Assuming full payment of the [**REDACTED**], the estimated total [**REDACTED**] expenses (based on the mid-point of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately HK$[**REDACTED**], accounting for approximately [**REDACTED**]% of our gross [**REDACTED**]. An estimated amount of HK$[**REDACTED**] for our [**REDACTED**] expenses, accounting for approximately [**REDACTED**]% of our gross [**REDACTED**], has been and is expected to be expensed through the statement of profit or loss and the remaining amount of HK$[**REDACTED**] is expected to be recognised directly as a deduction from equity upon the [**REDACTED**]. HK$[**REDACTED**] of such expenses has been recognised and charged during the Track Record Period.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

A list of recently issued accounting pronouncements that are relevant to us is included in Note 2 to the Accountants' Report in Appendix I.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

Please see the section "Unaudited [**REDACTED**] Financial Information" in Appendix II for our unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share information.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, other than as disclosed in this document, up to the date of this document, there have been no material adverse changes in our financial, operational, or trading position or prospects since 31 March 2026, which is the end date of the periods reported on in the Accountants' Report in Appendix I to this document, and there is no event since 31 March 2026 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Save as otherwise disclosed in this document, our Directors have confirmed that as at the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

CONTROLLING SHAREHOLDERS

Immediately after the completion of the [**REDACTED**] (assuming the Assumptions), Mr. Sky Yangtian Xu, our Founder, executive Director and Chief Executive Officer, will be interested in and will control, through his intermediaries, an aggregate of [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares, representing approximately [**REDACTED**]% of our issued Shares, and will be entitled to exercise approximately [**REDACTED**]% of the voting rights of our issued Shares in general meetings (except for resolutions with respect to the Reserved Matters, in relation to which each Share is entitled to one vote).

Mr. Sky Yangtian Xu holds his interests in the Company through Apex Sight Holdings Limited which is wholly-owned and controlled by XYT Holdings Limited, and Mr. Sky Yangtian Xu is the sole director of Apex Sight Holdings Limited. XYT Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Mr. Sky Yangtian Xu is the settlor of this trust, and he and his family members are the beneficiaries of this trust. Therefore Mr. Sky Yangtian Xu, Apex Sight Holdings Limited and XYT Holdings Limited will constitute the Controlling Shareholders of our Company after the [**REDACTED**].

See "Share Capital — Weighted Voting Rights Structure" for details of the weighted voting rights attached to the Class A Shares.

Our Group operates independently of our Controlling Shareholders. Apart from their interest in our Company, our Controlling Shareholders do not currently have any interest in a business that competes or is likely to compete, either directly or indirectly, with our Group's business.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

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

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [**REDACTED**], our Board will consist of seven Directors comprising four executive Directors, and three independent non-executive Directors. For more information, please see the section headed "Directors and Senior Management".

Our Directors consider that our Board and senior management will function independently of our Controlling Shareholders because:

(a) each Director is aware of their fiduciary duties as a director which require, among others, that they act for the benefit and in the interest of our Company and do not allow any conflict between their duties as a Director and their personal interests;

(b) our daily management and operations are carried out by a 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 Group;

(c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive directors for review;

(d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) is (are) required to declare the nature of such interest before voting at the relevant Board meeting; and

(e) we have adopted other corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders, as detailed in "— Corporate governance measures".

Based on the above, our Directors believe that our business is managed independently of our Controlling Shareholders.

Operational Independence

Our Group is not operationally dependent on the Controlling Shareholders. Our Company (through our subsidiaries) holds all relevant licenses and owns all relevant intellectual properties and research and development facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our users, customers and suppliers and an independent management team to operate our business.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders.

No loans or guarantees provided by, or granted to, our Controlling Shareholders or their associates will be outstanding as of the [**REDACTED**].

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance, on our Controlling Shareholders and their close associates after the [**REDACTED**].

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Our Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and recognise the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

In light of this, the Company [has established] a corporate governance committee pursuant to Rule 8A.30 which has adopted terms of reference consistent with Code Provision DA2.1 in Part 2 of Appendix C1 to, and Rule 8A.30 of, the Listing Rules. The members of the corporate governance committee are independent non-executive Directors with experience in overseeing corporate governance related functions of listed companies. The primary duties of the corporate governance committee are to ensure that the Company is operated and managed for the benefit of all shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to its weighted voting rights structure.

Under the Articles of Association, extraordinary general meetings of the Company may be convened on the written requisition of any one or more members holding, as at the date of deposit of the requisition, in aggregate shares representing not less than one-tenth of the total voting rights attaching to all issued and outstanding Shares of the Company, on a one vote per share basis, that as at the date of the deposit carry the right to vote at general meetings of the Company. In addition, pursuant to the Shareholder communication policy to be adopted by the Company upon [**REDACTED**], Shareholders are encouraged to put governance related matters to the Directors and to the Company directly in writing.

We will also adopt the following corporate governance measures to resolve actual or potential conflict of interests between our Group and our Controlling Shareholders:

(a) where a Shareholders' meeting is held pursuant to the Listing Rules to consider proposed transactions or arrangements in which our Controlling Shareholders or any of their associates have a material interest, our Controlling Shareholder(s) shall abstain from voting and their votes shall not be counted;

(b) our Company has established internal control mechanisms to identify connected transactions, and we will comply with the applicable Listing Rules if we enter into connected transactions with our Controlling Shareholders or any of their associates after [**REDACTED**];

(c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders (the "**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) our Controlling Shareholders will undertake to provide all information necessary or requested by the independent non-executive Directors for the Annual Review, including all relevant financial, operational and market information;

(e) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expense;

(g) we have appointed Somerley Capital Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(h) we [have established] our audit committee, remuneration committee, nomination committee and corporate governance committee with written terms of reference in compliance with the Listing Rules and the Code of Corporate Governance and Corporate Governance Report in Appendix C1 to the Listing Rules.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest between our group and our Controlling Shareholders, and to protect minority Shareholders' interests after the [**REDACTED**].

AUTHORISED AND ISSUED SHARE CAPITAL

The following is a description of the authorised and issued share capital of the Company in issue and to be issued as fully paid or credited as fully paid as of the date of this [**REDACTED**] and immediately after completion of the [**REDACTED**], subject to the Assumptions:

Share capital as at the date of this document

The tables below set forth (i) our authorised share capital and (ii) our issued, fully paid or credited to be fully paid share capital, in each case as of the date of this document.

(i) Authorised share capital

Number	Description of shares	Aggregate nominal value of shares
2,530,786,050 . . .	Class A Shares of a par value US$0.000002 each	US$5,061.57
21,051,540,900 . .	Class B Shares of a par value US$0.000002 each	US$42,103.08
269,504,550.	Series A preferred shares of a par value US$0.000002 each	US$539.01
467,160,100.	Series B preferred shares of a par value US$0.000002 each	US$934.32
363,858,300.	Series C preferred shares of a par value US$0.000002 each	US$727.72
19,093,450.	Series C+ preferred shares of a par value US$0.000002 each	US$38.19
20,693,150.	Series Pre-D preferred shares of a par value US$0.000002 each	US$41.39
77,363,500.	Series D preferred shares of a par value US$0.000002 each	US$154.73
200,000,000.	Series D+ preferred shares of a par value of US$0.000002 each	US$400.00
Total		**US$50,000.00**

(ii) Issued, fully paid, or credited to be fully paid

Number	Description of shares	Aggregate nominal value of shares
2,530,453,150 . . .	Class A Shares of a par value US$0.000002 each	US$5,060.91
38,052,650.	Class B Shares of a par value US$0.000002 each	US$76.11
269,504,550.	Series A preferred shares of a par value US$0.000002 each	US$539.01
467,160,100.	Series B preferred shares of a par value US$0.000002 each	US$934.32
363,858,300.	Series C preferred shares of a par value US$0.000002 each	US$727.72
19,093,450.	Series C+ preferred shares of a par value US$0.000002 each	US$38.19
20,693,150.	Series Pre-D preferred shares of a par value US$0.000002 each	US$41.39
77,363,500.	Series D preferred shares of a par value US$0.000002 each	US$154.73
115,608,050.	Series D+ preferred shares of a par value of US$0.000002 each	US$231.22
Total		**US$7,803.57**

Share capital immediately following the completion of the [REDACTED]

The tables below set forth (i) our authorised share capital and (ii) our issued, fully paid or credited to be fully paid share capital, in each case as immediately following the completion of the [**REDACTED**], subject to the Assumptions. The tables below do not take into account any Class B Shares that may be issued or repurchased by the Company under the general mandates granted to our Directors referred to below.

(i) Authorised share capital

Number	Description of shares	Aggregate nominal value of shares
[3,000,000,000] . .	Class A Shares	US$[6,000.00]
[47,000,000,000] .	Class B Shares	US$[94,000.00]
Total		**US$[100,000.00]**

(ii) Issued, fully paid, or credited to be fully paid (without taking into account the Conversion Adjustment)

Number	Description of shares	Aggregate nominal value of shares
[**REDACTED**] . .	Class A Shares in issue	US$[**REDACTED**]
[**REDACTED**] . .	Class B Shares in issue	US$[**REDACTED**]
[**REDACTED**] . .	Class B Shares to be issued pursuant to the [**REDACTED**]	US$[**REDACTED**]
Total		**US$**[REDACTED]

(iii) Issued, fully paid, or credited to be fully paid (after the Conversion Adjustment)

Number of Shares	Description of Shares	Aggregate nominal value of shares
[**REDACTED**] . .	Class A Shares in issue	US$[**REDACTED**]
[**REDACTED**] . .	Class B Shares in issue (including Shares to be issued pursuant to the [**REDACTED**])	US$[**REDACTED**]
[**REDACTED**] . .	Class B Shares to be issued pursuant to the [**REDACTED**]	US$[**REDACTED**]
Total		**US$**[REDACTED]

WEIGHTED VOTING RIGHTS STRUCTURE

Our Company has adopted a weighted voting rights structure and will maintain this weighted voting rights structure following the completion of the [**REDACTED**]. Under this structure, our Company's share capital will comprise Class A Shares and Class B Shares. Each Class A Share will entitle the holder to exercise ten votes, and each Class B Share will entitle the holder to exercise one vote, on any resolution tabled at our Company's general meetings, except for resolutions with respect to the Reserved Matters, in relation to which each Share is entitled to one vote.

The Reserved Matters are:

(a) any amendment to the Memorandum or Articles, including the variation of the rights attached to any class of shares;

(b) the appointment, election or removal of any independent non-executive Director;

(c) the appointment or removal of our Company's auditors; and

(d) the voluntary liquidation or winding-up of our Company.

In addition, one or more Shareholders, including holders of Class B Shares, holding, as of the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per share basis) in the share capital of the Company are entitled to make a requisition to convene an extraordinary general meeting of the Company and/or add resolutions to the meeting agenda.

For further details, see the summary of the Articles of Association in Appendix III to this document.

The table below sets out the ownership and voting rights controlled by the WVR Beneficiaries upon completion of the [**REDACTED**], subject to the Assumptions:

	Number of shares	Approximate % of issued share capital	Approximate % of voting rights$^{(1)}$
Class A Shares:			
Class A Shares held by Mr. Sky Yangtian Xu	[REDACTED]	[REDACTED]%	[REDACTED]%
Class A Shares held by Ms. Molly Miao Miao	[REDACTED]	[REDACTED]%	[REDACTED]%
Class A Shares held by Ms. Maggie Xiaoqing Gu	[REDACTED]	[REDACTED]%	[REDACTED]%
Class A Shares held by Mr. Tony Xiaoqing Ren	[REDACTED]	[REDACTED]%	[REDACTED]%
Subtotal: Class A Shares held by the WVR Beneficiaries	**[REDACTED]**	**[REDACTED]%**	**[REDACTED]%**
Class B Shares:			
Class B Shares held by Mr. Sky Yangtian Xu	[REDACTED]	[REDACTED]%	[REDACTED]%
Class B Shares held by Ms. Molly Miao Miao	[REDACTED]	[REDACTED]%	[REDACTED]%
Class B Shares held by Ms. Maggie Xiaoqing Gu	[REDACTED]	[REDACTED]%	[REDACTED]%
Class B Shares held by Mr. Tony Xiaoqing Ren	[REDACTED]	[REDACTED]%	[REDACTED]%
Subtotal: Class B Shares held the WVR Beneficiaries	**[REDACTED]**	**[REDACTED]%**	**[REDACTED]%**
Total Shares held by the WVR Beneficiaries	**[REDACTED]**	**[REDACTED]%**	**[REDACTED]%**

Note:

(1) Class A Shares entitle the Shareholder to exercise ten votes per share and Class B Shares entitle the Shareholder to exercise one vote per share, except for resolutions with respect to the Reserved Matters for which each Share entitles each Shareholder to exercise one vote per share.

The table below illustrates the voting rights attributable to our WVR Beneficiaries and non-WVR- Beneficiary Shareholders (i) immediately upon completion of the [**REDACTED**] (assuming the Assumptions), (ii) assuming the [**REDACTED**] is exercised in full, and (iii) assuming all Shares underlying share awards and/or options granted or to be granted under the Share Incentive Plans have been issued, respectively:

	Immediately upon completion of the [REDACTED](2)			Assuming the [REDACTED] is exercised in full(3)			Assuming all Shares underlying share awards and/or options granted or to be granted under the Share Incentive Plans have been issued(4)		
	Number of Shares	Approximate % of issued share capital	Approximate % of voting rights	Number of Shares	Approximate % of issued share capital	Approximate % of voting rights	Number of Shares	Approximate % of issued share capital	Approximate % of voting rights
Total Shares held by the WVR Beneficiaries(1)	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%
Total Shares held by the Non-WVR Beneficiary Shareholders	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%
TOTAL	[REDACTED]	[100.0%]	[100.0%]	[REDACTED]	[100.0%]	[100.0%]	[REDACTED]	[100.0%]	[100.0%]

Notes:

(1) Upon the completion of the [**REDACTED**] (assuming the Assumptions), WVR Beneficiaries hold in aggregate of [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares. Class A Shares entitle the Shareholder to exercise ten votes per share and Class B Shares entitle the Shareholder to exercise one vote per share, except for resolutions with respect to the Reserved Matters for which each Share entitles each Shareholder to exercise one vote per share.

(2) Calculated on the basis of [**REDACTED**] Shares in issue immediately upon completion of the [**REDACTED**], assuming the Assumptions.

(3) Calculated on the basis of [**REDACTED**] Shares in issue immediately upon completion of the [**REDACTED**], assuming the Assumptions except that it is also assumed that the [**REDACTED**] is exercised in full.

(4) Calculated on the basis of [**REDACTED**] Shares in issue immediately upon completion of the [**REDACTED**], assuming the Assumptions except that it is also assumed that (i) the [**REDACTED**] is exercised in full and (ii) all Shares underlying the share awards and/or options granted or to be granted under the Share Incentive Plans have been issued.

Class A Shares may be converted into Class B Shares on a one to one ratio. Upon the conversion of all the issued and outstanding Class A Shares into Class B Shares, our Company will issue [**REDACTED**] Class B Shares, representing approximately [**REDACTED**]% of the total number of Class B Shares in issue immediately after the [**REDACTED**] (subject to the Assumptions).

The weighted voting rights attached to the Class A Shares held by a WVR Beneficiary will cease when such WVR Beneficiary no longer has beneficial ownership of any of our Class A Shares, in accordance with Rule 8A.22 of the Listing Rules. This may occur:

1. upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rule, in particular where such WVR Beneficiary is: (1) deceased; (2) no longer a member of our Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing his duties as a director; or (4) deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules;

2. when such holder of Class A Shares has transferred to another person the beneficial ownership of, or economic interest in, all of the Class A Shares or the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Listing Rule;

3. where a vehicle holding Class A Shares on behalf of such WVR Beneficiary no longer complies with Rule 8A.18(2) of the Listing Rule; or

4. when all of the Class A Shares held by such WVR Beneficiary have been converted to Class B Shares.

Save for the weighted voting rights attached to Class A Shares, the rights attached to all classes of Shares are identical. For further information about the rights, preferences, privileges and restrictions of the Class A Shares and Class B Shares, see "Summary of the Constitution of the Company and Cayman Islands Company Law — 2 Articles of Association" in Appendix III for further details.

WVR Beneficiaries

Immediately upon the completion of [**REDACTED**], the WVR Beneficiaries will be Mr. Sky Yangtian Xu, Ms. Molly Miao Miao, Ms. Maggie Xiaoqing Gu and Mr. Tony Xiaoqing Ren. The WVR Beneficiaries will collectively beneficially own [**REDACTED**] Class A Shares, representing approximately [**REDACTED**]% of the voting rights in our Company with respect to shareholder resolutions relating to matters other than the Reserved Matters, immediately upon the completion of the [**REDACTED**] (assuming the Assumptions). The WVR Beneficiaries will hold these Class A Shares through holding vehicles. In particular:

- Mr. Sky Yangtian Xu will hold his Class A Shares through Apex Sight Holdings Limited, a British Virgin Islands company. Apex Sight Holdings Limited is owned and controlled by XYT Holdings Limited, and Mr. Sky Yangtian Xu is the sole director of Apex Sight Holdings Limited. XYT Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Mr. Sky Yangtian Xu is the settlor of this trust, and he and his family members are the beneficiaries of this trust.

- Ms. Molly Miao Miao will hold her Class A Shares through Upright Victory Holdings Limited, a British Virgin Islands company. Upright Victory Holdings Limited is owned and controlled by MM Style Limited. Ms. Molly Miao Miao is the sole director of Upright Victory Holdings Limited. MM Style Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Ms. Molly Miao Miao is the settlor of this trust, and she and her family members are the beneficiaries of this trust.

- Ms. Maggie Xiaoqing Gu will hold her Class A Shares through Floral Field Holdings Limited, a British Virgin Islands company. Floral Field Holdings Limited is owned and controlled by GXQ Holdings Limited. Ms. Maggie Xiaoqing Gu is the sole director of Floral Field Holdings Limited. GXQ Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Ms. Maggie Xiaoqing Gu is the settlor of this trust, and she and her family members are the beneficiaries of this trust.

- Mr. Tony Xiaoqing Ren will hold his Class A Shares through Color Park Holdings Limited, a British Virgin Islands company. Color Park Holdings Limited is owned and controlled by RXQ Holdings Limited. Mr. Tony Xiaoqing Ren is the sole director of Color Park Holdings Limited. RXQ Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Mr. Tony Xiaoqing Ren is the settlor of this trust, and he and his family members are the beneficiaries of this trust.

Our Company is adopting the WVR structure to enable the WVR Beneficiaries to exercise voting control over our Company. This will enable our Company to benefit from the continuing vision and leadership of the WVR Beneficiaries, who will control our Company with a view to its long-term prospects and strategy. We believe this is important for our continued success as our WVR Beneficiaries have contributed materially to the success of our Company, as set out below:

- Mr. Sky Yangtian Xu, together with the other WVR Beneficiaries, founded our Company in 2012. As Founder and CEO, Mr. Xu has been instrumental in setting the overall strategy of our Company. Amongst other things, Mr. Xu oversaw our Company's adoption of data-driven design, using AI and machine learning to analyse global fashion trends and predict demand, build a digital-first direct-to-consumer business model with unprecedented scale and speed, and continually develop new and innovative technologies. Under Mr. Xu's visionary leadership, our Company built its end-to-end intelligent supply chain and adopted LATR, its highly scalable, proprietary operating model that features on-demand small-batch production. As a result, Mr. Xu was pivotal in leading our Company to solve the fashion retail industry's trilemma by achieving large selection, rapid design refreshment and efficient inventory management at the same time. Thanks to Mr. Xu's vision, our Company has become the world's largest online fashion destination.

- Ms. Molly Miao Miao has been instrumental in shaping our Company's business strategy, global expansion and day-to-day operations. With responsibility for our Company's overall operations, Ms. Miao played a vital role in scaling our Company as it scaled its global footprint to approximately 160 countries and regions and as its customer base grew to over 273 million users. Under Ms. Miao's leadership, our Company combined its insights in consumer trends with its highly agile supply chain, leveraged social media-driven marketing efforts and focused relentlessly on global expansion and localisation. Ms. Miao was pivotal in executing the Company's online-first strategy, leveraging localised influencer marketing to build a loyal base of customers in the Company's markets around the world. As Chief Operating Officer, Ms. Miao's ability to execute the vision of the four co-founders has been an indelible contribution to the success of our Company.

- Ms. Maggie Xiaoqing Gu, as Chief Product Officer with oversight over the Company's product selection, led the Company's product innovation and market adaptation efforts. Ms. Gu was a pioneer of using data analytics and artificial intelligence to identify trends and optimise product styles to align with rapidly evolving consumer preferences. Under Ms. Gu's leadership, the Company is also able to offer regionally tailored products, such as modest clothing in certain countries. Under Ms. Gu's leadership, the Company has expanded its product selection to offer consumers a vast and frequently updated selection of curated fashion and lifestyle products at affordable prices.

- Mr. Tony Xiaoqing Ren, in his capacity as Chief Supply Chain Officer, played a vital role in liaising with suppliers, fostering adoption of the Company's proprietary supplier software solutions and building the Company's end-to-end intelligent supply chain. Mr. Ren has also played a vital role in logistics optimisation, streamlining cross-border shipping to ensure the massive volume of orders placed with the Company successfully reach end customers in a timely, cost-efficient way. Mr. Ren continues to play a vital role at the Company, overseeing the public affairs and corporate responsibility of our Group.

Prospective [**REDACTED**] are advised to be aware of the potential risks of [**REDACTED**] in companies with WVR structure, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exert significant influence over the affairs of our Company and the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote. Prospective [**REDACTED**] should make the decision to [**REDACTED**] in our Company only after due and careful consideration. For further information about the risks associated with the WVR structure adopted by our Company, please refer to the sub-section headed "Risk Factors — J. Risks Related to Our Class B Shares and the [**REDACTED**]" in this document.

Undertakings by the WVR Beneficiaries

Pursuant to Rule 8A.43 of the Listing Rules, each WVR Beneficiary is required to give a legally enforceable undertaking to our Company that he or she will comply with the relevant requirements as set out in Rule 8A.43, which is intended to be for the benefit of and enforceable by the Shareholders. On [●] 2026, each of the WVR Beneficiaries made an undertaking to our Company (the "**WVR Undertakings**"), that for so long as he or she is a WVR Beneficiary:

(1) he or she shall comply with (and, if the shares to which the weighted voting rights that he or she is beneficially interested in are attached are held through a limited partnership, trust, private company or other vehicle, use his or her best endeavours to procure that that limited partnership, trust, private company or other vehicle complies with) all applicable requirements under Rules 8A.09, 8A.14, 8A.15, 8A.17, 8A.18, and 8A.24 of the Listing Rules from time to time in force (the "**Requirements**"); and

(2) he or she shall use his or her best endeavours to procure that our Company complies with all applicable Requirements.

For the avoidance of doubt, the Requirements are subject to Rule 2.04 of the Listing Rules. Each WVR Beneficiary acknowledged and agreed that the Shareholders rely on the Undertaking in acquiring and holding his or her Shares. Each WVR Beneficiary acknowledged and agreed that the Undertaking is intended to confer a benefit on our Company and all Shareholders and may be enforced by our Company and/or any Shareholder against such WVR Beneficiary.

The Undertaking shall automatically terminate upon the earlier of (i) the date of delisting of our Company from the Stock Exchange; and (ii) the date on which such WVR Beneficiary ceases to be a beneficiary of weighted voting rights in our Company. For the avoidance of doubt, the termination of the Undertaking shall not affect any rights, remedies, obligations or liabilities of our Company and/or any Shareholder and/or the relevant WVR Beneficiary that have accrued up to the date of termination, including the right to claim damages and/or apply for any injunction in respect of any breach of the Undertaking which existed at or before the date of termination.

The Undertaking shall be governed by the laws of Hong Kong and all matters, claims or disputes arising out of the Undertaking shall be subject to the exclusive jurisdiction of the courts of Hong Kong.

Undertakings by Sophisticated Investors

The Company has received third-party pre-[**REDACTED**] investments from multiple sophisticated investors, including IDG, Sequoia, HongShan, Greenwoods, Tiger and Boyu. See "History, Reorganisation and Corporate Structure — Pre-[**REDACTED**] Investments" for details. Such sophisticated investors will retain at least an aggregate 50% of their investment in our Company for a period of six months after the [**REDACTED**] in accordance with the requirement in paragraph 6 of Chapter 2.2 of the Guide.

RANKING

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

ALTERATIONS TO SHARE CAPITAL

Our Company may by ordinary resolution (i) increase its share capital by such sum to be divided into shares of such classes and amount, as the Company in general meeting may determine; (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; (iii) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association or into shares without par value; cancel any shares which at the date of the passing of the ordinary resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. In addition, our Company may by special resolution reduce its share capital or any capital redemption reserve subject to provisions of the Cayman Companies Act.

See "Summary of the Constitution of the Company and Cayman Islands Company Law — 2. Articles of Association — 2.5 Alteration of capital" in Appendix III for further details.

Wherever the share capital of the Company is divided into different classes of shares, the rights attached to any such classes of shares may, subject to any right or restrictions for the time being attached thereto, whether or not the Company is being wound up, only be materially adversely varied with the consent in writing of the holders of at least three-fourth (3/4) of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

See "Summary of the Constitution of the Company and Cayman Islands Company Law — 2. Articles of Association — 2.4 Variation of rights of existing shares or classes of shares" in Appendix III for further details.

GENERAL MANDATE TO ISSUE CLASS B SHARES

Subject to the [**REDACTED**] becoming unconditional, our Directors were granted a general mandate to allot, issue and deal with any Class B Shares (including any sale or transfer of Class B Shares out of treasury that are held as treasury shares) or securities convertible into Class B Shares of not more than the sum of:

- 20% of the total number of Shares in issue immediately following completion of the [**REDACTED**] (but excluding any Shares which may be issued pursuant to the exercise of the [**REDACTED**], any Shares which may be issued under the Share Incentive Plans, and any Class B Shares that are issuable upon conversion of the Class A Shares on a one to one basis); and

- the total number of Shares repurchased by our Company pursuant to the authority referred to in "— General mandate to repurchase Class B Shares" below.

This general mandate to issue Class B Shares will remain in effect until the earliest of:

- the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;

- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the memorandum and the articles of association of our Company; and

- the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority.

GENERAL MANDATE TO REPURCHASE CLASS B SHARES

Subject to the [**REDACTED**] becoming unconditional, our Directors were granted a general mandate to repurchase our own Class B Shares up to 10% of the total number of Shares in issue immediately following completion of the [**REDACTED**] (but excluding any Shares which may be issued pursuant to the exercise of the [**REDACTED**], any Shares which may be issued under the Share Incentive Plans, and any Class B Shares that are issuable upon conversion of the Class A Shares on one-to-one basis).

This mandate only relates to repurchases on the Stock Exchange or on any other stock exchange on which the securities of our Company may be [**REDACTED**] and which is recognised by the SFC and the Stock Exchange for this purpose, and in accordance with all applicable laws and the requirements under the Listing Rules or equivalent rules or regulations of any other stock exchange.

This general mandate to repurchase Class B Shares will remain in effect until the earliest of:

- the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;

- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the memorandum and the articles of association of our Company; and

- the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority.

See "Statutory and General Information — A. Further Information about Our Company and Our Subsidiaries — 5. Explanatory statement on repurchase of our own securities" in Appendix IV for further details of this general mandate to repurchase Shares.

SHARE INCENTIVE SCHEME

We have adopted the Share Incentive Plans. See "Statutory and General Information — D. Share Incentive Plans" in Appendix IV for further details.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] and assuming the Assumptions, the following persons (other than a Director or chief executive of the Company) will have interests and/or short positions (as applicable) in the Shares or underlying shares of our Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the 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:

Name of substantial shareholder	Capacity/Nature of interest	Number of Shares[(1)]	Approximate percentage of shareholding in each class of shares of our Company after the [REDACTED]
Class A Shares			
Apex Sight Holdings Limited[(2)]	Beneficial owner	[**REDACTED**]	[**REDACTED**]%
XYT Holdings Limited[(2)]	Interest in controlled corporations	[**REDACTED**]	[**REDACTED**]%
Upright Victory Holdings Limited[(3)]	Beneficial owner	[**REDACTED**]	[**REDACTED**]%
MM Style Limited[(3)]	Interest in controlled corporations	[**REDACTED**]	[**REDACTED**]%
Floral Field Holdings Limited[(4)]	Beneficial owner	[**REDACTED**]	[**REDACTED**]%
GXQ Holdings Limited[(4)]	Interest in controlled corporations	[**REDACTED**]	[**REDACTED**]%
Color Park Holdings Limited[(5)]	Beneficial owner	[**REDACTED**]	[**REDACTED**]%
RXQ Holdings Limited[(5)]	Interest in controlled corporations	[**REDACTED**]	[**REDACTED**]%
Class B Shares			
Apex Sight Holdings Limited[(2)]	Beneficial owner	[**REDACTED**]	[**REDACTED**]%
XYT Holdings Limited[(2)]	Interest in controlled corporations	[**REDACTED**]	[**REDACTED**]%
Trendy Group Holdings Limited[(6)]	Beneficial owner	[**REDACTED**]	[**REDACTED**]%
IDG Entities[(7)]	Beneficial owner	[**REDACTED**]	[**REDACTED**]%
Bright Springs Limited[(7)]	Beneficial owner	[**REDACTED**]	[**REDACTED**]%
Sequoia Capital[(8)]	Beneficial owner	[**REDACTED**]	[**REDACTED**]%
BEST PROSPERITY BUSINESS LIMITED[(9)]	Interest in controlled corporations	[**REDACTED**]	[**REDACTED**]%
HSG Entities and HCEP[(10)]	Beneficial owner	[**REDACTED**]	[**REDACTED**]%

Notes:

(1) The calculation is based on the total number of [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares issued and outstanding immediately after completion of the [**REDACTED**], subject to the Assumptions.

(2) Apex Sight Holdings Limited is wholly-owned and controlled by XYT Holdings Limited, and Mr. Sky Yangtian Xu is the sole director of Apex Sight Holdings Limited. XYT Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Mr. Sky Yangtian Xu is the settlor of this trust, and he and his family members are the beneficiaries of this trust.

(3) Upright Victory Holdings Limited is wholly-owned and controlled by MM Style Limited. Ms. Molly Miao Miao is the sole director of Upright Victory Holdings Limited. MM Style Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Ms. Molly Miao Miao is the settlor of this trust, and she and her family members are the beneficiaries of this trust.

(4) Floral Field Holdings Limited is wholly-owned and controlled by GXQ Holdings Limited. Ms. Maggie Xiaoqing Gu is the sole director of Floral Field Holdings Limited. GXQ Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Ms. Maggie Xiaoqing Gu is the settlor of this trust, and she and her family members are the beneficiaries of this trust.

(5) Color Park Holdings Limited is wholly-owned and controlled by RXQ Holdings Limited. Mr. Tony Xiaoqing Ren is the sole director of Color Park Holdings Limited. RXQ Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Mr. Tony Xiaoqing Ren is the settlor of this trust, and he and his family members are the beneficiaries of this trust.

(6) Trendy Group Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. The trust's beneficiaries are each of the WVR Beneficiaries' holding vehicles, namely Apex Sight Holdings Limited, Upright Victory Holdings Limited, Floral Field Holdings Limited and Color Park Holdings Limited. Ms. Molly Miao Miao is the sole member of this trust's advisory committee and therefore controls the voting rights attached to the Class B Shares held by Trendy Group Holdings Limited.

(7) EVANS VIRTUE LIMITED, BRIGHT SPRINGS LIMITED, IDG China Capital Fund III L.P., and IDG China Capital III Investors L.P. are collectively referred to as the IDG Entities.

IDG Capital Project Fund IV, L.P. holds more than 50% of shares of EVANS VIRTUE LIMITED. IDG Capital Project Fund IV Associates, L.P. is the sole general partner of IDG Capital Project Fund IV, L.P. IDG Capital Project Fund IV GP Associates Limited is the sole general partner of IDG Capital Project Fund IV Associates, L.P. The ultimate beneficial owners of IDG Capital Project Fund IV GP Associates Limited are Mr. Chi Sing Ho and Mr. Quan Zhou.

BRIGHT SPRINGS LIMITED is wholly owned by IDG Capital Project Fund IV, L.P., with IDG Capital Project Fund IV Associates, L.P. being its sole general partner. IDG Capital Project Fund IV Associates Limited is the sole general partner of IDG Capital Project Fund IV Associates, L.P. The ultimate beneficial owners of IDG Capital Project Fund IV GP Associates Limited are Mr. Chi Sing Ho and Mr. Quan Zhou.

IDG China Capital Fund III L.P. is controlled by its general partner, IDG China Capital Fund III Associates L.P. IDG China Capital Fund III Associates L.P. is an exempted limited partnership incorporated in Cayman Islands and is controlled by its general partner, IDG China Capital Fund GP III Associates Ltd. IDG China Capital Fund GP III Associates Ltd. is a limited liability company incorporated in Cayman Island, which is controlled by Mr. Chi Sing Ho and Mr. Quan Zhou.

IDG China Capital III Investors L.P. is controlled by its general partner, IDG China Capital Fund GP III Associates Ltd. IDG China Capital Fund GP III Associates Ltd. is a limited liability company incorporated in Cayman Island, which is controlled by Mr. Chi Sing Ho and Mr. Quan Zhou.

(8) SC GGF III Holdco, Ltd. is referred to as the Sequoia Capital. SC GGF III Holdco, Ltd. is wholly owned by Sequoia Capital Global Growth Fund III — Endurance Partners, L.P. The general partner of Sequoia Capital Global Growth Fund III — Endurance Partners, L.P. is SCGGF III — Endurance Partners Management, L.P., whose general partner is SC US (TTGP), Ltd.

(9) WEALTH TOP HOLDINGS LIMITED is held as to 81.16% by BEST PROSPERITY BUSINESS LIMITED. Each of Greenwoods Fortune Limited Partnership, Greenwoods Intelligence Limited Partnership, Greenwoods Success Limited Partnership and Greenwoods Champion Limited Partnership, is held as to 81.16% by BEST PROSPERITY BUSINESS LIMITED as its limited partner. Therefore, BEST PROSPERITY BUSINESS LIMITED is deemed to be interested in the Class B Shares held by each of WEALTH TOP HOLDINGS LIMITED, Greenwoods Fortune Limited Partnership, Greenwoods Intelligence Limited Partnership, Greenwoods Success Limited Partnership and Greenwoods Champion Limited Partnership.

(10) HSG Growth V Holdco K, Ltd., HSG Growth V 2019-B, L.P., SCC Annex 2021-D L.P., SCC Annex 2022-A (BVI), L.P., SCC Annex 2023-A (BVI), L.P., Ocean Prosperity Holdings Limited, and HSG Growth VI Holdco E, Ltd. are collectively referred to as the HSG Entities.

HSG Growth V Holdco K, Ltd. is wholly owned by HongShan Capital Growth Fund V, L.P., whose general partner is HSG Growth V Management, L.P. The general partner of HSG Growth V Management, L.P. is HSG Holding Limited.

The general partner of HSG Growth V 2019-B, L.P. is HSG Offshore Fund Management, L.P., whose general partner is HSG Holding Limited.

The general partner of each of SCC Annex 2021-D L.P., SCC Annex 2022-A (BVI), L.P. and SCC Annex 2023-A (BVI), L.P. is SCGGF III — China Management, L.P. The general partner of SCGGF III — China Management, L.P. is HSG Holding Limited.

Ocean Prosperity Holdings Limited is wholly owned by Sequoia Capital Global Growth Fund III — China Annex Fund, L.P., whose general partner is SCGGF III — China Management, L.P. The general partner of SCGGF III — China Management, L.P. is HSG Holding Limited.

HSG Growth VI Holdco E, Ltd. is wholly owned by HongShan Capital Growth Fund VI, L.P., whose general partner is HSG Growth VI Management, L.P. The general partner of HSG Growth VI Management, L.P. is HSG Holding Limited. HSG Holding Limited is wholly owned by SNP China Enterprises Limited, which in turn is wholly owned by Mr. Neil Nanpeng Shen.

HCEP Master Fund is an exempted company with limited liability incorporated under the laws of the Cayman Islands. The investment manager of HCEP Master Fund is HCEP Management Limited, which is in turn wholly-owned by HCEP Management Holding Limited. There is no individual participating shareholder holding 30% or more shares in HCEP Master Fund.

Except as disclosed above, our Directors are not aware of any other person who will, immediately following the completion of the [**REDACTED**] (and assuming the Assumptions), have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to the Company 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. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company or any other member of our Group.

DIRECTORS

Upon [**REDACTED**], our Board will consist of seven Directors, including four executive Directors and three independent non-executive Directors. The following table sets forth certain information about the Directors.

Name	Age	Position	Date of Joining the Group	Date of Appointment as a Director	Roles and Responsibilities
Mr. Sky Yangtian Xu (許仰天先生) .	42	Founder, Chairman of the Board, Executive Director and Chief Executive Officer	Since inception	30 June 2014	Overseeing the strategic and business management of our Group
Ms. Molly Miao Miao (苗苗女士) .	41	Co-Founder, Executive Director and Chief Operating Officer	Since inception	28 June 2018	Overseeing the operations of our Group
Ms. Maggie Xiaoqing Gu (顧曉慶女士)	44	Co-Founder, Executive Director and Chief Product Officer	Since inception	28 June 2018	Overseeing the product management of our Group
Mr. Tony Xiaoqing Ren (任曉慶先生)	40	Co-Founder, Executive Director	Since inception	28 June 2018	Overseeing the public affairs and corporate responsibility of our Group
Mr. Denny Ting Bun Lee (李廷斌先生) . . .	58	Independent Non-Executive Director	[●][(1)]	[●][(1)]	Providing independent opinion and judgment to the Board
Mr. Hongbin Cai (蔡洪濱先生) . . .	58	Independent Non-Executive Director	[●][(1)]	[●][(1)]	Providing independent opinion and judgment to the Board
Mr. Ming Yan Lim (林明彥先生) . . .	63	Independent Non-Executive Director	[●][(1)]	[●][(1)]	Providing independent opinion and judgment to the Board

Note:

(1) The term of appointment will take effect as of the date on which such appointment is approved to become effective by shareholders resolutions of the Company.

Save as disclosed below, (i) none of our Directors had held any directorships in listed companies during the three years immediately prior to the Latest Practicable Date; (ii) none of our Directors and members of senior management are related to other Directors or members of senior management; and (iii) to the best knowledge, information and belief of our Company having made all reasonable enquiries, there is no other information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules or other material matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders.

EXECUTIVE DIRECTORS

Mr. Yangtian Xu (許仰天先生), also known as Sky Yangtian Xu, aged 42, is the founder of our Company and has served as the chairman of the Board, an executive Director and the chief executive officer of our Company since inception. Prior to founding our Company, Mr. Xu and the co-founders had previously worked together at a company which provides search engine marketing services to export companies. Mr. Xu received his bachelor's degree in international trade from Qingdao University of Technology (青島理工大學) in 2007.

Ms. Miao Miao (苗苗女士), also known as Molly Miao Miao, aged 41, is a co-founder of our Company and has served as an executive Director since inception and the chief operating officer since 2017. She also serves as a director/member of the senior management of certain subsidiaries of the Company. Prior to founding our Company, Ms. Miao, together with Mr. Xu and the other co-founders, had previously worked together at a company which provides search engine marketing services to export companies. Ms. Miao received her bachelor's degree in management from Nanjing University of Posts and Telecommunications (南京郵電大學) in 2007.

Ms. Xiaoqing Gu (顧曉慶女士), also known as Maggie Xiaoqing Gu, aged 44, is a co-founder of our Company and has served as an executive Director since inception and the chief product officer since 2017. She also serves as a director/member of the senior management of certain subsidiaries of the Company. Prior to founding our Company, Ms. Gu, together with Mr. Xu and the other co-founders, had previously worked together at a company which provides search engine marketing services to export companies. Ms. Gu received her bachelor's degree of arts from Nanjing Tech University (南京工業大學) in 2005.

Mr. Xiaoqing Ren (任曉慶先生), also known as Tony Xiaoqing Ren, aged 40, is a co-founder of our Company and has served as an executive Director since inception. He also serves as a director/member of the senior management of certain subsidiaries of the Company. Previously, Mr. Ren served as the chief supply chain officer of our Company since 2017. Prior to founding our Company, Mr. Ren, together with Mr. Xu and the other co-founders, had previously worked together at a company which provides search engine marketing services to export companies. Mr. Ren received his bachelor's degree in management from Nanjing Tech University (南京工業大學) in 2007.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Denny Ting Bun Lee (李廷斌先生), aged 58, is a proposed independent non-executive director of the Company. Mr. Lee currently serves as the chairman of the audit committees and an independent non-executive director on the boards of Nio Inc. (Nasdaq: NIO; HKEX: 9866; SGX: NIO), New Oriental Education & Technology Group Inc. (NYSE: EDU; HKEX: 9901) and Jianpu Technology Inc. (NYSE: AIJTY). From April 2002 to June 2022, Mr. Lee served as a director of NetEase, Inc., formerly known as NetEase.com, Inc. He was the chief financial officer of NetEase.com, Inc. from April 2002 to June 2007 and its financial controller from November 2001 to April 2002. Prior to joining NetEase.com, Inc., Mr. Lee worked in the Hong Kong office of KPMG for more than ten years. He is also a member of the Hong Kong Institute of Certified Public Accountants and The Chartered Association of Certified Accountants.

Mr. Hongbin Cai (蔡洪濱先生), aged 58, is a proposed independent non-executive director of the Company. Mr. Cai is the Dean and Chair Professor of the Faculty of Business and Economics of the University of Hong Kong. Mr. Cai received his Bachelor of Science in Mathematics from Wuhan University in 1988, his M.A. in Economics from Peking University in 1991, and his Ph.D. in Economics from Stanford University in 1997. From 1997 to 2005, Mr. Cai taught at the University of California, Los Angeles. Since 2005, he served as a professor and Ph.D. supervisor in Applied Economics Department at Guanghua School of Management at Peking University, and served as Director of the Applied Economics Department, Assistant to the Dean and Vice Dean of Guanghua School of Management of Peking University. From December 2010 to January 2017, he served as Dean of Guanghua School of Management at Peking University. In June 2017, he joined Faculty of Business and Economics of the University of Hong Kong. Mr. Cai currently serves as an independent director of China Merchants Finance Holdings Company Limited (招商局金融控股有限公司), China Resources New Energy Holdings Co., Ltd. (華潤新能源控股有限公司) and Greater Bay Area Homeland Investments Limited (大灣區共同家園投資有限公司). Mr. Cai also served as an independent non-executive director of Sinopec Corp. (中國石油化工股份有限公司) (SHA: 600028; HKEX: 0386; NYSE: SNP) from May 2018 to June 2024, an independent director of CCB International (Holdings) Limited (建銀國際(控股)有限公司) from January 2018 to December 2024 and an independent director of Ping An Bank Co., Ltd. (平安銀行股份有限公司) (SZSE: 00001) from September 2020 to May 2023 and SDIC Capital Co., Ltd. (國投資本股份有限公司) (SSE: 600061) from April 2023 to July 2026.

Mr. Ming Yan Lim (林明彥先生), aged 63, is a proposed independent non-executive director of the Company. Mr. Lim is chairman of Changi Airport Group and Lead Independent Director of SembCorp Industries (SGX: U96). He also sits on the boards of China Vanke (SZSE: 000002) and DLF Cyber City Developers. Mr. Lim is a member of the board of trustees of the Chinese Development Assistance Council. He is Singapore's Non-Resident High Commissioner to the Republic of Mauritius. Mr. Lim previously served as president, group chief executive officer and a director of CapitaLand Group (SGX: 9CI). Mr. Lim received first class honours in Mechanical Engineering and Economics in 1985 as well as an honorary doctorate from University of Birmingham. He also completed the Advanced Management Programme at Harvard Business School.

SENIOR MANAGEMENT

The following table provides information about members of the senior management of our Company (other than our executive directors):

Name	Age	Position	Date of Joining the Group	Date of Appointment as Senior Management	Roles and Responsibilities
Mr. Leigh Lei Gui (桂鐳先生)	56	Chief Financial Officer	March 2021	March 2021	Overseeing finance operations of our Group
Mr. Basten Hao Xu (許浩先生)	38	Chief Technology Officer	Since inception	Since inception	Overseeing technology development of our Group

Mr. Leigh Lei Gui (桂鐳先生), aged 56, has served as the chief financial officer of our Company since March 2021. Prior to joining our Group, Mr. Gui served as chief financial officer at VIPKid from May 2020 to February 2021 and served in various positions at eBay and PayPal from January 2005 to May 2020, including as chief financial officer of Greater China at eBay and PayPal, chief financial officer of Asia-Pacific cross-border trade at eBay, and chief financial officer of international cross-border trade at eBay. Mr. Gui received his bachelor's degree in genetics from Wuhan University in 1990, his master's degree in molecular biology from Rice University, the United States in 1995, and his MBA degree from the University of Toronto, Canada in 1999.

Mr. Basten Hao Xu (許浩先生), aged 38, has served as the chief technology officer of our Company since inception. Mr. Xu received his bachelor's degree in computer science and technology from Nanjing Agricultural University (南京農業大學) in 2010.

For the biographical details of our executive directors, please see "Directors — Executive Directors" above.

COMPANY SECRETARY

Ms. KWOK Yan Ting Jennis (郭恩廷) has over 12 years of extensive experience in corporate governance, company secretarial practice and regulatory compliance. She is currently Senior Manager, Entity Solutions of Computershare Hong Kong Investor Services Limited.

Ms. Kwok holds a degree of Bachelor of Business Administration from Hong Kong Shue Yan University. She is a fellow member of both The Hong Kong Chartered Governance Institute (the "**HKCGI**") and The Chartered Governance Institute in the United Kingdom, and she is also a holder of the practitioner's endorsement of HKCGI. In addition, Ms. Kwok is a Certified Environmental, Social and Governance Analyst (CESGA®) accredited by The

European Federation of Financial Analysts Societies (EFFAS) and a Certified ESG Planner (CEP®) awarded by the International Chamber of Sustainable Development (ICSD). She also holds the Sustainability and Climate Risk (SCR®) Certificate issued by the Global Association of Risk Professionals (GARP®).

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

We have established four Board committees in accordance with the relevant laws and regulations, the Articles and the code of corporate governance practices under the Listing Rules, namely the audit committee, the remuneration committee, the nomination committee, and the corporate governance committee. The functions of the four committees are summarised as follows:

Audit Committee

We [have established] an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board. The audit committee comprises three members, namely Mr. Denny Ting Bun Lee, Mr. Hongbin Cai, and Mr. Ming Yan Lim as the members of the audit committee, with Mr. Denny Ting Bun Lee as the chairperson of the audit committee. Mr. Denny Ting Bun Lee is the director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration Committee

We [have established] a remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the remuneration committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management. The remuneration committee comprises five members, namely Mr. Ming Yan Lim, Mr. Sky Yangtian Xu, Ms. Molly Miao Miao, Mr. Denny Ting Bun Lee and Mr. Hongbin Cai, with Mr. Ming Yan Lim as the chairperson of the remuneration committee.

Nomination Committee

Pursuant to Rules 8A.27 and 8A.28 of the Listing Rules, we [have established] a nomination committee with written terms of reference in compliance with the Code on Corporate Governance in Appendix C1 to the Listing Rules. The primary duties of the nomination committee are to make recommendations to our Board on the appointment of Directors and management of Board succession. The nomination committee comprises five members, namely Mr. Hongbin Cai, Mr. Sky Yangtian Xu, Ms. Molly Miao Miao, Mr. Denny Ting Bun Lee and Mr. Ming Yan Lim, with Mr. Hongbin Cai as the chairperson of the nomination committee.

Corporate Governance Committee

We [have established] a corporate governance committee in compliance with the Corporate Governance Code and Chapter 8A of the Listing Rules. The primary duties of the corporate governance committee are to ensure that our Company is operated and managed for the benefit of all shareholders and to ensure our Company's compliance with the Listing Rules and safeguards relating to the weighted voting rights structures of our Company.

The corporate governance committee comprises three independent non-executive Directors namely Mr. Hongbin Cai, Mr. Denny Ting Bun Lee and Mr. Ming Yan Lim. Mr. Hongbin Cai is the chairperson of the committee. For details of their experience in corporate governance related matters, please refer to the biographies of each of our independent non-executive Directors in the section headed "— Directors — Independent Non-Executive Directors" above.

In accordance with Rule 8A.30 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules, the work of our corporate governance committee as set out in its terms of reference includes:

(a) to develop and review our Company's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor our Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;

(e) to review our Company's compliance with the code and disclosure in the Corporate Governance Report;

(f) to review and monitor whether our Company is operated and managed for the benefit of all its shareholders;

(g) to confirm, on an annual basis, that the beneficiaries of weighted voting rights have been members of our Company's board of directors throughout the year and that no matters under Rule 8A.17 of the Listing Rules have occurred during the relevant financial year;

(h) to confirm, on an annual basis, whether or not the beneficiaries of weighted voting rights have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the year;

(i) to review and monitor the management of conflicts of interests and make a recommendation to the Board on any matter where there is a potential conflict of interest between our Company, its subsidiary or consolidated affiliated entity and/or shareholder on one hand and any beneficiary of weighted voting rights on the other;

(j) to review and monitor all risks related to our Company's WVR structure, including connected transactions between our Company and/or its subsidiary or consolidated affiliated entity and/or shareholder on one hand and any beneficiary of weighted voting rights on the other and make a recommendation to the Board on any such transaction;

(k) to make a recommendation to the Board as to the appointment or removal of the Compliance Adviser;

(l) to seek to ensure effective and on-going communication between our Company and its shareholders, particularly with regards to the requirements of Rule 8A.35 of the Listing Rules; and

(m) to report on the work of the corporate governance committee on at least a half-yearly and annual basis covering all areas of its terms of reference, including disclosing, on a comply or explain basis, its recommendations to the Board in respect of the matters in items (i) to (k) above.

Pursuant to Rule 8A.32 of the Listing Rules, the Corporate Governance Report prepared by our Company for inclusion in our interim and annual reports after the [**REDACTED**] will include a summary of the work of the corporate governance committee for the relevant period.

Role of our Independent Non-executive Directors

Pursuant to Rule 8A.26 of the Listing Rules, the role of the independent non-executive Directors of a listed company with WVR structure must include, but is not limited to, the functions described in code provisions C.1.2, C.1.6 and C.1.7 in Part 2 of the Corporate Governance Code. The functions of our independent non-executive Directors include:

(a) participating in board meetings to bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;

(b) taking the lead where potential conflicts of interests arise;

(c) serving on the audit, remuneration, nomination and other governance committees, if invited;

(d) scrutinizing our Company's performance in achieving agreed corporate goals and objectives, and monitoring performance reporting;

(e) giving the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation;

(f) making a positive contribution to the development of our Company's strategy and policies through independent, constructive and informed comments; and

(g) attending general meetings and developing a balanced understanding of the views of our Shareholders.

CORPORATE GOVERNANCE CODE

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules save for the below.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman of the Board and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman of the Board and chief executive officer and Mr. Xu currently performs these two roles. The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of our Company if and when it is appropriate taking into account the circumstances of the Group as a whole. For further information relating to our Company's corporate governance measures, please see the section headed "Relationship with the Controlling Shareholders — Corporate Governance Measures."

BOARD DIVERSITY

Our Company [has adopted] a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining our Company's competitive advantage and enhancing its ability to attract, retain, and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a Director of our Company, the nomination committee will consider a number of factors, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. Pursuant to the board diversity policy, the nomination committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

Our Board comprises of five male Directors and two female Directors whose age ranges from 40s to 60s. Our Directors have a balanced mixed of knowledge and skills. They obtained degrees in various majors including, among others, international trade, management, mathematics, economics, arts and mechanical engineering, and gained years of industry experience in sectors such as the Internet, renewable energy, education, real estate, finance and e-commerce. Our Company has reviewed the membership, structure and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operation.

MANAGEMENT PRESENCE

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules.

Our Group's senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole.

Accordingly, we have applied for and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 of the Listing Rules. For further details, see "Waivers and Exemptions — Waiver in Respect of Management Presence in Hong Kong."

Confirmations from our Directors

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 26 June 2025 or 29 June 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

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

REMUNERATION

Our Directors receive remuneration, including salaries, discretionary bonuses, share-based payments, and other benefits in kind.

The aggregate amount of remuneration for our Directors for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 was US$3 million, US$3 million, US$3 million and less than US$1 million, respectively. None of our Directors waived any remuneration during the aforesaid periods.

The five highest paid individuals of our Group for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 included 1, 1, nil and nil Director, respectively. The aggregate amount of remuneration for the five highest paid individuals for the years ended 31 December 2023, 2024 and 2025 and for the three months ended 31 March 2026 were approximately US$12 million, US$14 million, US$14 million and US$4 million, respectively.

Save as disclosed above, no other payments have been paid or are payable, in respect of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 by our Company to our Directors.

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors or past directors for the Track Record Period for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the same period.

COMPLIANCE ADVISER

We have appointed Somerley Capital Limited as our Compliance Adviser pursuant to Rules 8A.33 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 and Rule 8A.34 of the Listing Rules, the Compliance Adviser will advise our Company, among others, in the following circumstances:

(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 we propose to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this document;

(d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules;

(e) the WVR structure;

(f) transactions in which any beneficiary of WVR rights in our Company has an interest; and

(g) where there is a potential conflict of interest between the Company, its subsidiary and/or Shareholders (considered as a group) on one hand and any beneficiary of WVR in our Company on the other.

The term of appointment of the Compliance Adviser shall commence on the [**REDACTED**]. Pursuant to Rule 8A.33 of the Listing Rules, the Company is required to engage a compliance adviser on a permanent basis.

FUTURE PLANS

See "Business — Our Growth Strategies" in this document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range of between HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses paid and payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to enhance our technological capabilities. We plan to implement these enhancements over the next 36 months. Specifically:

  o We are committed to further strengthening and upgrading our technology infrastructure to support ongoing business growth. This includes, in particular, the procurement of cloud and server services, as well as the enhancement of our technology infrastructure to deliver greater capacity and security. We intend to continue our collaboration with leading global cloud computing service providers and enter into long-term contracts with them to secure scalable and reliable cloud infrastructure, with a particular focus on enhancing our data warehousing capabilities and bolstering our cybersecurity defenses with advanced disaster recovery solutions and cybersecurity services. We expect to complete most of the procurement within the next 36 months.

  o We will continue to develop and refine proprietary technologies aimed at enhancing our business operations. These initiatives will focus on improving customer interfaces, developing supplier-facing cloud-based software solutions, advancing demand forecasting technologies, and implementing warehouse automation and digitalisation. We also plan to enhance our inventory management systems by implementing AI-powered models and tools to make our end-to-end supply chain even more intelligent and synchronise supply chain workflows to allow us to better plan and manage every major step of the supply chain process. We will also invest in the application of artificial intelligence and data analytics across our operations to drive efficiency and innovation. We expect to continually roll out these initiatives during the next 36 months.

    - To support these technological advancements, we plan to continue investing in and expanding our talent pool, particularly by recruiting and retaining global experts in technology. We intend to hire approximately 1,500-2,000 new full-time technology-focused personnel globally over the next 36 months. Candidates will typically be required to have an educational background in computer science, data analytics, engineering or a related field.

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used to enhance brand awareness and strengthen global presence. We plan to implement these initiatives over the next 48 months. Specifically:

    - We intend to invest in comprehensive marketing campaigns across multiple channels, with a particular focus on performance advertising through major online platforms with global reach and influence. These efforts are designed to acquire new customers and drive sales growth. We plan to invest in and carry out these efforts from time to time over the next 48 months.

    - In addition to digital marketing, we will increase our investment in brand marketing initiatives, including high-visibility campaigns to elevate our brand image and increase customer mindshare worldwide. We plan to invest in and implement these initiatives during the next 48 months.

    - To ensure the successful execution of these initiatives, we will expand our sales and marketing teams by recruiting, retaining, and training talented professionals globally. This will enable us to execute our marketing strategies effectively and adapt to the unique needs of each market. We intend to hire approximately 5% additional full-time sales and marketing personnel globally over the next 36 months. We will be seeking candidates with experience in consumer-facing e-commerce, with a proven track record in their respective local markets and proficiency in local languages and business practices. We intend to expand our local sales and marketing teams in our major markets such as the United States and Europe and other markets with growth potential.

- approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], is expected to be used in our initiatives to promote corporate responsibility. We plan to implement these initiatives over the next 36 months. Specifically:

    - A portion of the net [**REDACTED**] will be dedicated to strengthening our supply chain governance and ensuring compliance with evolving regulations across various jurisdictions related to sustainability and corporate responsibility. This includes (i) expanding the scope and depth of our SRS policy, such as by continually developing and refining the supplier responsibility standards and enhancing our systems for monitoring supplier compliance, (ii) further developing and implementing supplier training and empowerment programmes by providing remote and on-site support, digital management tools, and best-practice guides to help them meet our standards and expectations, and (iii) enhancing internal governance in response to changing standards in different markets by investing in specialized knowledge of and proactive compliance efforts to address evolving sustainability standards in our markets, under the strategic oversight of the Board and our Sustainability Committee. We plan to implement these initiatives over the next 36 months.

  - o Furthermore, we will promote other corporate responsibility initiatives and innovations, such as the adoption of preferred materials, innovative production techniques, decarbonisation efforts, circularity and waste reduction programmes, and the promotion of equitable empowerment throughout our value chain. We plan to implement these initiatives and innovations over the next 36 months.

- the balance, approximately HK$[**REDACTED**], is expected to be used for general corporate purposes.

In the event that the [**REDACTED**] is set at the Maximum [**REDACTED**] or the Minimum [**REDACTED**] of the indicative [**REDACTED**] range, the net [**REDACTED**] of the [**REDACTED**] will increase or decrease by approximately HK$[**REDACTED**], respectively.

The additional net [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be (i) HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the Maximum [**REDACTED**]), (ii) HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the [**REDACTED**] range) or (iii) HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the Minimum [**REDACTED**]).

To the extent that the net [**REDACTED**] from the [**REDACTED**] (including the net [**REDACTED**] from the exercise of the [**REDACTED**]) are either more or less than expected, we may adjust our allocation of the net [**REDACTED**] for the above purposes on a pro rata basis.

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately required for the above purposes or if we are unable to put into effect any part of our plan as intended, we may deposit such [**REDACTED**] into short-term interest-bearing accounts at licenced commercial banks and/or other authorised 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.

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The following is the text of a report set out on pages I-1 to I-[60], received from the Company's reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this [**REDACTED**].

[LOGO]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHEIN GLOBAL HOLDINGS LIMITED, GOLDMAN SACHS (ASIA) L.L.C., MORGAN STANLEY ASIA LIMITED AND J.P. MORGAN SECURITIES (FAR EAST) LIMITED

Introduction

We report on the historical financial information of SHEIN Global Holdings Limited (formerly known as ELITE DEPOT LIMITED, the "Company") and its subsidiaries (together, the "Group") set out on pages I-[4] to I-[60], which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025 and 31 March 2026, the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 31 March 2026, and the consolidated statements of operations and comprehensive income, the consolidated statements of shareholders' equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2025 and the three months ended 31 March 2026 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[4] to I-[60] forms an integral part of this report, which has been prepared for inclusion in the [**REDACTED**] of the Company dated [date] (the "[**REDACTED**]") in connection with the initial [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (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 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, 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 Group's financial position as at 31 December 2023, 2024 and 2025 and 31 March 2026, of the Company's financial position as at 31 December 2023, 2024 and 2025 and 31 March 2026 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of operations and comprehensive income, the consolidated statement of shareholders' equity and the consolidated statement of cash flows of the Group for the three months ended 31 March 2025 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the 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-[4] have been made.

Dividends

We refer to Note [29] to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[**Deloitte Touche Tohmatsu**]
Certified Public Accountants
Hong Kong
[**REDACTED**]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board (the "IASB") and were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("Underlying Financial Statements").

The Historical Financial Information is presented in U.S. dollars ("US$") and all values are rounded to the nearest million except when otherwise indicated.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(All amounts in millions of US$, except for share and par value data)

	Notes	As of 31 December			As of 31 March
		2023	2024	2025	2026
		US$	*US$*	*US$*	*US$*
ASSETS					
Current assets:					
Cash and cash equivalents	*8*	3,494	2,905	4,481	4,313
Restricted cash	*8*	437	485	550	560
Short-term investments	*8*	6,265	8,086	9,723	9,929
Receivables from payment platforms and service providers	*5*	823	1,303	718	919
Other receivables and prepayments	*6*	273	480	534	658
Inventories	*7*	1,637	1,500	1,261	1,384
Other current assets		88	127	326	383
Total current assets		13,017	14,886	17,593	18,146
Non-current assets:					
Property and equipment	*9*	396	551	619	634
Right of use assets	*25*	497	959	1,105	1,122
Intangible assets		40	39	38	38
Non-current restricted cash	*8*	78	34	32	29
Deferred tax assets	*20*	81	94	102	103
Investments in associates	*10*	470	251	266	246
Investments at fair value through profit or loss	*10*	82	169	158	163
Long-term time deposits	*10*	–	211	–	–
Other non-current assets	*11*	157	127	120	128
Total assets		14,818	17,321	20,033	20,609
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	*17*	2,749	2,935	3,019	3,234
Accrued expenses and other current liabilities	*12*	1,958	2,814	3,268	4,134
Contract liabilities	*3*	694	770	789	1,016
Income tax payable		707	771	933	972
Convertible redeemable preferred shares, current portion	*16*	–	–	18,048	17,294
Total current liabilities		6,108	7,290	26,057	26,650
Non-current liabilities:					
Convertible redeemable preferred shares, non-current portion	*16*	20,807	18,376	–	–
Deferred tax liabilities	*20*	1	7	5	5
Lease liabilities	*25*	407	744	868	891
Other long-term liabilities		6	1	–*	21
Total liabilities		27,329	26,418	26,930	27,567
Net current assets/(liabilities)		6,909	7,596	(8,464)	(8,504)

		As of 31 December			As of 31 March
	Notes	**2023**	**2024**	**2025**	**2026**
		US$	*US$*	*US$*	*US$*
SHAREHOLDERS' EQUITY					
Share capital	*15*	–*	–*	–*	–*
Reserves		(12,511)	(9,097)	(6,897)	(6,958)
Total shareholders' deficit		(12,511)	(9,097)	(6,897)	(6,958)
Total liabilities and shareholders' deficit		14,818	17,321	20,033	20,609

* Less than US$1 million

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(All amounts in millions of US$, except for share and par value data)

	Notes	As of 31 December 2023	As of 31 December 2024	As of 31 December 2025	As of 31 March 2026
		US$	*US$*	*US$*	*US$*
ASSETS					
Current assets:					
Cash and cash equivalents		1,010	57	54	54
Short-term investments	*29(d)*	3,422	208	–	–
Other receivables and prepayments		4	–*	2	2
Amounts due from subsidiaries	*29(e)*	–	4,251	4,460	4,091
Total current assets		4,436	4,516	4,516	4,147
Non-current asset:					
Investments in subsidiaries	*29(a)*	4	4	4	4
Total assets		4,440	4,520	4,520	4,151
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Accrued expenses and other current liabilities	*29(f)*	21	4	14	729
Amounts due to subsidiaries	*29(e)*	37	34	34	34
Convertible redeemable preferred shares, current portion	*16*	–	–	18,048	17,294
Total current liabilities		58	38	18,096	18,057
Non-current liabilities:					
Convertible redeemable preferred shares, non-current portion	*16*	20,807	18,376	–	–
Total liabilities		20,865	18,414	18,096	18,057
Net current assets/ (liabilities)		4,378	4,478	(13,580)	(13,910)
SHAREHOLDERS' EQUITY					
Share capital	*15*	–*	–*	–*	–*
Reserves	*29(b)*	(16,425)	(13,894)	(13,576)	(13,906)
Total shareholders' deficit		(16,425)	(13,894)	(13,576)	(13,906)
Total liabilities and shareholders' deficit		4,440	4,520	4,520	4,151

* Less than US$1 million

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(All amounts in millions of US$, except for share and per share data)

	Notes	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Net revenues	3	**32,103**	**38,748**	**41,847**	**8,952**	**9,052**
Operating expenses						
Cost of sales		(12,777)	(15,249)	(13,433)	(3,339)	(2,679)
Fulfilment expenses		(13,501)	(16,847)	(19,072)	(3,831)	(4,322)
Marketing expenses		(3,453)	(4,159)	(6,191)	(1,088)	(1,430)
Technology and content expenses		(668)	(849)	(896)	(220)	(241)
General and administrative expenses		(328)	(678)	(548)	(126)	(122)
Total operating expenses		**(30,727)**	**(37,782)**	**(40,140)**	**(8,604)**	**(8,794)**
Operating income		**1,376**	**966**	**1,707**	**348**	**258**
Fair value changes of convertible redeemable preferred shares	16	1,231	2,431	328	–	(328)
Share of income/(losses) from associates	10	(36)	(171)	3	(21)	(16)
Interest income		472	597	621	135	150
Exchange gain/(loss)		(34)	(55)	(95)	47	(72)
Others, net	4	(14)	1	(50)	(14)	(12)
Income/(loss) before income taxes	27	**2,995**	**3,769**	**2,514**	**495**	**(20)**
Income tax expense	20	(206)	(404)	(450)	(100)	(79)
Net income/(loss)		**2,789**	**3,365**	**2,064**	**395**	**(99)**
Net income/(loss) attributable to SHEIN Global Holdings Limited's shareholders		**2,789**	**3,365**	**2,064**	**395**	**(99)**
Other comprehensive income/(expense):						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation		3	(22)	51	7	12
Other comprehensive income/(expense), net of tax		**3**	**(22)**	**51**	**7**	**12**
Comprehensive income/(expense)		**2,792**	**3,343**	**2,115**	**402**	**(87)**
Comprehensive income/(expense) attributable to SHEIN Global Holdings Limited's shareholders		**2,792**	**3,343**	**2,115**	**402**	**(87)**
Earnings/(loss) per ordinary share	22					
– Basic		[1.10]	[1.31]	[0.80]	[0.15]	[(0.04)]
– Diluted		[0.39]	[0.23]	[0.43]	[0.10]	[(0.04)]

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(All amounts in millions of US$, except for share data)

	Share capital	Share premium	Share-based compensation reserve	Statutory reserve	Translation reserve	Accumulated losses	Total
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
Balance as of 1 January 2023	–*	13	48	37	33	(15,936)	(15,805)
Net income	–	–	–	–	–	2,789	2,789
Foreign currency translation	–	–	–	–	3	–	3
Share-based compensation	–	–	49	–	–	–	49
Issuance of ordinary shares	–	453	–	–	–	–	453
Transfer to statutory reserve	–	–	–	9	–	(9)	–
Balance as of 31 December 2023	–*	466	97	46	36	(13,156)	(12,511)
Net income	–	–	–	–	–	3,365	3,365
Foreign currency translation	–	–	–	–	(22)	–	(22)
Share-based compensation	–*	–	71	–	–	–	71
Transfer to statutory reserve	–	–	–	15	–	(15)	–
Balance as of 31 December 2024	–*	466	168	61	14	(9,806)	(9,097)
Net income	–	–	–	–	–	2,064	2,064
Foreign currency translation	–	–	–	–	51	–	51
Share-based compensation	–	–	85	–	–	–	85
Transfer to statutory reserve	–	–	–	14	–	(14)	–
Balance as of 31 December 2025	–*	466	253	75	65	(7,756)	(6,897)
Net loss	–	–	–	–	–	(99)	(99)
Foreign currency translation	–	–	–	–	12	–	12
Share-based compensation	–	–	26	–	–	–	26
Transfer to statutory reserve	–	–	–	2	–	(2)	–
Balance as of 31 March 2026	–*	466	279	77	77	(7,857)	(6,958)
(Unaudited)							
Balance as of 1 January 2025	–*	466	168	61	14	(9,806)	(9,097)
Net income	–	–	–	–	–	395	395
Foreign currency translation	–	–	–	–	7	–	7
Share-based compensation	–	–	22	–	–	–	22
Transfer to statutory reserve	–	–	–	2	–	(2)	–
Balance as of 31 March 2025	–*	466	190	63	21	(9,413)	(8,673)

* Less than US$1 million

CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts in millions of US$)

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Cash flows from operating activities:					
Income/(loss) before income taxes	2,995	3,769	2,514	495	(20)
Adjustments for:					
Allowance for/(reversal of) credit losses	–*	15	(2)	–*	1
Inventory written down and loss on inventory obsolescence	121	199	185	53	47
Loss on impairment of other long-term investments	–	55	–	–	–
Depreciation of right-of-use assets	119	200	247	59	70
Depreciation and amortisation expenses of property and equipment and intangible assets	58	124	151	39	42
Interest expense of lease liabilities	25	44	56	14	14
Interest income	(472)	(597)	(621)	(135)	(150)
Fair value changes on investments at fair value through profit or loss	–*	(112)	(2)	2	–
Share of (income)/losses from associates	36	171	(3)	21	16
Share-based compensation expenses	49	71	85	22	26
Fair value changes of convertible redeemable preferred shares	(1,231)	(2,431)	(328)	–	328
Other adjustments	(1)	–*	–*	–*	–*
Changes in operating assets and liabilities:					
Receivables from payment platforms and service providers	(309)	(542)	647	130	(209)
Other receivables, prepayments and other assets	(163)	(286)	(204)	(159)	(172)
Inventories	(862)	(83)	74	29	(176)
Accounts payable	927	228	36	93	222
Contract liabilities	99	99	(27)	227	235
Accrued expenses and other current liabilities	725	854	334	208	153
Other long-term liabilities	6	(4)	(1)	(1)	–
Cash generated from operations	2,122	1,774	3,141	1,097	427
Income taxes paid	(365)	(369)	(303)	(39)	(35)
Net cash generated from operating activities	**1,757**	**1,405**	**2,838**	**1,058**	**392**
Cash flows from investing activities:					
Purchases of property and equipment	(190)	(285)	(222)	(32)	(60)
Purchase of land use right	(19)	–	–	–	–
Interest received	273	578	565	137	175

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Placement of short-term time deposits	(5,746)	(13,029)	(12,023)	(3,172)	(3,549)
Placement of long-term time deposits	–	(602)	(60)	–	–
Redemption of short-term investments upon maturities	1,853	11,567	10,715	2,769	3,325
Investment in an associate	(14)	(8)	(10)	–	(2)
Purchase of intangible assets	(34)	–	(1)	–	–
Prepayment for land use right	(102)	–	–	–	–
Repayment from an associate	67	–	–	–	–
Loan to a third party	(20)	–	–	–	–
Loan to related parties	–	(50)	(10)	–	–
Proceed from collection of loan to a related party	–	–	10	–	–
Proceed from disposal of long-term investment	–	26	13	–	–
Placement of restricted cash	(581)	(470)	(648)	(33)	(45)
Withdrawal of restricted cash	341	454	593	21	38
Other investing activities	4	(1)	12	–	(4)
Net cash used in investing activities	**(4,168)**	**(1,820)**	**(1,066)**	**(310)**	**(122)**
Cash flows from financing activities:					
Proceeds from issuance of preferred shares	1,737	–	–	–	–
Dividends	(6)	–	–	–	–
Distribution to certain holders of convertible redeemable preference shares	–	–	–	–	(369)
Principal portion of lease liabilities paid	(102)	(144)	(228)	(52)	(60)
Interest portion of lease liabilities paid	(25)	(44)	(56)	(14)	(14)
Payment of preferred shares issuance costs	–	(18)	–	–	–
Other financing activities	(5)	–	–	–	14
Net cash generated from/(used in) financing activities	**1,599**	**(206)**	**(284)**	**(66)**	**(429)**
Effect of exchange rate changes on cash and cash equivalents	36	32	88	(6)	(9)
Net increase/(decrease) in cash and cash equivalents	**(776)**	**(589)**	**1,576**	**676**	**(168)**
Cash and cash equivalents at beginning of the year/period	**4,270**	**3,494**	**2,905**	**2,905**	**4,481**
Cash and cash equivalents at end of the year/period	**3,494**	**2,905**	**4,481**	**3,581**	**4,313**

* Less than US$1 million

NOTES TO HISTORICAL FINANCIAL INFORMATION

(All amounts in millions of US$, except for share and per share data, unless otherwise stated)

1. ORGANISATION AND PRINCIPAL ACTIVITIES

SHEIN Global Holdings Limited (formerly know as ELITE DEPOT LIMITED, the "Company") was incorporated in the Cayman Islands on 12 May 2014. The Company, through its subsidiaries (collectively, the "Group"), operates online platforms that offer fashion products to consumers mainly in the United States and Europe. The immediate and ultimate holding company of the Company and addresses of the registered office and principal place of business of the Company are as stated in the sections headed "Our Controlling Shareholders" and "Corporate Information" of the [**REDACTED**].

As of 31 December 2023, 2024, 2025 and 31 March 2026 and as at the date of this report, the Group's significant subsidiaries are listed in order of their respective dates of establishment:

Name of major subsidiaries	Date of incorporation/ establishment	Place of incorporation/ establishment	Percentage of shareholdings	Principal activities
Guangzhou Shein International Import & Export Co., Ltd. ("Shein Import & Export") *(Note i)*	30 August 2017	The People's Republic of China ("PRC")	100%	Supply chain management, product selection, merchant management, product design, information technology, and research and development
Xiyin E Commerce FZE ("Xiyin E Commerce") *(note ii)*	31 October 2019	United Arab Emirates	100%	Online sales, marketing and procurement
Roadget Business Pte. Ltd. ("Roadget Business") *(note iii)*	22 November 2019	Singapore	100%	Online platform, marketing, procurement, software development and investment holding
Infinite Styles eCommerce Co., Limited ("Infinite Styles") *(note iv)*	7 October 2020	Ireland	100%	Online sales, marketing and procurement
Shein Distribution Corporation ("Shein Distribution") *(note v)*	30 April 2021	United States of America	100%	Online sales, marketing and procurement
Shein Distribution UK Limited ("SDUK") *(note vi)*	6 September 2021	United Kingdom	100%	Online sales, marketing and procurement
Fashion Choice Pte. Ltd ("Fashion Choice") *(note iii)*	27 October 2021	Singapore	100%	Online sales, marketing and procurement
SHEIN US Services, LLC ("SSL") *(note v)*	5 December 2022	United States of America	100%	Online platform
Infinite Remit Services Co., Ltd. ("IRSL") *(note vii)*	5 May 2023	Ireland	100%	Provision of fulfilment services

Notes:

(i) The statutory financial statements of this subsidiary for the years ended 31 December 2023, 2024 and 2025 were prepared in accordance with PRC Accounting Standards for Business Enterprises in the PRC and were audited by Guangdong Zhonghaiyue Certified Public Accountants.

(ii) The statutory financial statements of this subsidiary for the year ended 31 December 2023 were prepared in accordance with IFRS Accounting Standards and were audited by Kreston Menon Chartered Accountants. The statutory financial statements of this subsidiary for the years ended 31 December 2024 and 2025 were prepared in accordance with IFRS Accounting Standards and were audited by Deloitte & Touche (M.E.).

(iii) The statutory financial statements of these subsidiaries for the years ended 31 December 2023 and 2024 were prepared in accordance with Financial Reporting Standards in Singapore and were audited by Deloitte & Touche LLP, public accountants and chartered accountants registered in Singapore. [Statutory financial statements of these subsidiaries for the year ended 31 December 2025 have not been issued.]

(iv) The statutory financial statements of this subsidiary for the years ended 31 December 2023 and 2024 were prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as adopted by the European Union and were audited by Deloitte Ireland LLP, chartered accountants registered in Ireland. [Statutory financial statements of this subsidiary for the year ended 31 December 2025 have not been issued.]

(v) No statutory financial statements have been prepared for these subsidiaries as there are no statutory audit requirements in the jurisdiction where these subsidiaries are incorporated.

(vi) The statutory financial statements of this subsidiary for the years ended 31 December 2023 and 2024 were prepared in accordance with UK-adopted International Accounting Standards and were audited by Haines Watts, Statutory Auditor Chartered Accountants registered in United Kingdom and Deloitte Ireland LLP, chartered accountants registered in Ireland, respectively. [Statutory financial statements of this subsidiary for the year ended 31 December 2025 have not been issued.]

(vii) The statutory financial statements of this subsidiary for the year ended 31 December 2024 were prepared in accordance with IFRS Accounting Standards as adopted by the European Union and were audited by Deloitte Ireland LLP, chartered accountants registered in Ireland. [Statutory financial statements of this subsidiary for the year ended 31 December 2025 have not been issued.]

None of the subsidiaries has issued any material debt securities as of 31 December 2023, 2024, 2025 and 31 March 2026.

No statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in the jurisdiction where there are no statutory audit requirements.

At the end of the reporting period, except for the significant subsidiaries as described above, the Company has other subsidiaries which operate in the People's Republic of China, Europe and Singapore.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The Historical Financial Information have been prepared in accordance with all applicable IFRS Accounting Standards. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The Historical Financial Information of the Group include the consolidated financial statements of the Group. All intercompany transactions, balances and unrealised profits and losses have been eliminated upon consolidation.

The Historical Financial Information has been prepared under the going concern basis notwithstanding the fact that, as at 31 March 2026, the Group and the Company recorded net current liabilities of US$8,504 and US$13,910 and accumulated losses of US$7,857 and US$14,651, respectively. The deficiency in net assets primary arose from the convertible redeemable preferred shares, which was stated at fair values, amounting to US$17,294 as at 31 March 2026, further details of which are set out in Note 16. These preferred shares have been classified as current liabilities as at 31 March 2026, as the redemption options are exercisable if the [**REDACTED**] is not completed before the qualified [**REDACTED**] ("[**REDACTED**]") date of 31 December 2026. In the event of redemption rather than conversion, the convertible redeemable preferred shares are redeemable with the expected cash outflow of US$4,375 on settlement date. Considering the cash redemption proceed of the convertible redeemable preferred shares, the Group would report net current assets of US$4,415 as of 31 March 2026. Therefore, the Group are positioned to meet their financial liabilities and obligations related to the redemption of these preferred shares.

The directors of the Company are of the opinion that the Group and the Company will have sufficient working capital, taking into account, inter alia, the historical financial performance and the available financial resources, to meet their financial liabilities and obligations as and when they fall due and to sustain their operations for the next 12 months from 31 March 2026.

(b) Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(i) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are restricted to use for issuance of bank acceptance and letter of guarantee that result in such balances no longer meeting the definition of cash; and

(ii) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Restricted cash

The Group's restricted cash mainly represents security deposits held in designated bank accounts for issuance of bank acceptance and letter of guarantee to logistics services and warehouse leases. The Group considers the expected timing of the release of the restriction to determine the appropriate financial statement classification.

(d) Financial assets

Financial assets are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Financial assets are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Short-term investments consist primarily of fixed term deposits that are offered by high credit rating international banks with maturity dates ranging from three months to one year. Long-term time deposits consist primarily of fixed term deposits that are offered by high credit rating international banks with maturity dates over one year as of the reporting period. These deposits are recorded at amortised cost.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in consolidated statements of operations and comprehensive income. The net gain or loss recognised in consolidated statements of operations and comprehensive income includes any dividend or interest earned on the financial asset.

(e) Investments in associates

Investments in associates are accounted for using the equity method of accounting if the investment gives the Group the ability to exercise significant influence, but not control, over an investee. The Group's share of the earnings or losses as reported by associates and related gains or losses, if any, are recognised in "Share of income/(losses) from associates" on its consolidated statements of operations and comprehensive income. The Group may take advantage of the provision contained in IAS 28 *Investments in Associates and Joint Ventures* whereby it is permitted to include the attributable share of profit or loss of the associates or joint ventures based on the financial statements drawn up to a non-coterminous period end where the difference must be no greater than three months. Adjustments shall be made for the effects of significant transactions or events that occur between that date and the balance sheet date of the Group. The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

(f) Receivables from payment platforms and service providers

Receivables from payment platforms and service providers mainly represent amounts due from online payment channels, delivery service providers who collect the payments from the customers on behalf of the Group upon delivery and are recorded net of allowance for credit losses, if any. The Group makes estimates of expected credit losses for the allowance for credit losses based upon its assessment of various factors, including historical experience, the age of such receivable balances, credit quality of those online payment channels and delivery service providers, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from the online payment channels and delivery service providers. Uncollectible receivables from payment platforms and service providers are written off when a settlement is reached for an amount that is less than the outstanding historical balance or when the Group has determined that is not probable for the balance to be collected.

(g) Other receivables and prepayments

Other receivables and prepayments mainly consisted of prepayments to suppliers, deposits and other tax recoverable, which are stated at the amortised cost. The Group makes estimates of expected credit losses for the allowance for credit losses based upon its assessment of various factors, including historical experience, the age of the other receivables and prepayments, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from or utilisation of the balance. Uncollectible other receivables are written off when a settlement is reached for an amount that is less than the outstanding balance or when the Group has determined that it is probable the balance will not be collected.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventory includes expenses that are directly incurred in the purchase. Cost is determined using the weighted average method.

The Group writes down inventory when it appears that the carrying cost of the inventory may not be recovered through subsequent sale of the inventory. Write-down for inventory is established based upon estimates, to account for merchandise obsolescence and markdowns that could affect net realisable value. Those estimates consider the historical trends of inventory aging, historical and forecasted consumer demands, expected selling prices and future promotional events.

(i) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Gains or losses on disposal of property and equipment are included in total operating expenses on the consolidated statements of operations and comprehensive income. Major additions, renewals and betterments are capitalised, while maintenance and repairs are expensed as incurred.

Depreciation and amortisation expense is recognised over the estimated useful lives of the assets using the straight-line method from the time the assets are placed in service. Estimated useful lives are as follows:

Classification	Estimated useful life
Furniture, fixtures and equipment	2-10 years
Leasehold improvements	Shorter of lease term or the estimated useful life of lease improvements
Motor vehicles	3-5 years

Direct and incremental costs related to the construction of assets, including costs under the construction contracts, duties and tariffs, equipment installation and shipping costs, are capitalised.

(j) Intangible assets

Intangible assets mainly consist of domain names and trademarks acquired from third parties. Intangible assets purchased from third parties are initially recorded at cost and amortised on a straight-line basis over the estimated economic lives.

Estimated economic lives of the intangible assets are as follows:

Classification	Estimated useful life
Trademarks	1-10 years
Domain names	1-6 years
Software	1-10 years

In addition, certain trademarks held by the Group are expected to generate cash flows indefinitely. Consequently, these assets were classified as indefinite-lived intangibles and accordingly are not amortised but reviewed for impairment at the end of each reporting period.

(k) Impairment of property, equipment and right-of-use assets

The Group evaluates its property, equipment and right-of-use assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When these events occur, the Group assesses the recoverability of these property, equipment and right-of-use assets by comparing the carrying amount of the asset or cash-generating unit to which the asset belongs to the recoverable amount which is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted. If the recoverable amount is less than the carrying amount of the asset or cash-generating unit to which the asset belongs, the Group recognises an impairment equal to the difference between the carrying amount and recoverable amount of these asset or cash-generating unit to which the asset belongs. No impairment was recorded for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

(l) Revenue recognition

The Group recognises revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services. To determine revenue recognition for the arrangements, the Group performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognise revenue when (or as) the entity satisfies a performance obligation.

Product revenue recognition

The majority of the Group's revenue is derived from product revenue. The Group recognises revenue from the sale of apparel and other products revenue through its online platforms, including its online stores and mobile application. The Group utilises external delivery service providers to deliver goods to its customers. The Group recognises revenue at the point of time when the goods have been accepted by the customers, which is when the goods are delivered to the customer. The customers either pay for the goods in advance or upon receipt of the goods.

Sales related taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from net revenues.

Service revenues

Service revenues comprised mainly service fees charged to third-party merchants for completing sales transactions in the Group's online marketplace. The Group generally acts as an agent and its performance obligation is to facilitate the sale of the specified goods or services by those third-party merchants over its platform. Depending on nature of services, service revenues are recognised either at the point of time upon the acceptance of goods by customers or overtime based on satisfaction of performance obligation.

Return rights

The Group generally offers customers with a right of return within 60 days from the delivery date, subject to the markets and the requirements of the applicable laws. The Group reduces revenues by an estimate of expected customer merchandise returns, calculated using historical return patterns, and records an associated refund liability within accrued expenses and other current liabilities (Note 12). The estimated cost related to inventories returns is considered right to returned goods asset and presented as other current assets on the consolidated statements of financial position.

Customer loyalty program

The Group has a customer loyalty program in which customers can earn loyalty points ("SHEIN Points") from their purchases. As customers accumulate points and reach point thresholds, they can use the points to purchase merchandise in the Group's online stores or mobile application. The Group allocates revenue to points earned on qualifying purchases and defers recognition until the points are redeemed. The amount of revenue deferred is based on the relative stand-alone selling price method, which includes an estimate for points not expected to be redeemed based on historical experience. The SHEIN Points have an expiration period of 90 days and can be redeemed anytime during that period at the customers' discretion. As of 31 December 2023, 2024, 2025 and 31 March 2026, the Group recorded deferred income related to customers loyalty program and incentives of US$17, US$32, US$34 and US$31 under contract liabilities, respectively.

Remaining performance obligations

Remaining performance obligations represent the transaction price allocated to unfulfilled or partially unfulfilled performance obligations. As of 31 December 2023, 2024, 2025 and 31 March 2026, the Group had unfulfilled performance obligations for products goods and services to be passed to customers of US$694, US$770, US$789 and US$1,016, respectively. The Group expects revenue to be recognised for the remaining performance obligations within the following year. The remaining performance obligations are recorded under contract liabilities.

(m) Cost of sales

Cost of sales consists primarily of the cost of merchandise sold and inventory write-down.

(n) Fulfilment expenses

Fulfilment expenses primarily consist of payroll, bonus and benefits of staff for the Group's fulfilment functions, rental expenses for warehouse, shipping and handling expenses, packaging expenses and costs attributable to product procurement. Tariffs and customs duties are also recognised as fulfilment expenses where goods are shipped directly from the Group's warehouse to overseas customers, as such costs are incurred to fulfil customer orders.

(o) Marketing expenses

Marketing expenses primarily consist of payroll, bonus and benefits of marketing staff, advertising costs, agency fees and costs for promotional materials.

(p) Technology and content expenses

Technology and content expenses primarily consist of payroll, bonus and benefits of the staff in the technology and system department, telecommunications expenses, model fees and photography expenses.

(q) General and administrative expenses

General and administrative expenses primarily consist of payroll, bonus and benefit costs for corporate employees, legal, finance, rental expenses and other corporate overhead costs.

(r) Employee benefit plans

The Group maintains a defined contribution plan covering substantially all of its full-time employees in Singapore. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

The Group also maintains a defined contribution plan covering substantially all of its full-time employees in the United States.

Full time employees in the Chinese mainland participate in a government-mandated defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. The Chinese mainland labor regulations require the Group to make contributions based on certain percentages of the employees' basic salaries. Other than the contribution, there is no further obligation under these plans.

The Group upholds the statutory pension contribution requirements at the country level, encompassing both statutory and private health insurance benefits. Additionally, the Group provides statutory and supplementary paid leave, sick leave compensation, and other benefits across our entities in Europe to all fulltime employees to ensure compliance with the provision of mandatory benefits as prescribed by local labor laws.

The total amount of such employee benefit expenses were expenses as incurred.

(s) Foreign currency transactions

The Group's reporting currency is the United States dollar ("US$"). The functional currency of the Company is US$ and its subsidiaries includes the US$, Euro ("EUR"), Renminbi ("RMB") and others, primarily as a result of the Group's global operations across multiple jurisdictions. Monetary assets and liabilities denominated in currencies other than the applicable functional currencies are remeasured into the functional currencies at the prevailing rates of exchange at the balance sheet date. Non-monetary assets and liabilities are remeasured into the applicable functional currencies at historical exchange rates. Exchange gains and losses are recognised in the consolidated statements of operations and comprehensive income. All assets and liabilities are translated at exchange rates at the balance sheet date and revenue and expenses are translated at the monthly average exchange rates and equity is translated at historical exchange rate.

(t) Taxation

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognised for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the years in which those temporary differences are expected to be recovered or settled.

The determination of the Group's provision for income taxes requires significant judgment in assessing the timing and amounts of deductible and taxable items, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items.

(u) Fair value of financial instruments

Fair value is considered to be the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability. The established fair value hierarchy requires an entity to maximise the use of observable inputs and minimise the use of unobservable inputs when measuring fair value. A financial instrument's categorisation within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of inputs may be used to measure fair value include:

Level 1 Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 Applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

(v) Share-based compensation

The Group grants restricted share units ("RSUs") and share options of the Company to eligible employees and non-employees.

Share-based payments made to employees and non-employees are recognised as compensation expenses over the requisite service periods. The Group measures the cost of employee and non-employees' services received in exchange for share-based compensation at the grant date fair value of the awards, based on the Group's estimate of equity instruments that will eventually vest. The Group recognises compensation expense on a straight-line basis over the requisite service periods for the entire award with graded vesting provided that the amount of compensation cost recognised at any date must at least equal the portion of the grant-date value of the award that is vested at that date. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in consolidated statements of operations and comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

For RSUs granted with a performance condition that affects vesting, the performance condition is not considered in determining the award's grant-date fair value; however, the performance condition is considered when estimating the quantity of awards that are expected to vest.

When share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will continue to be held in share-based compensation reserve.

(w) Segment reporting

The Group uses the management approach to determine its operating segment. The management approach considers the internal organisation and reporting used by the Group's chief operating decision maker ("CODM") for making decisions, allocation of resource and assessing performance.

The Group's CODM has been identified as the Chief Executive Officer who reviews the consolidated results of operations when making decisions about allocation of resources and assessing the performance of the Group as a whole and hence, the Group operates and manages its business as a single operating segment.

(x) Lease

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 *Leases* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(y) Investments in subsidiaries

Investments in subsidiaries for the statements of financial position of the Company are accounted at cost less impairment.

(z) Adoption of new and amendments to IFRS Accounting Standards

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied IFRS Accounting Standards, which are effective for the accounting period beginning on 1 January 2026, throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS Accounting Standards that are relevant to the Group have been issued which are not yet effective:

Amendments to IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures[1]
Amendments to IFRS 10 and IAS 28 . .	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
IFRS 18	Presentation and Disclosure in Financial Statements[1]

1 Effective for annual periods beginning on or after 1 January 2027

2 Effective for annual periods beginning on or after a date to be determined

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of these amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of operations and comprehensive income; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7 *Financial Instruments Disclosure*. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made. IFRS 18, and the relevant amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of operations and comprehensive income and disclosures, but have no material impact on the Group's financial position.

2A. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in this note, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value of financial liabilities at FVTPL

The convertible redeemable preferred shares issued by the Company are not traded in an active market and the respective fair value is determined by using valuation techniques. The Group applied the discounted cash flow model to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares. Key assumptions and key inputs such as risk-free interest rate, volatility, dividend yield and discount for lack of marketability were based on the Group's best estimates. Further details are included in Note 16.

(ii) Inventory provision

Inventories are stated at the lower of cost and net realisable value. When necessary, allowance is provided for slow-moving and obsolete inventories to adjust the carrying value of inventories to the lower of cost and net realisable value. Management has estimated the allowance for slow-moving and obsolete inventories based on review of an ageing analysis of inventories, historical experience and estimation of future market condition and sales. The assessment of the provision requires management's judgement and estimates on market conditions. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying amounts of inventories and the write-down/write-back of inventories in the period in which such estimate has been changed.

(iii) Return rights

The Group generally offers customers with a right of return within 60 days from the delivery date, subject to the markets and the requirements of the applicable laws. The Group reduces revenues by an estimate of expected customer merchandise returns, calculated using historical return patterns, and records an associated refund liability. The estimated cost related to inventories returns is considered right to returned goods asset and presented as other current assets on the consolidated statement of financial position. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group. The Group updates its assessment of expected returns quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances and the Group's past experience regarding returns may not be representative of customers' actual returns in the future.

3. NET REVENUES

The Group disaggregates its revenue from contracts with customers by business operation and geographic locations, as the Group believes it best depicts the nature, amount, timing and uncertainty of its revenue and cash flows.

Business information

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Type of goods or service					
Product revenue	31,235	35,351	37,107	7,765	7,757
Service revenues	868	3,397	4,740	1,187	1,295
	32,103	38,748	41,847	8,952	9,052
Timing of revenue recognition					
At a point in time	32,088	38,719	41,807	8,943	9,044
Over time	15	29	40	9	8
	32,103	38,748	41,847	8,952	9,052

Geographic information

The following table summarises the Group's net revenues generated from various geographic locations.

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
United States	9,454	10,464	10,101	2,380	2,040
Outside of United States *(Note (a))*	22,649	28,284	31,746	6,572	7,012
	32,103	38,748	41,847	8,952	9,052

Note:

(a) All other individual countries outside of the United States accounted for less than 10% of the total net revenues.

Contract balances

Right to returned goods asset primarily relating to estimated inventories returns are US$82, US$119, US$108 and US$123 as of 31 December 2023, 2024, 2025 and 31 March 2026, respectively, are included in other current assets.

The Group's contract liabilities primarily represent the obligation to transfer goods or services to customers for which the Group has received consideration from the customers. In addition, refund liabilities related to estimated returns is included in accrued expenses and other current liabilities. As of 31 December 2023, 2024, 2025 and 31 March 2026, the balances of the contract liabilities and refund liabilities are US$917, US$1,114, US$1,253 and US$1,462, respectively.

Contract liabilities of US$579, US$694, US$770 and US$789 on 1 January 2023, 2024, 2025 and 2026 were recognised as revenue during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2026, respectively. Contract liabilities of US$1,016 as of 31 March 2026 are expected to be realised in the following year.

4. OTHERS, NET

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Interest expense of lease liabilities	(25)	(44)	(56)	(14)	(14)
Fair value changes on investment at FVTPL	–*	112	2	(2)	–
Loss on impairment of other long-term investments *(Note 10)*	–	(55)	–	–	–
Others	11	(12)	4	2	2
	(14)	1	(50)	(14)	(12)

* Less than US$1 million

5. RECEIVABLES FROM PAYMENT PLATFORMS AND SERVICE PROVIDERS

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Receivables from payment platforms *(Note a)*	736	1,254	702	909
Receivables from delivery service providers *(Note b)*	91	55	20	15
	827	1,309	722	924
Less: allowance for credit losses *(Note c)*	(4)	(6)	(4)	(5)
	823	1,303	718	919

The following is an aged analysis of trade receivables from customers, which is included in receivables from payment platforms and service providers net of allowance for expected credit losses based on the invoice dates at the end of each reporting period.

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Within 3 months	1	6	15	18
3 – 12 months	–	2	4	4
1 – 2 years	1	–*	–*	–*
	2	8	19	22

* Less than US$1 million

Notes:

(a) Receivables from payment platforms represented the outstanding customer receivables collected by payment platforms and is typically received by the Group in full within a few business days after the sale.

(b) For certain sales transactions, delivery service providers will collect payments from the Group's customers upon delivery of goods and remit such payments back to the Group on a periodic basis.

(c) The movement of allowance for expected credit losses during the years are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Balance at beginning of the year/period	(4)	(4)	(6)	(6)	(4)
(Provision for)/reversal of expected credit losses	–*	(2)	2	–*	(1)
Balance at end of the year/period	(4)	(6)	(4)	(6)	(5)

* Less than US$1 million

6. OTHER RECEIVABLES AND PREPAYMENTS

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Prepayments to suppliers *(note)*	86	76	110	200
Deposits	14	8	15	13
Other tax recoverable	110	258	226	220
Prepaid IT services	34	87	80	111
Others	29	51	103	114
	273	480	534	658

Note: Prepayments to suppliers mainly consist of amounts paid to vendors for marketing services and product suppliers, which will be utilised in the following year.

7. INVENTORIES

Components of inventories are as follows:

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Finished goods and others	1,680	1,575	1,402	1,539
Less: Allowance for inventory write-down	(43)	(75)	(141)	(155)
	1,637	1,500	1,261	1,384

8. CASH AND CASH EQUIVALENTS, RESTRICTED CASH, SHORT-TERM INVESTMENTS AND LONG-TERM TIME DEPOSITS

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Cash and cash equivalents	3,494	2,905	4,481	4,313
Restricted cash	515	519	582	589
Short-term investments	6,265	8,086	9,723	9,929
Long-term time deposits *(Note 10)*	–	211	–	–

As of 31 December 2023, 2024, 2025 and 31 March 2026, the Group's short-term investments consisted primarily fixed term deposits with maturities ranging from three months to one year with interest rates ranging from 1.4% to 6.3% and recorded at amortised cost of US$6,265, US$8,086, US$9,723 and US$9,929 respectively.

As of 31 December 2024, the Group's long-term time deposits primarily consisted of fixed term deposits maturing in April 2026 to September 2026, with interest rates ranging from 4.5% to 5.9%, recorded at amortised cost of US$211. The long-term time deposits have been reclassified to short-term investments as of 31 December 2025 and 31 March 2026 as its maturity date is less than one year.

All the short-term investments and long-term time deposits were purchased from high credit rating international banks. These investments have fixed maturity dates and pay a target return on the amount invested. They are classified as short-term investments on the consolidated statements of financial position when their contractual maturity dates are ranging from three months to one year and the remaining investments with maturity dates of greater than one year are classified as long-term time deposits.

While these target-income financial products are not publicly traded, the Group estimated that their fair value approximated their amortised costs considering their short-term maturities and high credit quality. The carrying amount of long-term time deposits approximates its fair value because it is earning at the market lending rate for similar types of instruments.

There has been no impairment recognised and no sales of these investments before maturities during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

The Group's cash and cash equivalents denominated in RMB that are subjected to control of the authority of the People's Bank of China amounted US$134, US$122, US$920 and US$253 as of 31 December 2023, 2024, 2025 and 31 March 2026, respectively.

9. PROPERTY AND EQUIPMENT

	Furniture, fixtures and equipment	Motor vehicles	Leasehold improvements	Construction in-progress	Total
	US$	*US$*	*US$*	*US$*	*US$*
COST					
At 1 January 2023	129	1	46	77	253
Additions	55	2	8	186	251
Transfer	169	–	70	(239)	–
Disposals	(2)	–*	(2)	–	(4)
Exchange alignment	(2)	–*	(2)	(2)	(6)
At 31 December 2023	349	3	120	22	494
Additions	25	1	–*	267	293
Transfer	177	–	35	(212)	–
Disposals	(3)	–*	(3)	–	(6)
Exchange alignment	(12)	(1)	(7)	(1)	(21)

	Furniture, fixtures and equipment	Motor vehicles	Leasehold improvements	Construction in-progress	Total
	US$	US$	US$	US$	US$
At 31 December 2024	536	3	145	76	760
Additions	17	4	–*	169	190
Transfer	120	–	52	(172)	–
Disposals	(6)	–*	(14)	–	(20)
Exchange alignment	32	–*	8	2	42
At 31 December 2025	699	7	191	75	972
Additions	4	–*	–*	54	58
Transfer	44	–	10	(54)	–
Disposals	(2)	–*	–*	(1)	(3)
Exchange alignment	–*	–*	1	–*	1
At 31 March 2026	745	7	202	74	1,028
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 January 2023	26	–*	18	–	44
Charge for the year	38	–*	19	–	57
Disposals	(1)	–*	–*	–	(1)
Exchange alignment	(1)	–*	(1)	–	(2)
At 31 December 2023	62	–*	36	–	98
Charge for the year	83	1	39	–	123
Disposals	(3)	–*	(2)	–	(5)
Exchange alignment	(4)	–*	(3)	–	(7)
At 31 December 2024	138	1	70	–	209
Charge for the year	106	1	42	–	149
Disposals	(5)	–*	(13)	–	(18)
Exchange alignment	9	–*	4	–	13
At 31 December 2025	248	2	103	–	353
Charge for the period	29	1	12	–	42
Disposals	(1)	–*	–*	–	(1)
Exchange alignment	–*	–*	–*	–	–*
At 31 March 2026	276	3	115	–	394
CARRYING VALUES					
At 31 December 2023	287	3	84	22	396
At 31 December 2024	398	2	75	76	551
At 31 December 2025	451	5	88	75	619
At 31 March 2026	469	4	87	74	634

* Less than US$1 million

Depreciation expenses have been charged to the consolidated statements of operation and comprehensive income as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Fulfilment expenses	43	105	135	35	38
Marketing expenses	1	2	2	–*	1
Technology and content expenses	6	7	5	2	2
General and administrative expenses	7	9	7	2	1
	57	123	149	39	42

* Less than US$1 million

10. LONG-TERM INVESTMENTS

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Investments in associates *(note a)*	470	251	266	246
Long-term investments at FVTPL *(note b)*	82	169	158	163
Long-term time deposits *(Note 8)*	–	211	–	–
	552	631	424	409

Notes:

(a) Investments in associates

Investment in an associate – in SPARC Group Holdings II LLC ("SPARC")

On 12 August 2023, a subsidiary entered into a subscription and exchange agreement ("Agreement") pursuant to which SPARC subscribed for 649,107 Class B ordinary shares in the Company in exchange for the SPARC's issuance of 42,500,000 Class A common units to the subsidiary. Following this transaction, the Group has a 33.33% ownership in SPARC and accounted for the investment in SPARC as an investment in an associate due to its significant influence arising from the shareholdings held and a board representation in SPARC. SPARC then operated in wholesale, retail and e-commerce of business.

The total consideration for the investment was US$453, which was determined based on the fair value of the Company's Class B ordinary shares using the market approach. The investment in SPARC is accounted for using the equity method, with the cost of investment allocated to goodwill of US$48, amortisable intangible assets of US$270, right-of-use assets of US$27, and deferred tax liabilities of US$73.

In May 2024, the Group entered into a loan assignment agreement ("the assignment agreement") for an assignment of term loan amounted US$50 from a shareholder of SPARC. Pursuant to the assignment agreement, the Group is entitled to the principal, interests, fees and other amounts of the term loan due from SPARC (Note 21). The assigned term loan was pledged by 166,445 Class B ordinary shares of the Company held by SPARC.

In December 2024, SPARC entered into a contribution agreement with a third-party entity to transfer out its entire equity interests in its wholly owned subsidiary group, SPARC Group Holding LLC ("SPARC Holding"), along with a secured US$150 term loan due from SPARC Holding, in exchange for certain amount of Class A common equity units and preferred units of that entity. Upon closing of the transaction in December 2024, SPARC deconsolidated SPARC Holding and recognised an investment in the third party entity at fair value. The Group continues to account for SPARC as investment in an associate.

No impairment indicator was identified in the years ended 31 December 2023, 2025 and three months ended 31 March 2026. An impairment loss was recognised in 2024 reflect the performance of the associate, and the recoverable amounts determined with reference to the higher of fair value less costs of disposal and value in use. In determining fair values for the year ended 31 December 2024, discounted cash flows are used, with level 3 significant unobservable inputs including discount for lack of marketability of 11% and risk-free rates of 4.1%. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate of 14.9% that reflects current market assessments of the time value of money and the risks specific to the asset, which requires significant judgment relating to level of revenue, operating costs and discount rates. Nil, US$55, nil, nil and nil impairment loss was recorded for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, respectively.

Investment in an associate – Euthy Crate Holdings Limited ("Euthy")

In October 2023, the Group entered into an investment agreement with CLF III HK 11 LIMITED. Pursuant to the agreement, 40,000 ordinary shares of Euthy, a subsidiary of the Group, was issued to CLF III HK 11 LIMITED for a cash consideration of US$53 injected to Euthy. In addition, the Group injected an additional US$13 cash in exchange for 9,900 ordinary shares of Euthy. Upon completion of the transaction, the Group's shareholding interest in Euthy diluted from 100% to 20% and the Group accounted for the investment as an associate in accordance with IAS 28 due to the remaining significant influence over the entity. Accordingly, the Group remeasured the remaining equity interest at fair value and recognised a gain on loss of control in subsidiary of US$1 in the consolidated statement of operations and comprehensive income.

In February 2024, Euthy issued additional shares to both shareholders according to the proportional shareholdings. Accordingly, the Group injected US$8 cash to Euthy and its shareholding in Euthy remained as 20%.

In addition to the above associates in which the Group has applied equity method, the Group is able to exercise significant influence over iMile Holding Corporation because it has the contractual right, under the terms of the redeemable preference shares subscribed by the Group, to appoint one director to the investee's board. As disclosed in Note 10(b), the Group's investment in such redeemable preference shares is classified as financial assets at FVTPL.

(b) Long-term investments at FVTPL

The subscriptions to preferred shares of third-party companies were classified as financial assets at FVTPL due to the redemption option available to the investor.

The Group measured its investments at FVTPL at fair value with any changes recorded in "Others, net". The Group recorded an accumulated unrealised fair value gain/(loss) of nil, US$112, US$2, US$(2) and nil for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, respectively.

There were no significant new investments in investments at FVTPL during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026. During the years ended 31 December 2024 and 2025, the Group partially disposed the investment at FVTPL for total proceeds of US$26 and US$13, respectively. No disposals were made during the years ended 31 December 2023 and the three months ended 31 March 2025 and 2026.

11. OTHER NON-CURRENT ASSETS

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Rental and other deposits	26	40	32	31
Rental deposit paid to a related party *(Note 21)*	–	–	8	8
Prepayment for land use right *(Note)*	102	–	–	–
Loan to a related party *(Note 21)*	–	50	50	50
Others	29	37	30	39
	157	127	120	128

Note: Prepayment for land use right represents prepaid consideration for the land use right of a land located in the Chinese mainland. The prepayment for land use right was transferred to "Right of use assets" during the year ended 31 December 2024.

12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Accrued advertising expense	262	480	468	596
Accrued payroll and staff welfare	197	281	303	327
Accrued IT service expense	144	197	193	172
Refund liabilities *(Note a)*	223	344	464	446
Refund payables *(Note b)*	95	100	131	135
Payable to purchase property and equipment	69	99	60	62
Other taxes payables *(Note c)*	458	525	553	559
Lease liabilities	122	191	233	234
Payables to marketplace merchants *(Note d)*	217	232	286	302
Refundable deposits	12	43	124	133
Accrued reusable material processing costs	12	47	108	107
Distribution payables to certain holders of convertible redeemable preferred shares	–	–	–	713
Others *(Note e)*	147	275	345	348
	1,958	2,814	3,268	4,134

Notes:

(a) The Group generally offers customers with a right of return within 60 days from the delivery date, subject to the markets and the requirements of the applicable laws. The Group reduces revenues and cost of sales by an estimate of expected customer merchandise returns, which is calculated based on historical return patterns, and the amount is recorded as refund liability included in accrued expenses and other current liabilities. Refund liabilities represent the amount of consideration received for which the Group does not expect to be entitled.

(b) Refund payables represent refund for returned goods due to customers.

(c) Other taxes payables represent indirect taxes and related surcharges as well as individual income taxes withheld by the Group.

(d) Payables to marketplace merchants represent payment received from the consumers on behalf of merchants.

(e) Others include general accrued expenses and provisions for legal costs including provision of inspection fine imposed by Commission Nationale de l'Informatique et des Libertés ("CNIL") as detailed in Note 23 as of 31 December 2024, 2025 and 31 March 2026.

13. EMPLOYEE BENEFIT PLANS

Full time employees of the Group participate in respective local municipal government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. The total contributions and accruals made for such employee benefits were US$95, US$135, US$170, US$40 and US$47 for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, respectively.

14. STATUTORY RESERVE

Pursuant to the laws applicable to entities incorporated in the Chinese mainland, the subsidiaries are prohibited from distributing their statutory capital and are required to appropriate from profit after tax under accounting principles issued by the Ministry of Finance of the PRC to other non-distributable reserve funds after offsetting accumulated losses from prior years, until the cumulative amount of such reserve fund reaches 50% of their registered capital. These reserve funds include one or more of the following: (i) a general reserve, (ii) an enterprise expansion fund and (iii) a staff bonus and welfare fund. Subject to certain cumulative limits, the general reserve fund requires annual appropriation at 10% of profit after tax (as determined under accounting principles issued by the Ministry of Finance of the PRC at each year-end); the appropriation to the other fund is at the discretion of the subsidiaries.

The reserve is used to offset future extraordinary losses. A subsidiary may, upon a resolution passed by the shareholders, convert the general reserve into capital. The staff welfare and bonus reserve are used for the collective welfare of the employees of the subsidiary. The enterprise expansion reserve is for the expansion of the subsidiary's operations and can be converted to capital subject to approval by the relevant authorities. These reserves represent appropriations of the retained earnings determined in accordance with law of the Chinese mainland, and are not distributable as cash dividends to the Group.

Relevant Chinese mainland statutory laws and regulations permit payment of dividends by the Company's Chinese mainland subsidiaries only out of their retained earnings, if any, as determined in accordance with Chinese mainland accounting standards and regulations. The Company's Chinese mainland subsidiaries transferred US$9, US$15, US$14, US$2 and US$2 to the reserve during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, respectively.

15. SHARE CAPITAL

The Company had an authorised capital of US$0.05 divided into 500,000,000, comprising of (i) 471,646,539 ordinary shares of a par value of US$0.0001 each, (ii) 28,353,461 preferred shares with a par value of US$0.0001 each, as of 31 December 2023, 2024, 2025 and 31 March 2026, respectively. As of 31 December 2023, 2024, 2025 and 31 March 2026, 51,370,116 ordinary shares were issued and outstanding, respectively. Subsequently on [●] 2026, the Share Split (Note 30) was carried out, and the numbers of ordinary shares and preferred shares were increased proportionally.

The holder of each Class A ordinary share issued and outstanding shall have ten (10) votes in respect of each Class A ordinary share held, and the holder of each Class B ordinary share shall have one (1) vote in respect of each Class B ordinary share held. Each holder of a Preferred Share shall be entitled to such number of votes as equals the whole number of Class B ordinary shares. The holder of each Class A ordinary share and the holder of each Class B ordinary share are entitled to identical rights with respect to dividend distributions and residual earnings.

In April 2024, a shareholder of the Company entered into a share purchase agreement to sell 6,658 Class A ordinary shares to a third-party investor for cash consideration, which approximates fair value as of the date of the transaction. These shares were subsequently re-classified and re-designated into 6,658 Class B ordinary shares.

	Number of ordinary shares issued		Nominal value of ordinary shares	Share premium
	Class A	*Class B*	*US$*	*US$*
At 1 January 2023	50,615,721	72,000	–*	13
Issuance of Class B ordinary shares *(note)*	–	682,395	–*	453
At 31 December 2023	50,615,721	754,395	–*	466
Redesignation of shares	(6,658)	6,658	–	–
At 31 December 2024, 2025 and 31 March 2026	50,609,063	761,053	–*	466

* less than US$1 million

Note:

(i) In August 2023, the Company issued 649,107 Class B Shares pursuant to the subscription and exchange agreement with SPARC. Further details are included in Note 10.

16. CONVERTIBLE REDEEMABLE PREFERRED SHARES ("PREFERRED SHARES")

Prior to 1 January 2023, the Company issued 5,390,091 Series A preferred shares and 9,343,202 Series B preferred shares (which represented 6,634,440 Series B preferred shares and a Series B warrant to purchase 2,708,762 Series B preferred shares exercised in year 2020), 7,277,166 Series C preferred shares, 381,869 Series C+ preferred shares, and 1,547,270 Series D preferred shares of the Company at US$0.93, US$2.74, US$33.39, US$63.90, and US$1,185.96 per share, respectively, for an aggregate issued price of US$0.3, US$26, US$243, US$24 and US$1,835 to several unrelated third-party investors and one of the existing preferred shareholders for Series C+ preferred shares. Certain shareholders of the Company entered into a Share Purchase Agreement ("SPA") to sell 413,863 of the ordinary shares to third party investors with the fair value of US$300, which includes a commitment to convert these to preferred shares. Based on the terms of the SPA, all of those ordinary shares were converted into Series Pre-D preferred shares, with the fair value of US$491.

In conjunction with the issuance of Series Pre-D and Series D preferred shares in 2022, the Company modified (i) the redemption date of the Series A preferred shares, Series B preferred shares and Series C and Series C+ preferred shares, from 26 March 2025 to 4 March 2026 and (ii) changed the redemption rate from 10% to 8% pursuant to the Fifth Amended and Restated Memorandum and Articles of Association. This transaction represented a modification as opposed to an extinguishment of preferred shares. The Company has assessed the increase in fair value of the Series A, Series B, Series C and Series C+ preferred shares at the modification date resulting from the changes described above to be insignificant.

Subsequent to this modification, except for priority of the liquidation and redemption terms, Series D preferred shares, Series Pre-D preferred shares, Series C+ preferred shares, Series C preferred shares, Series B preferred shares and Series A preferred shares contain the same terms. In the event of liquidation, dissolution or winding up of the Company, Series D preferred shares, Series Pre-D preferred shares, Series C+ preferred shares and Series C preferred shares have priority over Series B preferred shares, while Series B preferred shares have priority over Series A preferred shares. All of the preferred shares have priority over ordinary shares.

In 2023, the Company issued 2,312,161 Series D+ preferred shares of the Company at US$751.03 per share for an aggregate issued price of US$1,737, with issuance cost of US$18. In conjunction with the issuance of Series D+ preferred shares, the Company adjusted the conversion ratio for the Series D preferred shares of 1:1 to 1.5791:1 pursuant to the Company's Sixth Amended and Restated Memorandum and Articles of Association. Subsequent to the adjustment, except for priority of the liquidation, Series D+ preferred shares, Series D preferred shares, Series Pre-D preferred shares, Series C+ preferred shares, Series C preferred shares, Series B preferred shares and Series A preferred shares contain the same terms. In the event of liquidation, dissolution or winding up of the Company, Series D+ preferred shares have priority over Series D preferred shares, Series D preferred shares have priority over Series Pre-D preferred shares, Series Pre-D preferred shares have priority over Series C+ preferred shares and Series C preferred shares, Series C+ preferred shares and Series C preferred shares have priority over Series B preferred shares, while Series B preferred shares have priority over Series A preferred shares. All of the preferred shares have priority over ordinary shares. The Company assessed changes to the terms of its preferred shares did not result in material impact to the fair value of the preferred shares.

On 3 March 2026, the Company further modified the Sixth Amended and Restated Memorandum and Articles. Pursuant to the revised Sixth Amended and Restated Memorandum and Articles, [**REDACTED**]. No other significant amendments compared to Sixth Amended and Restated Memorandum and Articles are made.

After the Share Split (Note 30), the number of Preferred Shares presented above was increased proportionally.

Pursuant to the broad resolution passed on 3 March 2026, the revised Sixth Amended and Restated Memorandum and Articles of Association of the Company has been effective on the same date and a distribution of US$369 has been settled as at 31 March 2026 and US$713 will be settled in cash to holders of certain series of preferred shares in 2026.

The following is a summary of the significant features of the preferred shares all series for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2026:

Dividends rights

Each holder of preferred shares is entitled to receive dividends or any other distribution which would be paid on the ordinary shares on an as-if converted basis prior and in preference to any dividend on the ordinary shares. Such dividends are payable only when, as and if declared and shall be noncumulative.

Voting rights

Each share of preferred share is entitled to a number of votes equal to the number of whole shares of ordinary shares on an as-if converted basis. Based on the Company's Sixth Amended and Restated Memorandum and Articles of Association effective on 10 May 2023, (a) the voting right of the holder of each Class A Ordinary Share issued and outstanding shall have ten (10) votes in respect of each Class A Ordinary Share held, and (b) the holder of each Class B Ordinary Share shall have one (1) vote in respect of each Class B Ordinary Share held. Each holder of a Preferred Share shall be entitled to such number of votes as equals the whole number of Class B Ordinary Shares.

Conversion rights

Each preferred share is convertible into a number of ordinary shares based on the then-effective conversion price upon the earlier of (i) the closing of a [**REDACTED**], or (ii) the date specified by written consent or agreement of the majority preferred shareholders. Based on the Company's Sixth Amended and Restated Memorandum and Articles of Association effective on 10 May 2023, each preferred share is converted into one Class B ordinary share except for Series D preferred shares which is converted into 1.5791 Class B ordinary shares. The conversion price of Series A preferred shares, Series B preferred shares, Series C preferred shares, Series C+ preferred shares, Series Pre-D preferred shares and Series D preferred shares will be adjusted on a broad-based weighted average basis and Series D+ Preferred Shares will be adjusted on a full-ratchet basis if any new equity securities of the Company issuance price is made at a price per share (on an as-converted to Class B ordinary share basis) less than the applicable conversion price for a given series of preferred shares. Based on the revised Sixth Amended and Restated Memorandum and Articles on 3 March 2026, alternative conversion adjustment mechanism in lieu of the described above applicable to holders of Series Pre-D Preferred Shares and Series D Preferred Shares were approved by the Shareholders, pursuant to which the Company shall compensate each holder of Series Pre-D Preferred Shares and Series D Preferred Shares to achieve the economic effect of adjusting the applicable conversion price to the any new equity securities. The compensation shall be paid in shares or cash, the allocation of which is subject to confirmation. No conversion has occurred as of 31 December 2023, 2024, 2025 and 31 March 2026.

[**REDACTED**]. Based on the revised Sixth Amended and Restated Memorandum and Articles on 3 March 2026, such market capitalisation requirement has been removed.

Redemption rights

Each preferred shareholder is entitled to redeem all or part of their preferred shares if the Group, among other things, fails to complete a [**REDACTED**] by the specified deadlines or materially breaches the preferred shares purchase agreements. The redemption prices of preferred shares equal to the sum of the original purchase price of the preferred shares plus a return at certain interest rate per annum. Effective from 6 July 2018, the redemption price of preferred shares is modified equal to the sum of the original purchase price of the preferred shares plus a return at an interest rate of 10% per annum calculated on a 365 day per year basis from investment date taking into account all paid dividends thereon. Based on the Company's Sixth Amended and Restated Memorandum and Articles of Association effective on 10 May 2023 and the revised Sixth Amended and Restated Memorandum and Articles of Association effective on 3 March 2026, the redemption price of preferred shares is further modified equal to the sum of the original purchase price of the preferred shares plus a return at an interest rate of 8% per annum calculated on a 365 day per year basis from investment date taking into account all paid dividends and distribution amount thereon.

Liquidation rights

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, all assets and funds of the Company legally available for distribution to the members (after satisfaction of all creditors' claims and claims that may be preferred by law) shall be distributed to the members of the Company, equal to original investment plus certain internal rate of return per annum, accruing daily and compounded annually, calculated from the investment date.

Effective on 6 July 2018, the liquidation price is modified to the sum of (i) 100% of the issue price of the respective preferred shares, (ii) a simple interest of ten percent (10%) per annum calculated on a 365 day per year basis from the issue date of the respective preferred shares through the date of distribution, and (iii) any declared but unpaid dividends on such preferred shares (collectively, the "Preference Amount") prior and in preference to any distribution of any of the assets or funds of the Group to the holders of any ordinary shares. The sequence of liquidation right of all series of preferred shares is as follows: (1) Series C+ and Series C preferred shares; (2) Series B preferred shares; (3) Series A preferred shares. After the Preference Amount has been paid, any remaining funds or assets legally available for distribution shall be distributed rateably among all shareholders on an as-if converted basis.

Based on the Company's Sixth Amended and Restated Memorandum and Articles of Association effective on 10 May 2023, the liquidation price is the sum of (i) 100% of the issue price of the respective preferred shares, (ii) a simple interest of eight percent (8%) per annum calculated on a 365 day per year basis from the issue date of the respective preferred shares through the date of distribution, and (iii) any declared but unpaid dividends on such preferred shares (collectively, the "Preference Amount") prior and in preference to any distribution of any of the assets or funds of the Group to the holders of any ordinary shares. The sequence of liquidation right of all series of preferred shares is as follows: (1) Series D+ preferred shares; (2) Series D preferred shares; (3) Series Pre-D preferred shares; (4) Series C+ and Series C preferred shares; (5) Series B preferred shares, (6) Series A preferred shares. After the Preference Amount has been paid, if there are any assets or funds remaining after the aggregate Preference Amount have been distributed or paid in full to the applicable holders of preferred shares, the remaining assets and funds of the Company available for distribution to the members shall be distributed ratably among all ordinary shareholders according to the relative number of ordinary shares held by such ordinary shareholders on an as-if converted basis.

Accounting for preferred shares

Holders of Preferred Shares issued by the Company are redeemable and can be converted into ordinary shares of the Company upon occurrence of certain future events.

The Group designated Preferred Shares as financial liabilities at FVTPL. They are initially recognised at fair value on the date of issuance.

Subsequent to initial recognition, the Preferred Shares are carried at fair value with changes in fair value recognised as "Fair value changes of convertible redeemable preferred shares" in the consolidated statements of operations and comprehensive income. The amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is immaterial to be recognised in other comprehensive income.

The movement in the fair value of the preferred shares is as follows:

	Fair Value
	US$
Balances as of 1 January 2023	20,319
Issuance of Series D+ preferred shares	1,719
Changes in fair values	(1,231)
Balances as of 31 December 2023	20,807
Changes in fair values	(2,431)
Balances as of 31 December 2024	18,376
Changes in fair values	(328)
Balances as of 31 December 2025	18,048
Distribution to certain holders of convertible redeemable preference shares	(1,082)
Changes in fair values	328
Balances as of 31 March 2026	17,294

The Preferred Shares were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, AVISTA Valuation Advisory Limited ("Avista"), which has appropriate qualifications and experience in valuation of similar instruments.

As the Group was not publicly listed and no active share market price is available, the Group performed valuations of fair values of preferred shares as at 31 December 2023, 2024, 2025 and 31 March 2026. The Group determined its enterprise value by means of the discounted cash flow model. The discounted cash flow derived by management considered the Group's future business plan, specific business and financial risks, the stage of development of the Group's operations and economic and competitive elements affecting the Group's business, industry and market, and with reference to recent equity transactions of the Group.

In determining the fair value of the Preferred Shares, the option pricing model was applied, the key assumptions used at the respective dates were as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
Risk-free interest rate	4.90%	4.30%	3.60%	3.68%
Volatility	34.30%	34.50%	33.90%	31.30%
Dividend yield	–	–	–	–
Discount for lack of marketability	10%	10%	10%	10%

Volatility

The volatility factor estimated was found on the calculated equity volatilities of guideline public companies, derived from a historical period that aligns with the expected term.

Risk-free rate

The risk-free rate factor estimated was obtained by the yield of a U.S. Treasury security with a matching maturity period or calculated a risk-free rate by acquiring the yields of two securities with maturity periods in close proximity to the expected term if an exact match was unavailable.

Discount for lack of marketability

The discount of lack of marketability factor was estimated utilising put option-based method.

Dividend yield

The Group does not have any legal obligation to distribute dividends and does not have any present plan to pay any cash dividends on the Group's ordinary shares in the foreseeable future.

17. ACCOUNTS PAYABLE

The following is an aged analysis of accounts payable presented based on the invoice dates at the end of each reporting period.

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Within 3 months	2,691	2,833	2,792	2,926
3 – 12 months	44	45	163	197
1 – 2 years	13	54	43	85
Over 2 years	1	3	21	26
	2,749	2,935	3,019	3,234

18. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Financial assets				
Financial assets measured at fair value:				
– Long-term investments measured at FVTPL	82	169	158	163
Financial assets measured at amortised costs:				
– Cash and cash equivalents	3,494	2,905	4,481	4,313
– Restricted cash	515	519	582	589
– Short-term investments and long-term time deposits	6,265	8,297	9,723	9,929
– Receivables from payment platforms and service providers	823	1,303	718	919
– Other receivables	94	154	213	220
	11,273	13,347	15,875	16,133
Financial liabilities				
Financial liabilities measured at fair value:				
– Convertible redeemable preferred shares	20,807	18,376	18,048	17,294
– Other long-term liabilities	–	–	–	14
	20,807	18,376	18,048	17,308
Financial liabilities measured at amortised cost:				
– Accounts payable	2,749	2,935	3,019	3,234
– Other current liabilities	1,128	1,699	2,068	2,902
– Lease liabilities	529	935	1,101	1,125
– Other long-term liabilities	–	–	–	7
	25,213	23,945	24,236	24,576

(b) Financial risk management objectives and policies

The Group's and the Company's major financial instruments include cash and cash equivalents, restricted cash, short-term investments, receivables from payment platforms and service providers, other receivables, long-term investments measured at FVTPL, accounts payable, other current liabilities, lease liabilities, other long-term liabilities and convertible redeemable preferred shares. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (primary being foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's and the Company's activities expose primarily to the market risks of changes in interest rates, price and currency rates.

There has been no significant change to the Group's and the Company's exposure to market risks or the manner in which it manages and measures the risk.

(i) Foreign currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB and EUR. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of the Group's subsidiaries. The functional currency of the Company is USD and the majority of its subsidiaries are either USD or EUR whereas the functional currency of the subsidiaries which operate in the Chinese mainland is RMB. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

As at 31 December 2023, 2024, 2025 and 31 March 2026, the Group's net liabilities exposure to RMB and EUR denominated assets and liabilities were US$1,864, US$2,153, US$2,198 and US$3,682, respectively. An assumed 5% adverse change to the relevant foreign exchanges would result in decrease in income before taxes of the Group of US$93, US$108, US$110 and US$184 for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2026, respectively.

(ii) Interest rate risk

The Group and the Company has insignificant exposure to interest rate risk as it does not have significant variable interest earning financial assets and interest-bearing financial liabilities at the end of the reporting period. Accordingly, no sensitivity analysis is prepared.

Credit risk and impairment assessment

At the end of each reporting period, the maximum exposure to credit risk of the Group and the Company which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statements of financial position at the end of each reporting period.

Receivables from payment platforms and service providers

In order to minimise the credit risk, the management of the Group and the Company has delegated the responsible personnel for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group and the Company have policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties. The credit period granted to the customers and the credit quality of these customers is assessed, which takes into account their financial position, past experience and other factors. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

In addition, the Group and the Company perform impairment assessment under ECL model on trade balances based on provision matrix according to the nature of customers and customers' aging of outstanding balances, except for debtors that are credit-impaired which are further assessed for impairment individually. During the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, the credit loss allowance of approximately nil, US$2, US$(2), nil and US$1, respectively, was recognised/(reversed) by the Group in relation to receivables from payment platforms and service providers. For the amounts due from subsidiaries in a trade nature, the Group and the Company assessed the ECL are insignificant and thus no loss allowance is recognised for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

Other receivables and other non-current assets

The Group and the Company assessed the loss allowance for other receivables, amounts due from related parties and subsidiaries and other non-current assets in non-trade nature on 12-month ECL basis as the Group and the Company have considered that credit risks on these financial assets have not increased significantly since initial recognition. In determining the ECL, the Group and the Company have taken into account the historical default experience and forward-looking information as appropriate. The Group and the Company have considered the consistently low historical default rate in connection with payments and the Group and the Company also actively monitor the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. During the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, the credit loss allowance of approximately nil, US$13, nil, nil and nil, respectively, was recognised for other receivables by the Group. For the non-trade amounts due from related parties and subsidiaries, the Group and the Company assessed the ECL are insignificant and thus no loss allowance is recognised for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

Cash and cash equivalents, restricted cash, short-term investments and long-term time deposits

The credit risks on cash and cash equivalents, restricted cash, short-term investments and long-term time deposits are limited because the counterparties are authorised banks with high credit ratings assigned by external credit-rating agencies. The Group and the Company assessed 12-month ECL for cash and cash equivalents, restricted cash, short-term investments and long-term time deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL on time deposits, restricted cash, cash and cash equivalent is considered to be insignificant and therefore no loss allowance was recognised for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk . . .	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL – not credit-impaired	12-month ECL
Watch list. . .	Debtor frequently repays after due dates but usually settle in full.	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful . . .	There have been significant increases in credit risk since initial recognition through information developed internally or external resources.	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off . . .	There is evidence indicating the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	12-month or lifetime ECL/Incurred loss basis	Gross carrying amount 2023	2024	2025	31 March 2026
			US$'	US$'	US$'	US$'
GROUP						
Cash and cash equivalents	8	12-month ECL	3,494	2,905	4,481	4,313
Other receivables	6, 11	12-month ECL	94	147	206	213
		Lifetime ECL (credit-impaired)	–	20	20	20
Receivables from payment platforms and service providers	5	Lifetime ECL (simplified approach)	827	1,309	722	924
Short-term investments	8	12-month ECL	6,265	8,086	9,723	9,929
Long-term investments	8	12-month ECL	–	211	–	–
Restricted cash	8	12-month ECL	515	519	582	589

The Group applied simplified approach for measuring lifetime ECL for receivables from payment platforms and service providers. The Group recognises ECL on these amounts by combining individual and collective assessments. Those with known credit deterioration (e.g. customer bankruptcy, severe overdue) are assessed individually based on expected cash flows. For the remaining portfolio of receivables that do not have a significant increase in credit risk, the Group uses debtors' aging to assess the impairment for its customers because these debtors consist with common risk characteristics that are representative of the debtors' abilities to pay all amounts due in accordance with the contractual terms. As at 31 December 2023, 2024, 2025 and 31 March 2026, no material gross amount of receivables from payment platforms and service providers are past due or credit-impaired.

The Group applied 12-month ECL model for other receivables. The Group makes individual assessment on the recoverability of other receivables based on historical settlement records, past experience and related supportive forward-looking information. Debtors that were credit-impaired, with gross carrying amounts of nil, US$20, US$20 and US$20 respectively as at 31 December 2023, 2024, 2025 and 31 March 2026 were individually assessed by using lifetime ECL.

The following table shows reconciliation of loss allowances that has been recognised for other receivables.

	Lifetime ECL (credit-impaired)
	US$
As at 1 January 2023 and 31 December 2023	–
Provision of expected credit losses	13
As at 31 December 2024, 2025 and 31 March 2026	13

Except for the above loss allowance for other receivables, the credit loss rate for remaining financial assets are less than 1%.

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows.

Liquidity table

	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	US$	*US$*	*US$*	*US$*	*US$*
At 31 December 2023					
Accounts payable	2,749	–	–	2,749	2,749
Other current liabilities	1,128	–	–	1,128	1,128
Convertible redeemable preferred shares	–	4,693	–	4,693	20,807
Lease liabilities	155	374	84	613	529
	4,032	5,067	84	9,183	25,213

	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	US$	*US$*	*US$*	*US$*	*US$*
At 31 December 2024					
Accounts payable	2,935	–	–	2,935	2,935
Other current liabilities	1,699	–	–	1,699	1,699
Convertible redeemable preferred shares	–	5,028	–	5,028	18,376
Lease liabilities	252	606	271	1,129	935
	4,886	5,634	271	10,791	23,945

	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	US$	*US$*	*US$*	*US$*	*US$*
At 31 December 2025					
Accounts payable	3,019	–	–	3,019	3,019
Other current liabilities	2,068	–	–	2,068	2,068
Convertible redeemable preferred shares	5,361	–	–	5,361	18,048
Lease liabilities	285	681	373	1,339	1,101
	10,733	681	373	11,787	24,236

	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	US$	*US$*	*US$*	*US$*	*US$*
At 31 March 2026					
Accounts payable	3,234	–	–	3,234	3,234
Other current liabilities	2,902	–	–	2,902	2,902
Convertible redeemable preferred shares	4,375	–	–	4,375	17,294
Other long-term liabilities	–	9	19	28	21
Lease liabilities	282	712	367	1,361	1,125
	10,793	721	386	11,900	24,576

(c) Fair Value Measurements

As of 31 December 2023, 2024, 2025 and 31 March 2026, information about inputs into the fair value measurement of the Group's assets and liabilities that are measured at fair value on a recurring basis in periods subsequent to their initial recognition is as follows:

		Fair value measurement at reporting date using		
	Fair Value as of 31 December 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	US$	*US$*	*US$*	*US$*
Long-term investments measured at FVTPL	82	23	–	59
Convertible redeemable preferred shares	20,807	–	–	20,807

		Fair value measurement at reporting date using		
	Fair Value as of 31 December 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	US$	*US$*	*US$*	*US$*
Long-term investments measured at FVTPL	169	13	–	156
Convertible redeemable preferred shares	18,376	–	–	18,376

		Fair value measurement at reporting date using		
	Fair Value as of 31 December 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	US$	*US$*	*US$*	*US$*
Long-term investments measured at FVTPL	158	–*	–	158
Convertible redeemable preferred shares	18,048	–	–	18,048

		Fair value measurement at reporting date using		
	Fair Value as of 31 March 2026	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	US$	*US$*	*US$*	*US$*
Long-term investments measured at FVTPL	163	–*	–	163
Convertible redeemable preferred shares	17,294	–	–	17,294
Other long-term liabilities	14	–	–	14

* Less than US$1 million

Long-term investments measured at FVTPL

The Group measured the fair value of its equity investments in publicly traded companies using the market approach based on the quoted stock price of its investees in the active market and has classified it as level 1 measurement.

The above level 3 financial instruments are measured at fair value on a recurring basis. The Group measured these investments on backsolve method and market approach based on comparable companies, income approach with discounted future cash flows that are estimated based on the principal amounts and expected interest rate.

The following table summarises the quantitative information about the significant unobservable inputs used in material recurring level 3 fair value measurements.

Financial assets and liabilities	Fair value as at 31 December 2023	Fair value as at 31 December 2024	Fair value as at 31 December 2025	Fair value as at 31 March 2026	Fair value hierarchy	Valuation techniques and key inputs	Relationship of unobservable inputs to fair value
	US$	*US$*	*US$*	*US$*			
Long-term investments measured at FVTPL	59	156	158	163	Level 3	Backsolve method and market approach. Key inputs are expected volatility of 34% – 41% and risk-free rate of 3.60% – 4.30%	5% increase/(decrease) in expected volatility would result in decrease/(increase) in fair value by less than US$1 as of 31 December 2023, 2024, 2025, 31 March 2026, respectively;
Convertible redeemable preferred shares	20,807	18,376	18,048	17,294	Level 3	Discounted cash flow model method. Key inputs are risk-free rate of 3.60% – 4.90%, expected volatility of 33.90% -34.30%, Dividend yield of nil, discount of lack of marketability of 10%	5% increase/(decrease) in expected volatility would result in increase/(decrease) in fair value by less than US$1 as of 31 December 2023, 2024, 2025 and 31 March 2026, respectively; 1% increase/(decrease) in discount of lack of marketability would result in decrease/(increase) in fair value by less than US$1 as of 31 December 2023, 2024, 2025 and 31 March 2026, respectively.

The following table presents the changes in level 3 instruments (except for convertible redeemable preferred shares as disclosed in Note 16) during the Track Record Period:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2026
	US$	*US$*	*US$*	*US$*
At the beginning of the year/period	60	59	156	158
Additions	–	1	–	5
Disposals	–	(9)	–	–
Changes in fair value	–*	106	2	–
Currency translation differences	(1)	(1)	–*	–*
At the end of the year/period	59	156	158	163
Net unrealised gains for the year/period	–*	98	2	–

* Less than US$1 million

The Group and the Company did not have any transfers neither between level 1, level 2 or level 3 fair value measurements during the periods presented.

Fair value of financial instruments

The carrying amounts of restricted cash, short-term investments, receivables from payment platforms and service providers, other receivables, accounts payable, accrued expenses and other current liabilities approximate their fair values due to the short-term maturities of these instruments. The carrying amounts non-current restricted cash and long-term time deposits approximate its fair value as the interest rates are based on the prevailing interest rates in the market.

19. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or the future cash flow will be, classified in the Group's consolidated statements of cash flows from financing activities.

	Lease liabilities	Preferred Shares	Preferred shares issua nce expenses	Distribution payables to certain holders of convertible redeemable preferred shares	Dividend payables	Other long-term liabilities	Total
	US$	*US$*	*US$*	*US$*	*US$*	*US$*	*US$*
As at 1 January 2023	**343**	**20,319**	**–**	**–**	**6**	**–**	**20,668**
Financing cash flows	(127)	1,737	–	–	(6)	–	1,604
Fair value adjustments	–	(1,231)	–	–	–	–	(1,231)
New leases entered/lease modified	354	–	–	–	–	–	354
Finance costs	25	–	–	–	–	–	25
Others	(66)	(18)	18	–	–	–	(66)
As at 31 December 2023	**529**	**20,807**	**18**	**–**	**–**	**–**	**21,354**
Financing cash flows	(188)	–	(18)	–	–	–	(206)
Fair value adjustments	–	(2,431)	–	–	–	–	(2,431)
New leases entered/lease modified	600	–	–	–	–	–	600
Finance costs	44	–	–	–	–	–	44
Others	(50)	–	–	–	–	–	(50)
As at 31 December 2024	**935**	**18,376**	**–**	**–**	**–**	**–**	**19,311**
Financing cash flows	(284)	–	–	–	–	–	(284)
Fair value adjustments	–	(328)	–	–	–	–	(328)
New leases entered/lease modified	359	–	–	–	–	–	359
Finance costs	56	–	–	–	–	–	56
Others	35	–	–	–	–	–	35
As at 31 December 2025	**1,101**	**18,048**	**–**	**–**	**–**	**–**	**19,149**
Financing cash flows	(74)	–	–	(369)	–	14	(429)
Distribution to certain holders of convertible redeemable preference shares	–	(1,082)	–	1,082	–	–	–
Fair value adjustments	–	328	–	–	–	–	328
New leases entered/lease modified	82	–	–	–	–	–	82
Finance costs	14	–	–	–	–	–	14
Others	2	–	–	–	–	–	2
As at 31 March 2026	**1,125**	**17,294**	**–**	**713**	**–**	**14**	**19,146**

20. INCOME TAXES

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on its income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

Singapore

The Group's subsidiaries in Singapore are generally subject to the tax rate of 17% for the periods presented. Based on the Group's assessment and relevant tax regulations, certain subsidiaries are entitled to the following concessionary tax treatment, as listed below:

Certain subsidiaries obtained for the Development and Expansion Incentive in 2021 and 2023, under which the qualified income is taxed at a concessionary rate of 5% for a five-year concession period from the respective approval dates, subject to meeting the relevant terms and conditions.

A subsidiary in Singapore obtained the Finance and Treasury centre's incentive in 2023, under which the qualified income is taxed at a concessionary rate of 8% for a five-year concession period from the respective approval dates, subject to the subsidiary meeting the relevant terms and conditions.

United States

The Group's operations in the United States are subject to 21% of the applicable federal income tax rate and relevant state income tax rate for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026 according to the Tax Cuts and Jobs Act of 2017 of the United States, which was signed into law on 22 December 2017, effective 1 January 2018, for all corporations.

Europe

The applicable corporate income tax rates for the Group's subsidiaries in the Europe ranged from 12.5% to 31.9% for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

Chinese Mainland

The Group's subsidiaries in the Chinese mainland are generally subject to the tax rate of 25% for the periods presented. Based on the Group's assessment and relevant tax regulations, certain subsidiaries are entitled to concessionary tax treatment, as listed below:

Certain subsidiaries in the Chinese mainland are classified as a Technology Advanced Service Enterprise and are entitled to a concessionary tax rate of 15%, under the Law of the People's Republic of China on Enterprise Income Tax ("EIT") for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026. A Chinese mainland subsidiary is classified as Software Enterprise and is entitled to a concessionary tax rate of 12.5% under the Law of the People's Republic of China on EIT for the year ended 31 December 2023.

Pillar 2 model rule

The Organisation for Economic Co-operation and Development ("OECD") has proposed a global minimum tax of 15% on income arising from different jurisdictions ("Pillar 2"), which has been agreed upon in principle by many countries. Although the model rules provide a framework for applying the minimum tax, countries may enact Pillar 2 slightly differently from the model rules, on different timelines, and may adjust domestic tax incentives in response to Pillar 2.

Under these rules, the Pillar 2 effective tax rate ("ETR") is determined on a jurisdictional basis, and a top-up tax is payable where the jurisdictional ETR falls below 15%. Transitional Country-by-Country Safe Harbour rules ("TCSH") have been introduced to provide temporary relief from compliance obligations during the initial implementation period. Where the relevant TCSH conditions are met, no top-up tax is required to be paid for the respective jurisdictions.

For jurisdictions where the Pillar 2 rules became effective from 1 January 2024, the amount of incremental tax relating to Pillar 2 recorded by the Group for the year ended 31 December 2024 is not material. For the year ended 31 December 2025, the Group has identified certain jurisdictions where the Pillar 2 rules became effective from 1 January 2025 and with a jurisdictional ETR below 15%.

The Group has applied the temporary mandatory exception from recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

	Year Ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Income tax expense/(benefit)					
Current tax	247	411	460	102	80
Deferred tax	(41)	(7)	(10)	(2)	(1)
Total	206	404	450	100	79

A reconciliation of the income tax expense to income/(loss) before income taxes computed by applying the Singapore income tax rate of 17% per the consolidated statements of operations and comprehensive income is as follows:

	Year Ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Income/(loss) before income taxes	2,995	3,769	2,514	495	(20)
Computed income tax expense at 17%	509	641	427	84	(3)
Effect of different tax rates of subsidiaries operating in other jurisdictions	42	174	88	10	18
Effect of non-deductible expenses, including:					
– Share-based compensation expenses	8	12	14	4	4
– Fair value change in financial liabilities	–	–	–	–	56
– Other non-deductible expenses	6	21	21	2	2
Effect of non-taxable income, including:					
– Fair value change in financial liability	(210)	(413)	(56)	–	–
– Other non-taxable income	(1)	(20)	–*	–*	–*
Effect of deductible temporary differences not recognised	11	60	7	8	4
Effect of tax relief on concessionary rates granted to subsidiaries	(152)	(74)	(156)	(45)	(8)
Top-up tax under Pillar Two Rules	–	1	115	35	4
Others, net	(7)	2	(10)	2	2
Income tax expense	206	404	450	100	79

* Less than US$1 million

Aggregate undistributed earnings of the Group's subsidiaries in certain jurisdictions that are available for distribution to the Group as of 31 December 2023, 2024, 2025 and 31 March 2026 are US$542, US$846, US$1,223 and US$1,310, respectively. No deferred tax liability has been recognised on the undistributed earnings of its foreign subsidiaries, as the Company either intends to permanently reinvest the undistributed earnings to fund its future operations or no withholding tax is imposed on the remittance of undistributed earnings in certain jurisdictions.

The Group's income taxes are assessed and calculated on a legal entity basis. As at 31 December 2023, 2024, 2025 and 31 March 2026, the Group's income tax payables are US$707, US$771, US$933 and US$972, respectively, representing the tax obligations payable to tax authorities across multiple jurisdictions.

The Group is subject to income taxes in a number of jurisdictions. Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. Due to the limited authoritative guidance on the interpretation and implementation of certain provisions of tax laws and regulations, the Group has made its best estimate of the tax provision based on its understanding of the relevant laws and regulations. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The final tax treatment of certain transactions will only be confirmed upon formal decisions from the relevant tax authorities. Where the ultimate tax outcome of these matters is different from the amounts that were initially recorded, such differences will be recognised in the financial statements in accordance with applicable accounting standards.

Deferred Taxation

As of 31 December 2023, 2024, 2025 and 31 March 2026, the Group had insignificant net operating losses carry forwards.

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$'	*US$'*	*US$'*	*US$'*
Deferred tax assets	81	94	102	103
Deferred tax liabilities	(1)	(7)	(5)	(5)
	80	87	97	98

The following are the major deferred tax assets and liabilities recognised by the Group, and the movement thereon, during the current and prior reporting period:

	Unrealised profit	Right-of-use assets	Lease liabilities	Accrued liabilities	Others	Total
	US$'	*US$'*	*US$'*	*US$'*	*US$'*	*US$'*
At 1 January 2023	17	(64)	68	14	4	39
Credit (charge) for the year	16	(27)	29	22	1	41
At 31 December 2023	33	(91)	97	36	5	80
Credit (charge) for the year	–*	(44)	51	(9)	9	7
At 31 December 2024	33	(135)	148	27	14	87
Credit (charge) for the year	(17)	10	(4)	11	10	10
At 31 December 2025	16	(125)	144	38	24	97
Credit (charge) for the period	(2)	(5)	7	(2)	3	1
At 31 March 2026	14	(130)	151	36	27	98

* Less than US$1 million

At 31 December 2023, 2024, 2025 and 31 March 2026, the Group has deductible temporary differences and unused losses not recognised in aggregate of US$42, US$301, US$336 and US$356, respectively. Included in unrecognised tax losses, approximately US$6, US$12, US$15 and US$17 will be expired before 2029, 2030, 2031 and 2032 as at 31 December 2023, 2024 2025 and 31 March 2026, respectively. Other deductible temporary differences and unused losses may be carried forward indefinitely. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Except for above, the Group did not identify any significant unrecognised uncertain tax positions, or any unrecognised liabilities, interest or penalties associated with unrecognised tax benefits for each of the periods presented, if any, and does not anticipate any significant change in unrecognised tax benefits within 12 months from 31 March 2026.

21. RELATED PARTY TRANSACTIONS

The table below sets forth the major related parties and their relationships with the Group:

Name of related-parties	Relationship with the Group
iMile Holding Corporation and its subsidiaries ("iMile Group")	An associate of the Group
SPARC Group Holdings II LLC and its subsidiaries ("SPARC Group")	An associate of the Group
Shenzhen Yunxi Heguang Technology Co., Ltd. and its subsidiaries ("Yunxi Heguang Group")	An associate of the Group

(a) The Group entered into the following transactions with major related parties for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, respectively:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Receiving of fulfilment services from:					
iMile Group*(Note i)*	336	501	608	104	124
Yunxi Heguang Group*(Note i)*	84	496	1,001	219	272
	420	997	1,609	323	396
Receiving of other services from:					
Others	–	34	47	7	20
Rendering of other services to:					
Others	–*	5	13	3	4

(b) The Group had the following balances with the major related parties as of 31 December 2023, 2024, 2025 and 31 March 2026, respectively:

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Trade receivables:				
iMile Group*(Note i)*	105	69	59	157
Others	1	3	16	19
	106	72	75	176
Loan to a related party				
SPARC Group*(Note ii, Note 11)*	–	55	64	66
Trade payable:				
iMile Group*(Note i)*	2	12	7	1
Yunxi Heguang Group(Note i)	–*	–*	–*	79
Others	–*	–*	19	9
	2	12	26	89
Non-trade payables:				
Others*(Note iii)*	–	6	–	–

* Less than US$1 million

Note i: The amount due from iMile Group relates to payments collected on behalf of the Group and advance payments of customs duty taxes. The amounts due to iMile Group and Yunxi Heguang Group relate to the fulfilment services they provide. The amounts are trade in nature and aged within 60 days.

Note ii: In May 2024, the Group entered into a loan assignment agreement ("the assignment agreement") for an assignment of term loan amounted US$50 from a shareholder of SPARC Group. The loan is non-trade in nature, will not be settled before [**REDACTED**] of the Company and bears a fixed interest rate of 15% per annum and is repayable in full in May 2027. The Group has recorded interest receivable of US$5, US$14 and US$16 from the term loan as of 31 December 2024, 2025 and 31 March 2026. Pursuant to the assignment agreement, the Group is entitled to the principal, interests, fees and other amounts of the term loan due from SPARC Group. The assigned term loan was pledged by 166,445 Class B ordinary shares of the Company held by SPARC Group.

Note iii: The accrued expenses due to a related party are unsecured, non-interest bearing and non-trade in nature, which have been settled as of 31 March 2026.

22. EARNINGS/(LOSS) PER SHARE

The calculations of the basic earnings/(loss) per share amounts is based on the net income/(loss) attributable to ordinary shareholders of the Company, and the weighted average number of ordinary shares outstanding during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

The calculations of the diluted earnings/(loss) per share amounts is based on the net income/(loss) attributable to ordinary shareholders of the Company, adjusted to reflect the fair value changes of the convertible redeemable preferred shares. The weighted average numbers of ordinary shares used in the calculation are the numbers of ordinary shares outstanding during the year, as used in the basic earnings/(loss) per share calculation, and the weighted average numbers of ordinary shares assumed to have been issued at no consideration on the deem exercise of the options and RSU or conversion of all dilutive potential ordinary shares into ordinary shares.

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Earnings/(loss) per share calculation					
Numerator:					
Net earnings/(loss) attributable to the Company and earnings for the purpose of basic earnings/(loss) per share	2,789	3,365	2,064	395	(99)
Effect of dilutive potential ordinary shares*(Note i)*:					
– Fair value changes of convertible redeemable preferred shares	(1,231)	(2,431)	(328)	–	–
Earnings/(loss) for the purpose of diluted earnings per share	1,558	934	1,736	395	(99)

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Denominator:					
Weighted average ordinary shares outstanding used in computing basic earnings/(loss) per ordinary shares*(Note ii)*	[2,546,707,465]	[2,567,425,115]	[2,567,758,015]	[2,567,507,200]	[2,567,840,100]
Effect of dilutive potential ordinary shares*(Note i & ii)*:					
– Options	[125,243,650]	[128,609,600]	[132,658,386]	[130,259,435]	[–]
– Convertible redeemable preferred shares	[1,329,934,311]	[1,378,082,303]	[1,378,082,303]	[1,378,082,303]	[–]
Weighted average ordinary shares outstanding used in computing diluted earnings/(loss) per ordinary shares*(Note ii)*	[4,001,885,426]	[4,074,117,018]	[4,078,498,704]	[4,075,848,938]	[2,567,840,100]

Note i. The computation of diluted loss per share for the three months ended 31 March 2026 does not assume the conversion of the Company's outstanding share options and preferred shares since their assumed exercise or conversion would result in a decrease in loss per share for the three months ended 31 March 2026.

Note ii. For the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, the weighted average number of ordinary shares includes Class A and Class B ordinary shares and has been adjusted retrospectively for the effects in connection with [Share Split] subsequent to the end of the reporting period as set out in Note 30, as if the [Share Split] had been effective since 1 January 2023.

23. COMMITMENTS AND CONTINGENCIES

Capital commitment

The Group's contractual commitments primarily related to construction and purchase of property and equipment and leases contracted but not yet commenced. As of 31 December 2023, 2024, 2025 and 31 March 2026, the Group has contracted for property and equipment of US$120, US$168, US$236 and US$249, and leases contracted but not yet commenced of US$157, US$188, US$37 and US$10, respectively.

Contingencies

The Group periodically faces claims, legal proceedings, and regulatory reviews arising in the normal course of business. Based on current information, the Group does not believe that the ultimate outcomes of any unresolved matters, individually or in the aggregate, are likely to have a material adverse effect on our financial position, operating results, or cash flows. Accordingly, those matters are not detailed in the disclosure. Furthermore, management considered that disclosing some or all of the information required by IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* could seriously prejudice the Group's position in a dispute with other parties regarding the subject matter of the provision and contingent probability. Accordingly, disclosure have been limited on this basis. However, due to the inherent uncertainties of litigation and the evolving nature of laws, regulations, contractual obligations, and industry standards with varying interpretations, the Group's view of these matters may change in the future. The Group recognises liabilities in accrued expenses and other current liabilities when it is probable that a liability has been incurred and the loss amount can be reasonably estimated.

In August 2023, the CNIL carried out an inspection on a subsidiary of the Group in connection with practices for obtaining user consent and using of cookies under Article 82 of the French Data Protection Act.

In September 2025, the CNIL announced its decision to impose an administrative fine of 150 million euros (US$158) against the subsidiary. Management made certain provision in the financial statements in consideration of all the information available then and continues to be of the view that the provision remains appropriate. The provision is included in accrued expenses and other current liabilities (Note 12) as of 31 December 2024, 2025 and 31 March 2026. The Group have appealed this decision to the Conseil d'État, France's supreme administrative court and is evaluating next steps with respect to this proceeding.

Significant judgement was applied in determining the provision, based on available information, legal counsel's advice, and precedent cases. The Group regularly reviews developments in legal matters and adjusts its estimates and disclosures accordingly.

24. SHARE-BASED COMPENSATION

The Company adopted the 2018 share incentive plan (the "2018 Plan"), which was approved by the board of directors of the Company to replace the previous 2016 share incentive plan created in June 2016. The terms of the 2018 share incentive plan are substantially the same as those under the 2016 Plan. In April 2024, the 2018 Plan was further amended that the term of the 2018 Plan extending to a total twenty years. The awards granted and outstanding under the 2016 Plan survived and remained effective and binding under the 2018 Plan. Under 2018 Plan, the aggregate number of shares that may be issued shall not exceed 9,278,597 ordinary shares.

During the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, 109,996, 143,812, 173,221, 13,252 and 12,648 options, respectively, with nil exercise price were granted under this plan. Under 2018 Plan, unless terminated earlier, the 2018 Plan has a term of twenty years from the date of effectiveness of the 2018 Plan. Vesting is subject to the continuous services of the option holders to the Group and ranged from 3 to 7 years. These options are measured at their fair value on the grant date.

During the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, 182,742, 42,885, 10,203, 1,362 and 777 RSUs, respectively, were granted and available to employee of the Group. For the years ended 31 December 2023, 2024, 2025 and three months ended 31 March 2025 and 2026, 2,134, 16,406, 23,459, 17,523 and 1,686 RSUs, respectively, were forfeited under this plan. The expiration dates of the RSUs are the earlier of on the occurrence of an IPO of the Company (the "Liquidity Event") deadline or the date of termination of the eligible employee's continuous service. The vesting requirements must be satisfied on or before the applicable expiration date for a RSU to vest: (i) a service-time and individual performance-based requirements and (ii) the Liquidity Event occurs. The restricted stock units are measured at their fair value on the grant date. The Group has not recorded any share-based compensation expense during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026 related to such RSUs. Such share-based compensation expense will be recorded once the Liquidity Event becomes probable.

The Group performed valuations of fair values of the underlying ordinary shares on the respective grant dates with reference to valuation reports carried out by Avista. When estimating the fair values of the ordinary shares on the grant dates, the Group determined its enterprise value by means of the discounted cash flow model and backsolve model. The discounted cash flow derived by management considered the Group's future business plan, specific business and financial risks, the stage of development of the Group's operations and economic and competitive elements affecting the Group's business, industry and market, and with reference to recent equity transactions of the Group. Backsolve model is a market approach, which allows an entity to solve for its implied aggregate equity value by considering its recent equity transactions with unrelated parties.

In determining the fair value of the options, the option pricing model was applied, the key assumptions used at the respective grant dates were as follows:

	Year Ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
				(Unaudited)	
Risk-free rate	4.20%	4.90% – 5.20%	4.30%	4.30%	3.60%
Volatility	45.96%	33.00% – 34.30%	34.50%	34.50%	33.90%
Expected life of options *(years)*	3.17	0.75 – 0.83	0.75	0.75	0.75
Discount for lack of marketability	13%	10%	10%	10%	10%
Dividend yield	–	–	–	–	–

In addition to the key assumptions adopted in Note 16, the above assumption were also used which have been used by management to determine the fair value of the options.

Expected life of options (years)

The life of options factor estimated was determined based on the duration between the valuation date and the probability weighted exit dates of the various scenarios.

For the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, the movement in the restricted stock unit and share options and were as follows:

	Units outstanding	Weighted average fair value per unit at grant date
		US$
Restricted stock unit		
Nonvested as of 1 January 2023	49,499	639
Granted	182,742	765
Forfeited/expired	(2,134)	718
Nonvested as of 31 December 2023	230,107	739
Granted	42,885	704
Forfeited/expired	(16,406)	564
Nonvested as of 31 December 2024	256,586	735
Granted	10,203	620
Forfeited/expired	(23,459)	728
Nonvested as of 31 December 2025	243,330	731
Granted	777	589
Forfeited/expired	(1,686)	693
Nonvested as of 31 March 2026	242,421	731
(Unaudited)		
Nonvested as of 1 January 2025	256,586	735
Granted	1,362	620
Forfeited/expired	(17,523)	746
Nonvested as of 31 March 2025	240,425	734

	Options outstanding	Weighted average remaining contractual years to expiry
Options		
Outstanding as of 1 January 2023	2,640,019	
Granted	109,996	
Exercised	–	
Forfeited/expired	(12,064)	
Outstanding as of 31 December 2023	2,737,951	4.90
Granted	143,812	
Exercised	–	
Forfeited/expired	(27,345)	
Outstanding as of 31 December 2024	2,854,418	4.15
Granted	173,221	
Exercised	–	
Forfeited/expired	(44,072)	
Outstanding as of 31 December 2025	2,983,567	3.46
Granted	12,648	
Exercised	–	
Forfeited/expired	(10,308)	
Outstanding as of 31 March 2026	2,985,907	3.22
Exercisable as of 31 March 2026	2,725,180	2.82
(Unaudited)		
Outstanding as of 1 January 2025	2,854,418	4.15
Granted	13,252	
Exercised	–	
Forfeited/expired	(7,163)	
Outstanding as of 31 March 2025	2,860,507	3.92
Exercisable as of 31 March 2025	2,584,175	3.71

The weighted-average grant-date fair value of options granted during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026 was US$811, US$702, US$620, US$620 and US$589, respectively. The weighted average exercise price of the options granted during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026 was nil.

For the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, the Group recognised share-based compensation expenses of US$49, US$71, US$85, US$22 and US$26, in connection with the share options granted, respectively. The non-vested share options expense relating to the share options of the Group is expected to be recognised over a weighted average period of 1.38, 1.27, 1.17, 1.35 and 1.35 years on a straight-line basis schedule as of 31 December 2023, 2024, 2025 and 31 March 2025 and 2026, respectively.

As of 31 December 2023, 2024, 2025 and 31 March 2026, there was US$144, US$160, US$159 and US$138 unrecognised compensation cost related to non-vested share granted to executive and employees of the Group, respectively.

There were no repurchase of employees' vested options during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

After the Share Split (Note 30), the numbers of ordinary shares and options shown above were increased proportionally.

For the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, share-based compensation expenses of the Group have been included in the following balances on the consolidated statements of operations and comprehensive income:

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Fulfilment expenses	15	17	28	7	9
Marketing expenses	9	17	16	4	5
Technology and content expenses	12	14	13	3	4
General and administrative expenses	13	23	28	8	8
Total	49	71	85	22	26

25. LEASES

The Group has leases for certain warehouses and office space which are mainly located in the PRC, United States and Poland. In addition, lump sum payments were made upfront to acquire a land use right.

Right-of-use assets

The carrying amount of right-of-use assets at the end of each reporting period and the depreciation expenses have been charged to the consolidated statements of operations and comprehensive income as follows:

	As of 31 December			As of 31 March
	2023	**2024**	**2025**	**2026**
	US$	*US$*	*US$*	*US$*
Right of use assets:				
Leased properties	497	862	964	981
Land use rights	–	97	141	141
	497	959	1,105	1,122

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Depreciation charged for the year/period					
Leased properties	119	198	244	58	69
Land use rights	–	2	3	1	1
	119	200	247	59	70

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Addition to right-of-use assets	354	702	359	115	82
Expense relating to short-term leases not included in lease liabilities	10	47	64	10	18
Total cash outflow of lease:					
– Principal portion and prepayment of lease payments	233	191	292	62	78
– Interest portion of lease payments paid	25	44	56	14	14
Total cash outflow for leasehold land and leased properties	258	235	348	76	92

Lease liabilities

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Lease liabilities payable:				
Within one year	122	191	233	234
Within a period of more than one year but not more than two years	121	187	201	208
Within a period of more than two years but not more than five years	207	318	364	390
Within a period of more than five years	79	239	303	293
Total lease payments	529	935	1,101	1,125
Less: Amount due for settlement within one year shown under current liabilities	122	191	233	234
Amount due for settlement after one year shown under non-current liabilities	407	744	868	891

Note: As of 31 December 2023, 2024, 2025 and 31 March 2026, the weighted average discount rate of the Group's operating leases is 5.82%, 5.78%, 5.43% and 5.02%, respectively.

26. INFORMATION ABOUT SEGMENT AND GEOGRAPHIC AREAS

The following table presents selected financial information with respect to the Group's single operating segment and significant segment expenses for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Net revenues	32,103	38,748	41,847	8,952	9,052
Cost of sales	(12,777)	(15,249)	(13,433)	(3,339)	(2,679)
Fulfilment expenses*(Note i)*	(13,486)	(16,830)	(19,044)	(3,824)	(4,313)
Marketing expenses*(Note i)*	(3,444)	(4,142)	(6,175)	(1,084)	(1,425)
Technology and content expenses*(Note i)*	(656)	(835)	(883)	(217)	(237)
General and administrative expenses*(Note i)*	(315)	(655)	(520)	(118)	(114)
Share-based compensation expenses*(Note i)*	(49)	(71)	(85)	(22)	(26)
Operating income	1,376	966	1,707	348	258
Other segment items*(Note ii)*	1,413	2,399	357	47	(357)
Net income/(loss)	2,789	3,365	2,064	395	(99)

Note i: The share-based compensation expenses which are independently reviewed by the CODM are excluded from fulfilment expenses, marketing expenses, technology and content expenses and general and administrative expenses.

Note ii: Other segment items included in consolidated net income/(loss) are fair value changes of convertible redeemable preferred shares, share of income/(losses) from associates, interest income, exchange gain/(loss), others, net and income tax expense, which are reflected in the consolidated statements of operations and comprehensive income.

The Company voluntarily includes more details on the segment reporting to reflect the fact that the CODM also uses adjusted EBIT and adjusted net income to measure segment profit or loss, allocate resources and assess performance.

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Net revenues	32,103	38,748	41,847	8,952	9,052
Cost of sales	(12,777)	(15,249)	(13,433)	(3,339)	(2,679)
Fulfilment expenses*(Note i)*	(13,486)	(16,830)	(19,044)	(3,824)	(4,313)
Marketing expenses*(Note i)*	(3,444)	(4,142)	(6,175)	(1,084)	(1,425)
Technology and content expenses*(Note i)*	(656)	(835)	(883)	(217)	(237)
General and administrative expenses*(Note i)*	(315)	(655)	(520)	(118)	(114)

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Adjusted EBIT	1,425	1,037	1,792	370	284
Share-based compensation expenses*(Note i)*	(49)	(71)	(85)	(22)	(26)
Share of income/(losses) from associates	(36)	(171)	3	(21)	(16)
Impairment loss on long-term investments*(Note ii)*	–	(55)	–	–	–
Fair value changes on long-term investments*(Note ii)*	–*	112	2	(2)	–
Fair value changes of convertible redeemable preferred shares	1,231	2,431	328	–	(328)
Interest income	472	597	621	135	150
Exchange gain/(loss)	(34)	(55)	(95)	47	(72)
Income tax expense	(206)	(404)	(450)	(100)	(79)
Others*(Note ii)*	(14)	(56)	(52)	(12)	(12)
Net income/(loss)	2,789	3,365	2,064	395	(99)

* Less than US$1 million

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Net revenues	32,103	38,748	41,847	8,952	9,052
Cost of sales	(12,777)	(15,249)	(13,433)	(3,339)	(2,679)
Fulfilment expenses*(Note i)*	(13,486)	(16,830)	(19,044)	(3,824)	(4,313)
Marketing expenses*(Note i)*	(3,444)	(4,142)	(6,175)	(1,084)	(1,425)
Technology and content expenses*(Note i)*	(656)	(835)	(883)	(217)	(237)
General and administrative expenses*(Note i)*	(315)	(655)	(520)	(118)	(114)
Other segment items*(Note iii)*	218	82	24	70	(13)
Adjusted net income	1,643	1,119	1,816	440	271
Share-based compensation expenses*(Note i)*	(49)	(71)	(85)	(22)	(26)
Share of income/(losses) from associates	(36)	(171)	3	(21)	(16)
Impairment loss on long-term investment*(Note ii)*	–	(55)	–	–	–
Fair value changes on long-term investments*(Note ii)*	–*	112	2	(2)	–
Fair value changes of convertible redeemable preferred shares	1,231	2,431	328	–	(328)
Net income/(loss)	2,789	3,365	2,064	395	(99)

Note i: The share-based compensation expenses which are independently reviewed by the CODM are excluded from fulfilment expenses, marketing expenses, technology and content expenses and general and administrative expenses.

Note ii: The impairment loss on long-term investment and fair value changes on long-term investments are included in others, net (Note 4) to the consolidated statements of operations and comprehensive income.

Note iii: Other segment items are interest income, exchange gain/(loss), income tax expense and others, which are reflected in the consolidated statements of operations and comprehensive income.

There are no reconciling items or adjustments between segment net revenues, operating income, net income/(loss), total assets and consolidated net revenues, operating income, net income/(loss), and total assets. Segment asset information is not used by the CODM to allocate resources.

The Group's non-current assets (other than investment in financial assets and deferred tax assets) were located as follows:

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
PRC	742	972	1,035	1,002
United States	505	528	526	511
Poland	70	165	291	286
Others	188	148	195	273
Total non-current assets, net	1,505	1,813	2,047	2,072

27. INCOME/(LOSS) BEFORE INCOME TAXES

This has been arrived at after charging:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* *(Unaudited)*	*US$*
Cost of inventories recognised as an expense	12,656	15,050	13,188	3,270	2,622
Inventory written down and loss on inventory obsolescence	121	199	185	53	47
Depreciation of property and equipment	57	123	149	39	42
Depreciation of right-of-use assets	119	200	247	59	70
Amortisation of intangible assets	1	1	2	–*	–*
Marketing and advertising expenses	3,316	3,981	6,013	1,048	1,387
Employee benefit expenses	781	1,076	1,208	299	360
Consultancy and professional service fees	160	229	238	55	57
Auditors' remuneration	4	4	2	–*	–*
[**REDACTED**] expense	–	–	11	–	5

Note: During the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, the Group had incurred expenses for the purpose of research and development of approximately US$610, US$742, US$803, US$199 and US$218, respectively, which mainly comprised employee benefits expenses of approximately US$216, US$310, US$379, US$91 and US$118, respectively. No research and development expenses had been capitalised for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

28. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(A) Directors' and the chief executive's emoluments

During the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, directors' and chief executive's remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

	Chief Executive Mr. Sky Yangtian Xu	Mr. Tony Xiaoqing Ren	Ms. Molly Miao Miao	Ms. Maggie Xiaoqing Gu	2023 Total
	US$	*US$*	*US$*	*US$*	*US$*
Fees	–	–	–	–	–
Salaries, allowances, benefits in kind and performance related bonuses	1	1	1	–*	3
Retirement benefits	–*	–	–*	–*	–*
Total	1	1	1	–*	3

	Chief Executive Mr. Sky Yangtian Xu	Mr. Tony Xiaoqing Ren	Ms. Molly Miao Miao	Ms. Maggie Xiaoqing Gu	2024 Total
	US$	*US$*	*US$*	*US$*	*US$*
Fees	–	–	–	–	–
Salaries, allowances, benefits in kind and performance related bonuses	1	1	1	–*	3
Retirement benefits	–*	–	–*	–*	–*
Total	1	1	1	–*	3

	Chief Executive Mr. Sky Yangtian Xu	Mr. Tony Xiaoqing Ren	Ms. Molly Miao Miao	Ms. Maggie Xiaoqing Gu	2025 Total
	US$	*US$*	*US$*	*US$*	*US$*
Fees	–	–	–	–	–
Salaries, allowances, benefits in kind and performance related bonuses	1	1	1	–*	3
Retirement benefits	–*	–	–*	–*	–*
Total	1	1	1	–*	3

	Chief Executive Mr. Sky Yangtian Xu	Mr. Tony Xiaoqing Ren	Ms. Molly Miao Miao	Ms. Maggie Xiaoqing Gu	31 March 2026 Total
	US$	*US$*	*US$*	*US$*	*US$*
Fees	–	–	–	–	–
Salaries, allowances, benefits in kind and performance related bonuses	–*	–*	–*	–*	–*
Retirement benefits	–*	–	–*	–*	–*
Total	–*	–*	–*	–*	–*

	Chief Executive Mr. Sky Yangtian Xu	Mr. Tony Xiaoqing Ren	Ms. Molly Miao Miao	Ms. Maggie Xiaoqing Gu	31 March 2025 Total
	US$	*US$*	*US$*	*US$*	*US$*
(unaudited)					
Fees	–	–	–	–	–
Salaries, allowances, benefits in kind and performance related bonuses	–*	–*	–*	–*	–*
Retirement benefits	–*	–	–*	–*	–*
Total	–*	–*	–*	–*	–*

* Less than US$1 million

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026.

During the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, there was no arrangement under which a director or the chief executive waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

(B) Five highest paid employees

The five highest paid employees of the Group include 1, 1, nil, nil and nil director of the Company whose emoluments, are set out above for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026. The emoluments of the remaining 4, 4, 5, 5 and 5 employees for each of the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, respectively, are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	US$	*US$*	*US$*	*US$* (Unaudited)	*US$*
Salaries, bonus allowances and benefits in kind	4	6	6	1	2
Equity-settled share-based expense	8	8	8	2	2
Retirement benefits	–*	–*	–*	–*	–*
	12	14	14	3	4

The number of the five highest paid individuals who are not the directors of the Company are within the following bands presented in Hong Kong Dollar ("HK$"):

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
				(Unaudited)	
HK$3,000,001 to HK$3,500,000	–	–	–	2	2
HK$6,000,001 to HK$6,500,000	–	–	–	1	–
HK$6,500,001 to HK$7,000,000	–	–	–	1	2
HK$9,000,001 to HK$9,500,000	–	–	–	1	1
HK$10,000,001 to HK$10,500,000	–	–	1	–	–
HK$11,500,001 to HK$12,000,000	1	–	–	–	–
HK$12,000,001 to HK$12,500,000	–	1	1	–	–
HK$13,500,001 to HK$14,000,000	1	–	–	–	–
HK$22,000,001 to HK$22,500,000	–	1	–	–	–
HK$25,000,001 to HK$25,500,000	–	–	1	–	–
HK$27,000,001 to HK$27,500,000	–	–	1	–	–
HK$27,500,001 to HK$28,000,000	1	1	–	–	–
HK$36,500,001 to HK$37,000,000	1	1	1	–	–

During the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

29. FINANCIAL INFORMATION OF THE COMPANY

(a) Investments in subsidiaries

	As of 31 December			As of 31 March
	2023	2024	2025	2026
	US$	*US$*	*US$*	*US$*
Investments in subsidiaries	4	4	4	4

(b) Movements of the Company's reserves

	Share premium	Share-based compensation reserve	Accumulated losses	Total
	US$	*US$*	*US$*	*US$*
Balance as of 1 January 2023	13	48	(18,344)	(18,283)
Net income	–	–	1,356	1,356
Share-based compensation	–	49	–	49
Issuance of ordinary shares	453	–	–	453
Balance as of 31 December 2023	466	97	(16,988)	(16,425)
Net income	–	–	2,460	2,460
Share-based compensation	–	71	–	71
Balance as of 31 December 2024	466	168	(14,528)	(13,894)
Net income	–	–	233	233
Share-based compensation	–	85	–	85
Balance as of 31 December 2025	466	253	(14,295)	(13,576)
Net loss	–	–	(356)	(356)
Share-based compensation	–	26	–	26
Balance as of 31 March 2026	466	279	(14,651)	(13,906)
(Unaudited)				
Balance as of 1 January 2025	466	168	(14,528)	(13,894)
Net loss	–	–	(25)	(25)
Share-based compensation	–	22	–	22
Balance as of 31 March 2025	466	190	(14,553)	(13,897)

(c) Dividends

No dividend was paid or declared by the Company during the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, nor has any dividend been proposed subsequent to 31 March 2026.

(d) Short-term investments

As of 31 December 2023, 2024, 2025 and 31 March 2026, the Company's short-term investments consisted primarily fixed term deposits with maturities ranging from three months to one year with interest rates ranging from 5.5% to 6.3% and recorded at amortised cost of US$3,422, US$208, nil and nil, respectively. All the short-term investments were purchased from high credit rating international banks. These investments have fixed maturity dates and pay a target return on the amount invested.

(e) Amounts due from (to) subsidiaries

The amounts due from (to) subsidiaries of the Company as of 31 December 2023, 2024, 2025 and 31 March 2026 are unsecured, non-interest bearing, repayable on demand and will not be settled before [**REDACTED**] of the Company.

(f) Accrued expenses and other current liabilities

	As of 31 December			As of 31 March
	2023	**2024**	**2025**	**2026**
	US$	*US$*	*US$*	*US$*
Distribution payables to certain holders of convertible redeemable preferred shares	–	–	–	713
Others	21	4	14	16
	21	4	14	729

30. SUBSEQUENT EVENTS

The Group has evaluated subsequent events through [●], which is the date when the Historical Financial Information were issued. The following significant events took place subsequent to 31 March 2026:

Business Acquisition

On 17 May 2026, the Group entered into an agreement to acquire 100% of the equity interest of Everlane, Inc., which constituted a business combination under IFRS 3 *Business Combinations*. The acquisition was completed on 22 May 2026 with a total consideration of approximately US$80 including the repayment of US$74 of loan on the date of the acquisition with certain conditions to be satisfied. The Group is assessing the accounting impact to the acquisition.

International Emergency Economic Powers Act ("IEEPA") Tariff Refund

On 20 February 2026, the U.S. Supreme Court issued a ruling invalidating certain tariff measures imposed pursuant to the IEEPA. On 20 April 2026, U.S. Customs and Border Protection ("CBP"), launched the Consolidated Administration and Processing of Entries ("CAPE") portal and related refund process, which enable eligible entities to submit refund claims for IEEPA tariffs previously paid. CAPE was implemented through a phased development approach. Management is evaluating the accounting impact of the potential refund in accordance with IAS 37.

[Share Split]

On [●] 2026, the Company has obtained all approvals and consents necessary for the split of every one authorised share of par value US$0.0001 each in our then issued and unissued share capital into 50 shares of par value US$0.000002 each ("Share Split"). Upon the completion of the Share Split, [**REDACTED**] ordinary shares and [**REDACTED**] preferred shares were authorised, respectively. The foregoing Share Split has been carried out in compliance with all applicable Laws in all respects.

[On [●], the shareholders resolved, among other things, subject to the proposed [**REDACTED**] and [**REDACTED**] of the shares of the Company becoming unconditional, that (i) all Preferred Shares be converted into Class B ordinary shares by way of reclassification and redesignation; and (ii) [**REDACTED**] Class A ordinary shares be converted into Class B ordinary shares by way of reclassification and redesignation.]

31. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 31 March 2026 and up to the date of this report.]

The information set forth in this Appendix does not form part of the "Accountant's Report" from [●], Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I to this [**REDACTED**]*, respectively, and is included herein for information only. The unaudited* [**REDACTED**] *financial information should be read in conjunction with the section headed "Financial Information" in this* [**REDACTED**] *and the Accountant's Report set out in Appendix I to this* [**REDACTED**]*, respectively.*

A. UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited [**REDACTED**] statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for the purpose of illustrating the effect of the proposed [**REDACTED**] and [**REDACTED**] of the Shares of the Company (the "[**REDACTED**]") as if the [**REDACTED**] had taken place on [31 March 2026].

In addition, the unaudited [**REDACTED**] statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company at [31 March 2026] takes into account the conversion of all preferred shares ("Preferred Shares") immediately before the completion of the [**REDACTED**] because the directors of the Company believe that the conversion of Preferred Shares is an integral part of the [**REDACTED**] and the inclusion of the conversion in the unaudited [**REDACTED**] statement of adjusted consolidated net tangible assets of the Group would provide more meaningful information to the users of this [**REDACTED**]. As a result, for the purpose of the unaudited [**REDACTED**] statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company, adjustments have also been made to illustrate the effect of the conversion of Preferred Shares alongside the [**REDACTED**].

This unaudited [**REDACTED**] statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative 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 as at [31 March 2026] or at any further dates following the [**REDACTED**]. It is prepared based on the audited consolidated tangible liabilities of the Group attributable to owners of the Company as at [31 March 2026] as derived from Accountant's Report set out in Appendix I to this [**REDACTED**] and adjusted as described below.

	Unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at [31 March 2026]	Estimated net [REDACTED] from the [REDACTED]	Unaudited [REDACTED] adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at [31 March 2026]	Impact on conversion of the Preferred Shares immediately before completion of [REDACTED]	Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at [31 March 2026] after taking into account the conversion of Preferred Shares	Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at [31 March 2026] [REDACTED]	
	US$ million	*US$ million*	*US$ million*	*US$ million*	*US$ million*	*US$*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*		*(Note 4)*	*(Note 5)*
Based on an [REDACTED] of [REDACTED] per [REDACTED].	[(6,996)]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on an [REDACTED] of [REDACTED] per [REDACTED].	[(6,996)]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

1. The consolidated net tangible liabilities of the Group attributable to owners of the Company as at [31 March 2026] is arrived at after deducting intangible assets attributable to owners of the Company of US$[38] million from the audited consolidated total shareholders' deficit attributable to owners of the Company of US$[6,958] million as at [31 March 2026] as extracted from the Accountant's Report set out in Appendix I to this [**REDACTED**].

2. The estimated net [**REDACTED**] from the [**REDACTED**] of the [**REDACTED**] pursuant to the [**REDACTED**] are based on [**REDACTED**] Shares at the [**REDACTED**] of [**REDACTED**] and [**REDACTED**] per [**REDACTED**], being the low-end and high-end of the stated [**REDACTED**] range, after deduction of the estimated [**REDACTED**] fees and commissions and other related expenses not yet recognised in profit or loss up to [31 March 2026]. It does not take into account (i) any Share which may be allotted and issued upon the exercise of the [**REDACTED**], (ii) any Share which may be issued or repurchased by the Company under [Share Incentive Plans] and under the general mandates for the allotment and issue or repurchase of Shares granted to the directors of the Company, or (iii) any unvested restricted stock units ("RSUs").

   For the purpose of this unaudited [**REDACTED**] statement, the estimated net [**REDACTED**] from the [**REDACTED**], the amount denominated in HK$ has been converted into US$ at the rate of HK$[7.8437] to US$1, which was the exchange rate prevailing on [3 July 2026] with reference to the rate as quoted by the People's Bank of China. No representation is made that the HK$ amounts have been, could have been or may be converted to US$, or vice versa, at that rate or any other rates or at all.

3. All of the Preferred Shares will be converted into the Class B ordinary share of the Company immediately before of the completion of [**REDACTED**]. These Preferred Shares will be re-designated from convertible redeemable Preferred Shares to equity. Accordingly, after taking into account the conversion of Preferred Shares when considering the anti-dilutive right with the cash compensation according to the conversion adjustment mechanism as described in Appendix I Note 16, the unaudited [**REDACTED**] adjusted net tangible liabilities attributable to the owners of the Company will be decreased by US$[**REDACTED**] based on an [**REDACTED**] of HK$[**REDACTED**] per Share and US$[**REDACTED**] based on an [**REDACTED**] of HK$[**REDACTED**] per Share, being the fair value of the convertible redeemable Preferred Shares as of [31 March 2026].

4. The unaudited [**REDACTED**] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at on the basis that [**REDACTED**] Shares were in issue, assuming that (a) the conversion of Preferred Shares had been completed with additional Class B Shares to the holders of Series Pre-D Preferred Shares, Series D Preferred Shares and Series D+ Preferred Shares upon conversion when considering the anti-dilutive right, (b) the [**REDACTED**] had been completed and (c) the [Share Split] as described in Appendix I Note 30 had been completed on [31 March 2026] and without taking into account (i) any Share which may be allotted and issued upon the exercise of the [**REDACTED**], (ii) any Share which may be issued or repurchased by the Company under Share Incentive Plans and under the general mandates for the allotment and issue or repurchase of Shares granted to the directors of the Company, (iii) any unvested RSUs.

5. For the purpose of unaudited [**REDACTED**] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share, the amount stated in US$ is converted into HK$ at the rate of US$1 to HK$[7.8437], which was the exchange rate prevailing on [3 July 2026] with reference to the rate as quoted by the People's Bank of China. No representation is made that the US$ amounts have been, could have been or may be converted to HK$, or vice versa, at that rate or any other rates or at all.

6. No adjustment has been made to the unaudited [**REDACTED**] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at [31 March 2026] to reflect any trade result or other transactions of the Group entered into subsequent to [31 March 2026]. In particular, the unaudited [**REDACTED**] adjusted net tangible assets of the Group attributable to owners of the Company as shown on page II-[1] have not been adjusted to illustrate the effect of that certain milestone-based RSUs will be vested upon completion of the [**REDACTED**], and would have increased the total number of shares in issue assumption stated in Note 4. [For illustrative purpose, the effect of the vesting of certain milestone-based RSUs upon completion of the [**REDACTED**] and issuance of the relevant shares by the Company would have increased the total Shares in issue by [**REDACTED**] in issue.]

[REDACTED]

[REDACTED]

[REDACTED]

SUMMARY OF THE CONSTITUTION OF THE COMPANY

1 Memorandum of Association

The Memorandum of Association of the Company was conditionally adopted on [●] and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

The Memorandum of Association is on display on the websites of the Stock Exchange and the Company as specified in Appendix [V] in the section headed "Documents available on display".

2 Articles of Association

The Articles of Association of the Company were conditionally adopted on [●] and include provisions to the following effect:

2.1 Classes of Shares

(a) Share capital

The share capital of the Company consists of Class A Shares and Class B Shares. The capital of the Company at the date of adoption of the Articles is US$[100,000] divided into [50,000,000,000], comprising (i) [3,000,000,000] Class A Shares of US$[0.000002] each and (ii) [47,000,000,000] Class B Shares of US$[0.000002] each.

(b) Weighted voting rights

Subject to the provisions of the Articles of Association, the holders of Class A Shares and Class B Shares shall at all times vote together as one class on all resolutions submitted to a vote by the members. On a poll, each Class A Share shall entitle its holder to ten votes and each Class B Share shall entitle its holder to one vote, provided that each Class A Share and each Class B Share shall entitle its holder to one vote on a poll at a general meeting in respect of a resolution on the following matters:

(i) any amendment to the Memorandum of Association or the Articles of Association, including the variation of the rights attached to any class of shares;

(ii) the appointment or removal of any independent non-executive Director;

(iii) the appointment or removal of the auditors; or

(iv) the voluntary liquidation or winding-up of the Company.

Notwithstanding the foregoing, where a holder of Class B Shares is permitted by the Listing Rules or the Stock Exchange from time to time to exercise more than one vote per share when voting on a resolution to amend the Memorandum of Association or the Articles of Association, any holder of Class A Shares may elect to exercise such number of votes per share as is permitted by the Stock Exchange, up to the maximum number of votes attached to each Class A Share as set out in the Articles of Association.

The Company shall not take any action (including the issue or repurchase of shares of any class) that would result in (i) the aggregate number of votes entitled to be cast by all holders of Class B Shares (for the avoidance of doubt, excluding those who are also holders of Class A Shares) present at a general meeting to be less than 10% of the votes entitled to be cast by all members at a general meeting; or (ii) an increase in the proportion of Class A Shares to the total number of shares in issue.

(c) Restrictions on issue of shares with weighted voting rights

No further Class A Shares shall be allotted, issued or granted by the Company, except with the approval of the Stock Exchange and pursuant to (i) an offer to subscribe for shares in the Company made to all the members of the Company pro rata (apart from fractional entitlements) to their existing holdings; (ii) a pro rata issue of shares to all the members of the Company by way of scrip dividends; or (iii) a share subdivision or other similar capital reorganisation, provided that each member of the Company shall be entitled to subscribe for (in a pro rata offer) or be issued shares (in an issue of shares by way of scrip dividends) in the same class as the shares then held by him, and further provided that the proposed allotment or issuance will not result in an increase in the proportion of Class A Shares in issue, so that:

(A) if, under a pro rata offer, any holder of Class A Shares does not take up any part of the Class A Shares or the rights thereto offered to him, such untaken shares or rights shall only be transferred to another person on the basis that such transferred rights will only entitle the transferee to an equivalent number of Class B Shares; and

(B) to the extent that rights to Class B Shares in a pro rata offer are not taken up in their entirety (including, but not limited to, where the pro rata offering is not fully underwritten), the number of Class A Shares that shall be allotted, issued or granted in such pro rata offer shall be reduced proportionately,

and where necessary, the holders of Class A Shares shall use their best endeavours to enable the Company to comply with this requirement.

(d) Reduction of shares with weighted voting rights on repurchase of shares

In the event the Company reduces the number of Class B Shares in issue (including, but not limited to, through a purchase of its own shares), the holders of Class A Shares shall reduce their weighted voting rights in the Company proportionately (including, but not limited to, through a conversion of a portion of their shares with those rights into shares without those rights), if the reduction in the number of Class B Shares in issue would otherwise result in an increase in the proportion of Class A Shares.

(e) Prohibition on variation of terms of shares with weighted voting rights

The Company shall not change the terms of the Class A Shares to increase the weighted voting rights attached to that class. The Company may change the terms of the Class A Shares to reduce the voting rights attached to that class, provided that, in addition to complying with any requirement under law, prior approval of the Stock Exchange is obtained and, if such approval is granted, the change is announced.

(f) Conversion of Class A Shares

Each Class A Share is convertible into one Class B Share at any time by the holder thereof, such right to be exercisable by the holder of the Class A Share delivering a written notice to the Company that such holder elects to convert a specified number of Class A Shares into Class B Shares.

(g) Qualification of holders of shares with weighted voting rights

Class A Shares shall only be held by a Founder, or (a) a partnership of which a Founder is a partner and the terms of which must expressly specify that the voting rights attached to any and all Class A Shares held by such partnership are solely dictated by the Founder; (b) a trust of which a Founder is a beneficiary and that meets the following conditions: (i) a Founder must in substance retain an element of control of the trust and any immediate holding companies of, or, if not permitted in the relevant tax jurisdiction, retain a beneficial interest in any and all of the Class A Shares held by such trust; and (ii) the purpose of the trust must be for estate planning and/or tax planning purposes; or (c) a private company or other vehicle wholly-owned and wholly controlled by a Founder or by a trust referred to in (b) above (a "**Founder Holding Vehicle**"). Subject to the Listing Rules or other applicable laws and regulations, each Class A Share shall be automatically converted into one Class B Share upon the occurrence of any of the following events:

(i) the death of the holder of such Class A Share (or, where the holder is a Founder Holding Vehicle, the death of the Founder holding or controlling such Founder Holding Vehicle);

(ii) the holder of such Class A Share ceasing to be a Director or a Founder Holding Vehicle for any reason;

(iii) the holder of such Class A Share (or, where the holder is a Founder Holding Vehicle, the Founder holding or controlling such Founder Holding Vehicle) being deemed by the Stock Exchange to no longer meet the requirements of a director set out in the Listing Rules; or

(iv) the transfer to another person of the beneficial ownership of, or economic interest in, such Class A Share or the control over the voting rights attached to such Class A Share (through voting proxies or otherwise), including where the Founder Holding Vehicle holding such Class A Share no longer complies with Rule 8A.18(2) of the Listing Rules (in which event the Company and such Founder Holding Vehicle or the Founder holding or controlling such Founder Holding Vehicle shall notify the Stock Exchange of the details of the non-compliance as soon as practicable), other than (A) the grant of any lien, mortgage, charge or other encumbrance over such Class A Share which does not result in the transfer of the legal title or beneficial ownership of, or the voting rights attached to, such Class A Share, until the same is transferred upon the enforcement of such lien, mortgage, charge or other encumbrance, (B) a transfer of the legal title to such Class A Share by a Founder to a Founder Holding Vehicle wholly held or wholly controlled by such Founder, or by a Founder Holding Vehicle to a Founder holding or controlling it or another Founder Holding Vehicle held or controlled by such Founder, and (C) any transfer of legal title to such Class A Share by a holder of Class A Shares to a limited partnership, trust, private company or other vehicle, which holds or will hold Class A Shares on behalf of such holder.

(h) Cessation of weighted voting rights

All of the Class A Shares in the authorised share capital shall be automatically re-designated into Class B Shares in the event all of the Class A Shares in issue are converted into Class B Shares, or that none of the holders of Class A Shares at the time of initial listing of the Company's shares on the Stock Exchange hold any Class A Shares, and no further Class A Shares shall be issued by the Company.

(i) Shares to rank pari passu

Save and except for the rights, preferences, privileges and restrictions set out in this paragraph 2.1, the Class A Shares and the Class B Shares shall rank pari passu in all other respects and shall have the same rights, preferences, privileges and restrictions.

2.2 *Directors*

(a) Number of Directors

The number of Directors shall not be less than three.

(b) Power to allot and issue shares

Subject to the provisions of the Memorandum of Association, the Articles of Association, compliance with the Listing Rules and the Code on Takeovers and Mergers and Share Buy-back issued by the Securities and Futures Commission of Hong Kong and any direction that may be given by the Company in general meeting, and without prejudice to any rights attached to any existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares with or without preferred, deferred or other rights or restrictions, whether in regard to dividend or other distribution, voting, return of capital or otherwise and to such persons, at such times and on such other terms as the Directors think proper, provided however that (a) no new class of shares with voting rights superior to those of Class A Shares shall be created, and (b) any variation in the relative rights will not result in the creation of a new class of shares with voting rights superior to those of Class A Shares.

(c) Power to dispose of the assets of the Company or any subsidiary

Subject to the provisions of the Companies Act, the Memorandum and Articles of Association and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

(d) Compensation or payment for loss of office

There are no provisions in the Articles of Association relating to compensation or payment for loss of office of a Director.

(e) Loans to Directors

There are no provisions in the Articles of Association relating to making of loans to Directors.

(f) Financial assistance to purchase shares

There are no provisions in the Articles of Association relating to the giving of financial assistance by the Company to purchase shares in the Company or its subsidiaries.

(g) Disclosure of interest in contracts with the Company or any of its subsidiaries

A Director who is interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors. Subject to the Listing Rules, a Director may vote in respect of any contract or transaction or proposed contract or transaction notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or transaction or proposed contract or transaction shall come before the meeting for consideration.

(h) Remuneration

The remuneration to be paid to the Directors may be determined by the Directors or by ordinary resolution. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other.

(i) Retirement, appointment and removal

The Company may by ordinary resolution appoint any person to be a Director, either to fill a vacancy or as an additional Director.

The Company may by ordinary resolution remove any Director (including a managing or other executive Director) before the expiration of such Director's term of office, notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement), and may by ordinary resolution elect another person in their stead.

The Directors may appoint any person to be a Director, either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles of Association as the maximum number of Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after such Director's appointment and shall then be eligible for re-election at that meeting.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated if:

(i) the Director becomes bankrupt or makes any arrangement or composition with his creditors;

(ii) dies or is found to be or becomes of unsound mind;

(iii) resigns his office by notice in writing to the Company;

(iv) without special leave of absence from the board of Directors, is absent from meetings of Directors three consecutive meetings and the Directors resolve that his office be vacated; or

(v) is removed from office pursuant to any other provision of the Articles of Association.

Every Independent Non-executive Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and shall then be eligible for re-appointment.

(j) Borrowing powers

The Directors may exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

2.3 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

2.4 Variation of rights of existing shares or classes of shares

Wherever the share capital of the Company is divided into different classes of shares, the rights attached to any such classes of shares may, subject to any right or restrictions for the time being attached thereto, only be materially adversely varied with the consent in writing of the holders of at least three-fourth (3/4) of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more persons holding or representing one-third in nominal or par value amount of the issued shares of the relevant class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the shares of that class, every member of that class shall on a poll have one vote for each share of the class held by him.

The rights conferred upon the holders of shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be materially adversely varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any shares of any class.

For the avoidance of doubt, shares in the Company do not constitute a separate class solely by virtue of being in certificated form or uncertificated form.

2.5 Alteration of capital

The Company may by ordinary resolution:

(a) increase its share capital by such sum to be divided into shares of such classes and amount, as the Company in general meeting may determine;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association or into shares without par value; and

(d) cancel any shares that at the date of the passing of the ordinary resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

The Company may by special resolution reduce its share capital or any capital redemption reserve fund, subject to the provisions of the Companies Act.

2.6 Special resolution — majority required

A "special resolution" is defined in the Articles of Association to have the same meaning as in the Companies Act, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an "ordinary resolution" is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid in one or more instruments each signed by one or more of the members of the Company, and the effective date of the ordinary resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

2.7 Voting rights

Subject to paragraph 2.1(b) above and any rights or restrictions attached to any shares, at any general meeting every member of the Company present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have (a) the right to speak; (b) one vote on a show of hands; and (c) one vote for every share of which he is the holder on a poll.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint holders the vote of the senior holder who tenders a vote, whether in person or by proxy (or in the case of a corporation or other non-natural person, by its duly authorised representative or proxy) shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, or other person in the nature of a committee appointed by that court, and any such committee or other person may vote in respect of such shares by proxy.

No person shall be counted in a quorum or be entitled to vote at any general meeting unless they are registered as a member on the record date for such meeting, nor unless all calls or other sums presently payable by him in respect of shares carrying the right to vote held by him have been paid. Where any member of the Company is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chair of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

Any corporation which is a member of the Company may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.

If a recognised clearing house (or its nominee(s) or depository (or its nominee(s)) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company, provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which that person represents as that recognised clearing house (or its nominee(s) or depository (or its nominee(s))) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorisation, including the right to speak and, where a show of hands is allowed, the right to vote individually on a show of hands.

2.8 Annual general meetings and extraordinary general meetings

The Company shall hold a general meeting as its annual general meeting for each financial year within six months (or such other period as may be permitted by the Listing Rules or the Stock Exchange) after the end of such financial year. An annual general meeting shall be specified as such in the notices calling it.

The chair of the board of Directors or the Directors may call general meetings, and they shall on a members' requisition forthwith proceed to convene an extraordinary general meeting of the Company. A members' requisition is a requisition of one or more members holding at the date of deposit of the requisition not less than 10% of the voting rights, on a one vote per share basis, of the issued shares which as at that date carry the right to vote at general meetings of the Company. The members' requisition must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists and deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists. If there are no Directors as at the date of the deposit of the members' requisition or if the Directors do not within 21 days from the date of the deposit of the members' requisition duly proceed to convene a general meeting to be held within a further 21 days, the requisitionists, or any of them representing not less than one-tenth of the total voting rights of all the requisitionists, on a one vote per share basis, may themselves convene a general meeting, but any meeting so convened shall be held after the expiration of the said 21 day period. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

2.9 Accounts and audit

The Directors shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Such books of account must be retained for a minimum period of five years from the date on which they are prepared. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

The Directors shall determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members of the Company not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies Act or authorised by the Directors or by the Company in general meeting by ordinary resolution.

The Directors shall cause to be prepared and to be laid before the Company at every annual general meeting a profit and loss account for the period since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up, a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditors' report on such accounts and such other reports and accounts as may be required by law.

2.10 Auditors

The Company shall at every annual general meeting by ordinary resolution or by other body that is independent of the board of Directors (as the case may be) appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The Company may by ordinary resolution remove an auditor before the expiration of his period of office. No person may be appointed as an auditor of the Company unless such person is independent of the Company. The remuneration of the auditors shall be fixed by the Company at the annual general meeting at which they are appointed by ordinary resolution, or in the manner specified in such resolution.

2.11 Notice of meetings and business to be conducted thereat

An annual general meeting shall be called by not less than 21 days' notice and any extraordinary general meeting shall be called by not less than 14 days' notice, which shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Every notice shall specify the place, the day and the hour of the meeting, particulars of the resolutions to be considered and the general nature of the business to be conducted at the meeting, and shall be given in the manner mentioned in the Articles of Association or in such other manner as may be prescribed by the Company, provided that the Company may convene a general meeting on short notice than required under the Articles of Association. Notwithstanding the foregoing, a general meeting of the Company shall, whether or not the notice specified has been given and whether or not the provisions of the Articles of Association regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting, by all members of the Company entitled to attend and vote at the meeting; and

(b) in the case of an extraordinary general meeting, by the members holding a majority of the voting rights of the members having a right to attend and vote at the meeting and present at the meeting, together holding not less than 95% in par value of the shares giving that right.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, they may change or postpone the meeting to another date, time and place.

The Directors also have the power to provide in every notice calling a general meeting that in the event of a gale warning or a black rainstorm warning is in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Directors may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

(a) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning or black rainstorm warning being in force on the day of the general meeting;

(b) the Directors shall fix the date, time and place for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting; and such notice shall specify the date, time and place at which the postponed meeting will be reconvened and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and

(c) only the business set out in the notice of the original meeting shall be transacted at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be transacted at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be transacted at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles of Association.

2.12 Transfer of shares

Transfers of shares may be effected by an instrument of transfer, which shall be in writing and in any usual or common form or such other form as the Directors may approve. The instrument of transfer shall be executed by or on behalf of the transferor, and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company.

For so long as shares in the Company are prescribed securities under the SFO and not in the process of delisting and save as otherwise permitted or required under the Securities and Futures (Uncertificated Securities Market) Rules (Chapter 571AS of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time (the "**USM Rules**"): (a) if the shares are held by the transferor in certificated form, they may be transferred by means of an instrument of transfer that complies with the Articles and the USM Rules; and (b) if the shares are held by the transferor in uncertificated form, shares may be transferred by means of an instrument of transfer if the Directors are satisfied that it is not reasonably practicable to transfer them by means of a specified request. A reasonable fee (not exceeding any applicable limits prescribed under the Code of Conduct for Approved Securities Registrars published by the SFC, as amended, supplemented or otherwise modified from time to time (the "**ASR Code**")) may be charged by the Company's approved securities registrar for registering any instrument of transfer, specified request or other document relating to or affecting the title to any share.

The Directors may decline to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

(a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates, if such certificate has been issued, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of shares;

(c) the instrument of transfer is properly stamped, if required;

(d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;

(e) the shares concerned are free of any lien in favour of the Company; and

(f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall within three calendar months after the date on which the transfer was lodged with the Company send notice of the refusal to each of the transferor and the transferee.

For so long as shares in the Company are prescribed securities under the SFO and not in the process of delisting, the Directors may refuse to register the transfer or transmission of a share if the transferor, transferee or transmittee (as applicable) is not a system-member of the UNSRT System (as defined under the SFO) operated by the Company's approved securities registrar. Where the prescribed securities transfer provision applies and the Directors refuse to register the transfer of a share, a notice of refusal must be sent to the transferor and the transferee within such period as indicated in the ASR Code.

Without prejudice to the foregoing, the Directors may refuse to register the transfer of a share: (a) if the share is in certificated form, and a specified request is sent; or (b) if the share is in uncertificated form, and (i) the specified request is not sent in accordance with the operating rules; or (ii) an instrument of transfer is lodged; or (iii) the Directors are entitled to refuse by virtue of the non-system-member provision mentioned above; or (iv) on any other ground provided under the USM Rules.

The registration of transfers shall be suspended during such periods as the register of members of the Company is closed. The registration of transfers may, on ten days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the Listing Rules, be suspended and the register of members closed at such times and for such periods as the Directors may determine, provided that such registration of transfer shall not be suspended nor the register of members closed for more than 30 days in any year (or such longer period as the Members may by ordinary resolution determine, provided that such period shall not extended beyond 60 days in any year.

2.13 Power of the Company to purchase its own shares

Subject to the provisions of the Companies Act, the Company may purchase its own shares provided that (a) the manner of purchase has first been authorised by the members of the Company by ordinary resolution or by the board of Directors, and (b) any such purchase shall only be made in accordance with any relevant code, rules or regulations issued by the Stock Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.

2.14 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

2.15 Dividends and other methods of distribution

Subject to the Companies Act and the Articles of Association, the Company may by ordinary resolution resolve to pay dividends (including interim dividends and special dividends) and other distributions on shares in issue and authorise payment of the dividends or other distributions out of the funds of the Company lawfully available therefor, provided no dividends shall exceed the amount recommended by the Directors.

Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the amounts paid up on the shares that a member holds during any portion or portions of the period in respect of which the dividend is paid. For this purpose no amount paid up on a share in advance of calls shall be treated as paid up on the share. No dividend shall bear interest against the Company.

The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific asset (which may consist of the shares or securities of any other company) and may settle all questions concerning such distributions.

Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the register of members, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of Members.

Any dividend unclaimed after a period of six years from the date on which such dividend becomes payable shall be forfeited and shall revert to the Company.

2.16 Proxies

A member of the Company entitled to attend and vote at a general meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting or at any one class meeting.

The instrument appointing a proxy may be in any usual or common form or (subject to any limitations imposed by the Company's approved securities registrar) may be an authenticated message that is attributable and addressed as described in the USM Rules or such other form as the Directors may approve and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked.

The Directors shall, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner (including by electronic means) by which the instrument appointing a proxy shall be deposited and the place and the time (being not later than the time appointed for the commencement of the meeting or adjourned meeting to which the proxy relates) at which the instrument appointing a proxy shall be deposited.

2.17 Calls on shares and forfeiture of shares

Subject to the terms of the allotment and issue of any shares, the Directors may make calls upon the members of the Company in respect of any monies unpaid on their shares (whether in respect of par value or premium), and each member of the Company shall (subject to receiving at least 14 clear days' notice specifying the times or times of payment) pay to the Company at the time or times so specified the amount called on his shares.

A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share.

If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at such rate as the Directors may determine (and in addition all expenses that have been incurred by the Company by reason of such non-payment), but the Directors may waive payment of the interest or expenses wholly or in part.

If any call or instalment of a call remains unpaid after it has become due and payable, the Directors may give to the person from whom it is due not less than 14 days' notice requiring payment. The notice shall state if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeiture shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the shares forfeited.

2.18 Inspection of register of members

The Company shall maintain or cause to be maintained the register of members of the Company in accordance with the Companies Act and, for so long as shares in the Company are prescribed securities under the SFO, in accordance with the USM Rules. The Directors may, on giving 10 calendar days' notice (or 6 business days' notice in the case of a rights issue) by advertisement published in one or more newspapers, on Stock Exchange's website, by electronic means or by any other means, subject to the Listing Rules, close the register of members at such times and for such periods as the Directors may determine, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

For so long as shares in the Company are participating securities, the register of members may not be closed for more than two consecutive business days at a time (or any longer period during which trading of the shares on the Stock Exchange is suspended), except as otherwise permitted under the USM Rules.

Subject to the USM Rules, except when the register is closed, the register of members shall during normal business hours be kept open for inspection by any member of the Company without charge.

2.19 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present. One or more members of the Company holding not less than [10%] total voting power attaching to all Shares in issue and entitled to vote at such general meeting present in person or by proxy, or if a corporation or other non-natural person by its duly authorised representative or proxy, shall be a quorum unless the Company has only one member entitled to vote at such general meeting in which case the quorum shall be that one member present in person or by proxy, or in the case of a corporation or other non-natural person by its duly authorised representative or proxy.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.20 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.21 Procedure on liquidation

Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.

Subject to the rights attaching to any shares, in a winding up:

(a) if the assets available for distribution amongst the members of the Company shall be insufficient to repay the whole of the Company's paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, on the shares held by them at the commencement of the winding up;

(b) if the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the Company's paid up capital at the commencement of the winding up, the surplus shall be distributed amongst the members of the Company in proportion to the par value of the shares held by them at the commencement of the winding up.

If the Company shall be wound up, the liquidator may with the approval of a special resolution of the Company and any other approval required by the Companies Act, divide amongst the members of the Company in kind the whole or any part of the assets of the Company (whether such assets shall consist of property of the same kind or not) and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like approval, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like approval, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Companies Act is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Act and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 May 2014 under the Companies Act. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorised share capital.

3 Share Capital

The Companies Act permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the "share premium account". At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Act provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Act);

(d) writing-off the preliminary expenses of the company;

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and

(f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Act, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

4 Dividends and Distributions

With the exception of section 34 of the Companies Act, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is *ultra vires* the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 Disposal of Assets

The Companies Act contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

8 Accounting and Auditing Requirements

The Companies Act requires that a company shall cause to be kept proper books of account with respect to:

(a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(b) all sales and purchases of goods by the company; and

(c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 Inspection of Books and Records

Members of a company will have no general right under the Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association. A search of the names of the directors of the Company may be performed at the office of the Registrar of Companies of the Cayman Islands.

11 Special Resolutions

The Companies Act provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorised by the articles of association of the company.

12 Subsidiary Owning Shares in Parent

The Companies Act does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (a) 75% in value of shareholders, or (b) a majority in number representing 75% in value of creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Restructuring

A company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company:

(a) is or is likely to become unable to pay its debts; and

(b) intends to present a compromise or arrangement to its creditors (or classes thereof) either pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring.

The Grand Court may, among other things, make an order appointing a restructuring officer upon hearing of such petition, with such powers and to carry out such functions as the court may order. At any time (i) after the presentation of a petition for the appointment of a restructuring officer but before an order for the appointment of a restructuring officer has been made, and (ii) when an order for the appointment of a restructuring officer is made, until such order has been discharged, no suit, action or other proceedings (other than criminal proceedings) shall be proceeded with or commenced against the company, no resolution to wind up the company shall be passed, and no winding up petition may be presented against the company, except with the leave of the court. However, notwithstanding the presentation of a petition for the appointment of a restructuring officer or the appointment of a restructuring officer, a creditor who has security over the whole or part of the assets of the company is entitled to enforce the security without the leave of the court and without reference to the restructuring officer appointed.

18 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

19 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

20 Taxation

Pursuant to section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, the Company [may] obtain an undertaking from the Financial Secretary of the Cayman Islands:

(a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

   (i) on or in respect of the shares, debentures or other obligations of the Company; or

   (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (As Revised).

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

21 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

22 General

Maples and Calder (Hong Kong) LLP, the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarising aspects of Cayman Islands company law. This letter, together with a copy of the Companies Act, is on display on the websites as referred to in the section headed "Documents available on display" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation

Our Company was incorporated in the Cayman Islands on 12 May 2014 as an exempted company with limited liability under the laws of the Cayman Islands. Upon our incorporation, our authorised share capital was US$50,000 divided into 50,000 shares with a par value of US$1.00 each and was subdivided into 500,000,000 shares with a par value of US$0.0001 on 30 June 2014 and further sub-divided into 25,000,000,000 shares with a par value of US$0.000002 each on [●] 2026.

Our registered office address is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Accordingly, our Company's corporate structure and Memorandum and Articles are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles is set out in Appendix III.

Our registered place of business in Hong Kong is at 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 2 July 2026 with the Registrar of Companies in Hong Kong. Ms. KWOK Yan Ting Jennis (郭恩廷) has been appointed as the authorised representative of our Company for the acceptance of service of process and notices in Hong Kong. The address for service of process and notices is 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

2. Changes in the share capital of our Company

On [●] 2026, our Company undertook a 1:50 share split whereby each of our then issued and unissued shares of all classes of US$0.0001 each in the share capital of our Company was sub-divided into 50 shares of US$0.000002 each.

Save as disclosed above and in the section headed "4. Resolutions of our Shareholders dated [●]" below, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

3. Changes in the share capital of our major subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I.

The following sets out the changes in issued share capital of our major subsidiaries within the two years immediately preceding the date of this document:

(a) On 10 December 2024, the issued share capital of Infinite Remit Services Co., Limited was increased from €1 to €10,000.

Save as disclosed above, there has been no alteration in the share capital of our major subsidiaries of our Group within the two years immediately preceding the date of this document.

4. Resolutions of our Shareholders dated [●]

Resolutions of our Shareholders [were passed] on [●], pursuant to which, among others, the Share Split of 1:50 was approved with immediate effect; and conditional upon the conditions of the [**REDACTED**] (as set out in this document) being fulfilled:

(a) the Memorandum and the Articles were approved and adopted effective conditional on and immediately prior to the [**REDACTED**] on the [**REDACTED**];

(b) the Preferred Share Redesignation and the WVR Redesignation immediately before the completion of the [**REDACTED**] were approved and/or acknowledged;

(c) the authorised share capital of the Company be increased from US$50,000 to US$100,000 divided into [50,000,000,000] shares of a par value of US$[0.000002] each, comprising (i) [3,000,000,000] Class A Shares of a par value of US$[0.000002] each, and (ii) [47,000,000,000] Class B Shares of a par value of US$[0.000002] immediately prior to the completion of the [**REDACTED**];

(d) the [**REDACTED**], [**REDACTED**] and [**REDACTED**] were approved, and our Directors were authorised to negotiate and agree the [**REDACTED**] and to allot and issue the [**REDACTED**] (including pursuant to the [**REDACTED**]);

(e) a general mandate (the "**Sale Mandate**") was granted to our Directors to allot, issue and deal with any Class B Shares (including any sale or transfer of Class B Shares out of treasury that are held as treasury shares) or securities convertible into Class B Shares and to make or grant offers, agreements or options which would or might require Class B Shares to be allotted, issued or dealt with, provided that the number of Class B Shares so allotted, issued or dealt with or agreed to be allotted, issued or dealt with by our Directors, shall not exceed 20% of the total number of Shares in issue immediately following the completion of [**REDACTED**] (assuming the Assumptions);

(f) a general mandate (the "**Repurchase Mandate**") was granted to our Directors to repurchase our own Class B Shares on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Class B Shares as will represent up to 10% of the total number of Shares in issue immediately following completion of the [**REDACTED**] (assuming the Assumptions);

(g) the Sale Mandate was extended by the addition to the total number of Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the total number of the Shares purchased by our Company pursuant to the Repurchase Mandate, provided that such extended amount shall not exceed 10% of the total number of the Shares in issue immediately following completion of the [**REDACTED**] (assuming the Assumptions); and

(h) the Post-[**REDACTED**] Share Scheme was approved and adopted with effect from the [**REDACTED**] and our Directors were authorized to make such changes to the Post-[**REDACTED**] Share Scheme as may be required by the Stock Exchange and/or which they deem necessary and/or desirable and to grant options and/or awards thereunder (as applicable) and to allot, issue and deal with Shares pursuant thereto, and to take all such actions as they consider necessary and/or desirable to implement or give effect to the Post-[**REDACTED**] Share Scheme.

Each of the general mandates referred to above will remain in effect until the earliest of:

- the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;

- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the memorandum and the articles of association of our Company; and

- the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority.

5. Explanatory statement on repurchase of our own securities

The following summarises restrictions imposed by the Listing Rules on share repurchases by a company listed on the Stock Exchange and provides further information about the repurchase of our own securities.

Shareholders' approval

A listed company whose primary listing is on the Stock Exchange may only purchase its shares on the Stock Exchange, either directly or indirectly, if: (i) the shares proposed to be purchased are fully-paid up, and (ii) its shareholders have given a specific approval or general mandate by way of an ordinary resolution of shareholders.

Size of mandate

The exercise in full of the Repurchase Mandate, on the basis of [**REDACTED**] Shares in issue immediately following completion of the [**REDACTED**] (assuming the Assumptions), could accordingly result in up to approximately [**REDACTED**] Class B Shares being repurchased by our Company.

The total number of shares which a listed company may repurchase on the Stock Exchange may not exceed 10% of the number of issued shares as of the date of the shareholder approval.

Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Class B Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

Source of funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles and the applicable Laws of the Cayman Islands.

Our Company shall not purchase its own Class B Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Any purchases by our Company may be made out of profits or out of an issue of new shares made for the purpose of the purchase or, if authorised by its Memorandum and Articles and subject to the Companies Ordinance, out of capital, and, in the case of any premium payable on the purchase out of profits or from sums standing to the credit of our share premium account or, if authorised by its Memorandum and Articles and subject to the Companies Ordinance, out of capital.

Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

Trading restrictions

A listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

A listed company may not repurchase its shares if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

Status of repurchased shares

Subject to the applicable requirements under the Listing Rules, the Company may cancel the repurchased Shares following settlement of any such repurchase or hold them as treasury shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases. If the Company decides to hold the repurchased Shares as treasury shares, the Company will, upon completion of the Share repurchase, withdraw these repurchased Shares from [**REDACTED**] and register the treasury shares in the Company's name.

The Company may re-deposit its treasury shares into [**REDACTED**] only if it has an imminent plan to resell them on the Stock Exchange, and it should complete the resale as soon as possible. For any treasury shares deposited with [**REDACTED**] pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to [**REDACTED**] to vote at general meetings for the treasury shares deposited with [**REDACTED**] pending resale; and (ii) in the case of dividends or distributions, withdraw the treasury shares from [**REDACTED**], and either re-register them in the Company's name as treasury shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

Holders of treasury shares (if any) shall abstain from voting on matters that require Shareholders' approval at the Company's general meetings.

Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates have a present intention, in the event the Repurchase Mandate is approved, to sell any Class B Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Class B Shares to our Company, or have undertaken to do so, if the Repurchase Mandate is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

Takeover implications

If, as a result of any repurchase of Class B Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Pursuant to Rule 8A.15 of the Listing Rules, in the event that the Directors exercise the Repurchase Mandate, the WVR Beneficiaries must reduce their weighted voting rights in the Company proportionately through conversion of a proportion of his shareholding into Class B Shares, if the reduction in the number of Shares in issue (after deducting any treasury Shares) would otherwise result in an increase in the proportion of Class A Shares. As such, to the best knowledge and belief of the Directors, the exercise of the Repurchase Mandate is not expected to give rise to an obligation of the WVR Beneficiaries to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code to make a mandatory offer. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

General

If the Repurchase Mandate were to be carried out in full at any time, there may be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse effect on our working capital or gearing position.

Our Directors will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws in the Cayman Islands. The Directors confirm that to the best of their knowledge and belief, neither the explanatory statement nor the proposed repurchase of Shares pursuant to the Repurchase Mandate has any unusual features.

We have not made any repurchases of our Class B Shares in the previous six months.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years immediately preceding the date of this document that are or may be material:

(a) [**REDACTED**]; and

(b) the [**REDACTED**].

2. Intellectual Property Rights

Save as disclosed below, as of the Latest Practicable Date, there were no other trademarks, service marks, patents, intellectual property rights, or industrial property rights which are or may be material in relation to our business.

Trademarks registered

As at the Latest Practicable Date, we had registered the following trademarks that we consider to be or may be material to our business in various jurisdictions including but not limited to Brazil, France, Germany, Spain, Italy and other regions of the European Union, the U.S. the U.K., Mexico, and Japan:

No.	Trademark	Registration Number	Class(es)	Expiry date (yyyy/mm/dd)
1 . .	SHEGLAM	926655299	35	2033-08-14
2 . .	SHEGLAM	926655159	3	2033-08-14
3 . .	MOTF	927529777	35	2033-10-02
4 . .	MOTF	927529700	25	2033-10-02
5 . .	MISSGUIDED	840654910	35	2036-07-12
6 . .	MISSGUIDED	840654898	25	2036-07-12
7 . .	SHEGLAM	928596290	25	2034-04-29
8 . .	SHEIN	914477030	35	2029-04-24

No.	Trademark	Registration Number	Class(es)	Expiry date (yyyy/mm/dd)
9 . .	SHEIN	914477005	25	2029-04-24
10 .	SHEIN	302021111140	35	2031-06-23
11 .	SHEIN	4782803	35	2031-07-04
12 .	SHEIN	6649063	35	2032-02-21
13 .	MOTF	7233453	14,18,35	2033-12-04
14 .	MOTF	6541275	25	2031-10-25
15 .	SHEIN	6861757	35	2032-10-03
16 .	GLOWMODE	6741315	25	2032-05-23
17 .	MUSERA	7631129	25	2034-12-31
18 .	SHEIN	6861756	25	2032-10-03
19 .	SHEIN	6649062	25	2032-02-21
20 .	SHEGLAM	2442932	35	2032-09-01
21 .	SHEGLAM	2442936	3	2032-09-01
22 .	MOTF	2477010	35	2032-11-15
23 .	ROMWE	1815805	35	2027-08-03
24 .	ROMWE	1815804	25	2027-08-03
25 .	SHEIN	2006721	35	2028-03-04
26 .	SHEIN	1889356	25	2028-03-04
27 .	SHEIN	2022503	3	2029-07-18
28 .	MUSERA	2714743	25	2034-06-13

No.	Trademark	Registration Number	Class(es)	Expiry date (yyyy/mm/dd)
29.	GLOWMODE	2275597	25	2031-07-15
30.	MOTF	2301225	25	2031-09-22
31.	MOTF	018711586	35	2032-05-30
32.	MOTF	018336793	25	2030-11-10
33.	SHEGLAM	018690497	3,9,16,35	2032-04-21
34.	ROMWE	017900314	9,14,16,18,20,21, 24,25,26,35	2028-05-13
35.	SHEIN	6459796	18,35	2031-10-20
36.	MOTF	6735890	25,35	2033-09-12
37.	MISSGUIDED	1183015	35	2033-09-22
38.	MISSGUIDED	1155103	9,14,18,25	2033-03-10
39.	EVERLANE	85701428	18,25,35	2033-04-02
40.	SHEIN	6267298	25	2030-07-07
41.	MUSERA	6847427	25	2034-09-25
42.	SHEIN	M4129544	35	2031-06-28
43.	SHEIN	302021000122213	35	2031-07-29
44.	ROMWE	UK00917900314	9,14,16,18,20,21, 24,25,26,35	2028-05-13
45.	SHEIN	UK00003551044	25	2030-11-01
46.	SHEIN	UK00003277376	14,18,35	2027-12-14
47.	MOTF	UK00003555654	25	2030-11-12
48.	MOTF	UK00003794812	14,18,35	2032-05-30
49.	SHEGLAM	UK00003782486	3,9,16,35	2032-04-27

No.	Trademark	Registration Number	Class(es)	Expiry date (yyyy/mm/dd)
50 .	GLOWMODE	UK00003635083	25	2031-04-29
51 .	SHEIN	UK00003704949	3,9,20,21,24,26,42	2031-09-29
52 .	MUSERA	UK00003998777	25	2034-01-05

Copyrights

Software copyrights

As at the Latest Practicable Date, we had registered the following software copyrights which we consider to be or may be material to our business:

No.	Software Copyright	Place of registration	Registration number
1.. .	ROWME Mobile Shopping Application (IOS) Version V4.7	United States	TX 8-907-776
2.. .	SHEIN Mobile Shopping Application Version 1.0.0	United States	TX 8-909-467
3. .	SHEIN Mobile Shopping Application (IOS) Version V7.2	United States	TX8-921-380
4.. .	消息平台V1.0	PRC	2021SR0499674
5.. .	統一API網關系統V2.2.9	PRC	2021SR0499669
6.. .	數據庫優化平台V1.0	PRC	2021SR0499672
7.. .	會計統一處理平台V1.0.15	PRC	2021SR0499701
8. .	告警平台V1.2.9	PRC	2021SR0499697
9.. .	SHEIN商品查詢系統V0.1.0.8	PRC	2021SR0499671
10..	shein成本管理系統V1.0	PRC	2021SR0517549
11..	shein統一變更看板系統V1.0	PRC	2021SR0499670
12..	希音站內信(重構)軟件V1.0	PRC	2020SR0643681
13..	希音用戶中心管理軟件V1.0(用戶中心管理系統)	PRC	2020SR0458654
14..	希音業務總控軟件V1.0.0(業務總控平台)	PRC	2020SR0659806
15..	希音收款對賬軟件V1.0(收款對賬系統)	PRC	2020SR0445045
16..	希音訂單中台軟件V1.0	PRC	2020SR0643110
17..	希音Nginx限流平台軟件V1.3.0(限流平台)	PRC	2020SR0657457
18..	希音LtMqClient管理軟件V1.0.0(消息隊列客戶端)	PRC	2020SR0657473

Patents

As at the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Patent category	Place of registration	Registration number	Registration date (yyyy/mm/dd)	Term
1. . .	Image-based sensitive text comparison and matching method, storage device and intelligent terminal	Invention	PRC	CN115620323B	2025-05-09	17 years and 3 months
2. . .	A packaging consumables recommendation method, device, equipment and storage medium	Invention	PRC	CN114581011B	2024-12-27	17 years and 2 months
3. . .	Measuring ruler with self-locking function	Invention	United States	US12163778B2	2024-12-10	18 years and 6 months
4. .	A kind of active imitation yarn-dyed fabric and its production method and application	Invention	PRC	CN116446197B	2024-09-03	18 years and 6 months
5. . .	Fabric with cool feeling function and preparation method thereof	Invention	PRC	CN115110198B	2024-08-30	17 years and 10 months
6. . .	Distributed simulation optimisation method, system, equipment and medium based on asynchronous process	Invention	PRC	CN116775220B	2024-04-12	19 years and 2 months
7. . .	The present invention relates to a one-way moisture-conducting knitted fabric and its preparation method	Invention	PRC	CN114990767B	2024-01-30	18 years and 4 months
8. . .	The present invention relates to an ink-jet ink and its preparation method and application	Invention	PRC	CN114000366B	2023-12-12	17 years and 11 months
9. . .	The invention relates to a thermal transfer printing method of fabric	Invention	PRC	CN115094652B	2023-11-14	18 years and 7 months

No.	Patent	Patent category	Place of registration	Registration number	Registration date (yyyy/mm/dd)	Term
10. .	The invention relates to a thermal transfer printing method for blended fabrics	Invention	PRC	CN115142284B	2023-11-14	18 years and 6 months
11. .	The present invention relates to an active digital printing method of low-alkali base slurry	Invention	PRC	CN115012231B	2023-09-19	18 years and 8 months
12. .	Payment routing method, device, equipment and storage medium	Invention	PRC	CN114997879B	2022-11-1	19 years and 8 months
13. .	The invention discloses a wave order planning method utilising roadway concentration and minimized set coverage	Invention	PRC	CN113592199B	2022-06-07	19 years and 2 months
14. .	The invention relates to a digitally active cold transfer printing steaming-free washing-free water auxiliary agent and a method thereof	Invention	PRC	CN110886102B	2022-05-31	17 years and 5 months
15. .	The invention discloses a cargo picking wave planning method based on parcel clustering and warehouse location recommendation	Invention	PRC	CN113537640B	2022-05-03	19 years and 3 months

Patents applications pending

As at the Latest Practicable Date, we had applied for the registration of the following patents which we consider to be or may be material to our business:

No.	Patent	Patent category	Place of registration	Application number	Application date (yyyy/mm/dd)
1. . .	The present invention relates to method for positioning empty container and its related product	Invention	PRC	CN202411874199.0	2024-12-18

No.	Patent	Patent category	Place of registration	Application number	Application date (yyyy/mm/dd)
2. . .	A decolouring method for waste and old colored terylene textile	Invention	PRC	CN202411639304.2	2024-11-15
3. . .	Goods delivery method and related products	Invention	PRC	CN202411173518.5	2024-08-23
4. . .	Printing and dyeing method and ink supply system thereof	Invention	PRC	CN202411210376.5	2024-08-29
5. . .	A terylene waste recovery system and method	Invention	PRC	CN202411302942.5	2024-09-18
6. . .	Order quality inspection definition method, system, equipment and medium based on funnel model	Invention	PRC	CN202410418432.8	2024-04-08
7. . .	Material accounting method, system, equipment and medium based on automatic clothing discharging	Invention	PRC	CN202410370731.9	2024-03-28
8. . .	Production control method, system and device for thermal transfer printer and storage medium	Invention	PRC	CN202311460239.2	2023-11-03
9. . .	Logistics management method, system, equipment and medium based on dynamic threshold	Invention	PRC	CN202310795341.1	2023-06-30

No.	Patent	Patent category	Place of registration	Application number	Application date (yyyy/mm/dd)
10. .	Ink buffering agent, ink-jet ink and preparation method and application of ink-jet ink	Invention	PRC	CN202310331703.1	2023-03-31
11. .	The invention relates to a digital printing processing method of knitted fabric	Invention	PRC	CN202211577498.9	2022-12-05

Domain names

As at the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain name	Expiry date (yyyy/mm/dd)
1.. . .	shein.ax	2028-07-16
2.. . .	shein.al	2027-03-29
3.. . .	shein.cr	2027-03-29
4.. . .	shein.ly	2027-03-29
5.. . .	shein.pr	2027-03-29
6.. . .	shein.ba	2027-03-29
7.. . .	shein.bo	2027-03-29
8.. . .	shein.hr	2027-03-29
9.. . .	shein.re	2027-03-29
10.. .	shein.lk	2027-03-29
11.. .	shein.md	2027-03-29
12.. .	shein.ni	2027-03-30
13.. .	shein.gp	2027-03-30
14.. .	shein.mu	2027-03-30
15.. .	shein.gf	2027-03-30
16.. .	shein.gy	2027-03-30
17.. .	shein.lc	2027-03-30
18.. .	shein.ci	2027-03-30
19.. .	shein.ag	2027-03-30
20.. .	shein.gd	2027-03-30
21.. .	shein.sc	2027-03-30
22.. .	shein.mq	2027-03-30

No.	Domain name	Expiry date (yyyy/mm/dd)
23. . .	shein.ge	2027-03-30
24. . .	shein.bz	2027-03-30
25. . .	shein.hn	2027-04-01
26. . .	shein.ht	2027-04-01
27. . .	shein.bg	2027-04-03
28. . .	shein.si	2027-04-15
29. . .	shein.sa	2027-04-20
30. . .	shein.kn	2027-04-24
31. . .	shein.ae	2027-05-13
32. . .	shein.bh	2027-07-08
33. . .	shein.th	2027-07-28
34. . .	shein.sg	2026-10-24
35. . .	shein.am	2027-03-07
36. . .	shein.pk	2027-03-21
37. . .	shein.do	2028-03-29
38. . .	shein.gt	2028-03-29
39. . .	shein.bs	2028-03-30
40. . .	shein.mx	2029-09-14
41. . .	shein.us	2029-10-12
42. . .	shein.es	2029-12-13
43. . .	shein.se	2031-02-07
44. . .	shein.com	2028-01-15
45. . .	shein.asia	2027-04-15
46. . .	shein.shop	2027-03-20

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors' service contracts and appointment letters

Executive Directors

Each of our executive Directors entered into a service contract with our Company on [●]. The term of appointment shall be for an initial term of three years from the [**REDACTED**] or until the third annual general meeting of our Company after the [**REDACTED**], whichever is sooner (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement by giving not less than three months' written notice.

[The executive Directors are not entitled to receive any remuneration in their capacities as executive Directors under their respective service contracts.]

Independent non-executive Directors

Each of our independent non-executive Directors entered into a director agreement with our Company on 20 June 2025. The term of appointment shall take effect as of the date on which such appointment is approved to become effective by shareholders resolutions of the Company (the "Effective Date"), until the earlier of (i) the date on which the Director ceases to be a member of the Board for any reason; (ii) the date of termination of the director agreement in accordance with its term; (iii) four (4) years from the Effective Date; and (iv) three (3) years from the [**REDACTED**] (subject to retirement as and when required under the Articles of Association). Either party may terminate the agreement at any time upon thirty (30) days' prior written notice to the other party, or such shorter period as the parties may agree upon.

The compensation of our independent non-executive Directors payable by us under their respective appointment letters is (i) an annual cash compensation of US$100,000 to be paid equally in arrears on a quarterly basis starting from the Effective Date; (ii) on the [**REDACTED**] and each anniversary date of the [**REDACTED**], restricted share units representing such number of Class B Shares with an aggregate value of US$200,000; and (iii) if the Director is elected to be the chairman of a Board committee on or following the [**REDACTED**], an additional annual grant of such number of restricted share units representing such number of Class B Shares with an aggregate value of US$50,000 on the first day that the Director serves as such role on or after the [**REDACTED**] and the anniversary days thereof, subject to the terms of the director agreement (including but not limited to the compliance with all applicable laws, regulations and rules (including the Listing Rules) and the terms of the Company's share incentive programme(s) or plan(s)). It is expected that on the [**REDACTED**], the Company will grant restrictive share units pursuant to the then effective Share Incentive Plan(s) of the Company at the [**REDACTED**].

2. Remuneration of Directors

[Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).]

The aggregate amount of remuneration paid and benefits in kind granted to our Directors by our Group for the year ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 was approximately US$3 million, US$3 million, US$3 million and less than US$1 million, respectively.

Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind (excluding share-based compensation) receivable by, our Directors by any member of our Group in respect of the year ended 31 December 2026 will be approximately US$4 million.

3. Disclosure of interests

(i) Interests and short positions of our Directors in the share capital of our Company or our associated corporations following completion of the [REDACTED]

Immediately following completion of the [**REDACTED**] (assuming the Assumptions), the interests and/or short positions (as applicable) of our Directors and chief executives in the shares, underlying shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Interest in our Company

Name of director or chief executive	Nature of interest	Underlying number and class of shares	Approximate % of interest in respective class of shares immediately after the [REDACTED][1]	Approximate % of total voting rights immediately after the [REDACTED][1]
Sky Yangtian Xu	Interest in controlled corporations; founder of a discretionary trust; beneficiary of a trust[2]	[REDACTED] Class A Shares	[REDACTED]% of Class A Shares	[REDACTED]%
	Interest in controlled corporations; founder of a discretionary trust; beneficiary of a trust[2]	[REDACTED] Class B Shares	[REDACTED]% of Class B Shares	[REDACTED]%
Molly Miao Miao	Interest in controlled corporations; founder of a discretionary trust; beneficiary of a trust[3]	[REDACTED] Class A Shares	[REDACTED]% Class A Shares	[REDACTED]%
	Interest in controlled corporations; founder of a discretionary trust; beneficiary of a trust[3]	[REDACTED] Class B Shares	[REDACTED]% of Class B Shares	[REDACTED]%
Maggie Xiaoqing Gu . .	Interest in controlled corporations; founder of a discretionary trust; beneficiary of a trust[4]	[REDACTED] Class A Shares	[REDACTED]% Class A Shares	[REDACTED]%

Name of director or chief executive	Nature of interest	Underlying number and class of shares	Approximate % of interest in respective class of shares immediately after the [REDACTED](1)	Approximate % of total voting rights immediately after the [REDACTED](1)
	Interest in controlled corporations; founder of a discretionary trust; beneficiary of a trust(4)	**[REDACTED]** Class B Shares	**[REDACTED]**% of Class B Shares	**[REDACTED]**%
Tony Xiaoqing Ren . . .	Interest in controlled corporations; founder of a discretionary trust; beneficiary of a trust(5)	**[REDACTED]** Class A Shares	**[REDACTED]**% Class A Shares	**[REDACTED]**%
	Interest in controlled corporations; founder of a discretionary trust; beneficiary of a trust(5)	**[REDACTED]** Class B Shares	**[REDACTED]**% of Class B Shares	**[REDACTED]**%

Notes:

(1) The calculation is based on the total number of [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares issued and outstanding immediately after completion of the [**REDACTED**], subject to the Assumptions.

(2) [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares will be held by Apex Sight Holdings Limited which is wholly-owned and controlled by XYT Holdings Limited, and Mr. Sky Yangtian Xu is the sole director of Apex Sight Holdings Limited. XYT Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Mr. Sky Yangtian Xu is the settlor of this trust, and he and his family members are the beneficiaries of this trust.

(3) [**REDACTED**] of the Class A Shares and [**REDACTED**] Class B Shares will be held by Upright Victory Holdings Limited, which is wholly-owned and controlled by MM Style Limited. Ms. Molly Miao Miao is the sole director of Upright Victory Holdings Limited. MM Style Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Ms. Molly Miao Miao is the settlor of this trust, and she and her family members are the beneficiaries of this trust. [**REDACTED**] Class B Shares will be held by Trendy Group Holdings Limited which is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. The trust's beneficiaries are each of the WVR Beneficiaries' holding vehicles, namely Apex Sight Holdings Limited, Upright Victory Holdings Limited, Floral Field Holdings Limited and Color Park Holdings Limited. Ms. Molly Miao Miao is the sole member of this trust's advisory committee and therefore controls the voting rights attached to the Class B Shares held by Trendy Group Holdings Limited.

(4) [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares will be held by Floral Field Holdings Limited, which is wholly-owned and controlled by GXQ Holdings Limited. Ms. Maggie Xiaoqing Gu is the sole director of Floral Field Holdings Limited. GXQ Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Ms. Maggie Xiaoqing Gu is the settlor of this trust, and she and her family members are the beneficiaries of this trust.

(5) [**REDACTED**] Class A Shares and [**REDACTED**] Class B Shares will be held by Color Park Holdings Limited, which is wholly-owned and controlled by RXQ Holdings Limited. Mr. Tony Xiaoqing Ren is the sole director of Color Park Holdings Limited. RXQ Holdings Limited is a British Virgin Islands company, with a trust established pursuant to the laws of the Cayman Islands being its sole shareholder and an entity appointed by the trustee serving as its sole director. Mr. Tony Xiaoqing Ren is the settlor of this trust, and he and his family members are the beneficiaries of this trust.

(ii) Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO

For information, so far as is known to our Directors or chief executive, of each person, other than our Director or chief executive, who immediately following completion of the [**REDACTED**] (assuming the Assumptions) will 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 the SFO, or, is, directly or indirectly, interested in 10% or more of the issued voting shares of any class of shares of our Company or any other member of our Group, see "Substantial Shareholders".

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [**REDACTED**], be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such capital.

D. SHARE INCENTIVE PLANS

1. Pre-[REDACTED] ESOP

Summary of key terms

The following is a summary of the principal terms of the Pre-[**REDACTED**] ESOP. The terms of the Pre-[**REDACTED**] ESOP are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-[**REDACTED**] ESOP does not involve the grant of awards by our Company to subscribe for new Shares upon the [**REDACTED**].

We have applied to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules; and (ii) an exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the disclosure requirements of paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See "Waivers and Exemptions — Waiver and Exemption in respect of the Pre-[**REDACTED**] ESOP" for more information.

Purpose

The purpose of this plan is to attract and retain the best available personnel, to provide additional incentives to employees, directors, and consultants and to promote the success of the Company's business.

Eligible participants

The Company may grant awards to its directors, employees and consultants.

Types of awards

This plan permits the awards of shares, cash, options, share appreciation rights, dividend equivalent rights, restricted shares, sales or bonuses of restricted shares, restricted share units ("**RSUs**"), or any type of arrangement that is not inconsistent with the provisions of the plan (each an "**award**"). Shares to be issued pursuant to the Pre-[**REDACTED**] ESOP shall be authorised, but unissued, or reacquired ordinary shares.

Maximum number of Shares

Under the Pre-[**REDACTED**] ESOP, the maximum aggregate number of ordinary shares that may be issued pursuant to all awards is 9,278,597 ordinary shares (to be proportionally adjusted to reflect any share dividends, share splits, or similar transactions) and no more than 9,278,597 ordinary shares (without taking into account the Share Split) may be issued in aggregate pursuant to the exercise of incentive stock options.

Plan administration

The Pre-[**REDACTED**] ESOP should be administered by the chairman of the Board or a natural person or a committee designated by the chairman of the Board. The plan administrator will determine the grantees to receive awards, whether and to what extent awards are granted, the type and number of awards to be granted to each grantee, forms of award agreements or related award documents for use, and the terms and conditions of each grant.

Terms and conditions of awards

Awards granted under the Pre-[**REDACTED**] ESOP are evidenced by an award agreement that sets forth the terms, conditions and limitations for each award. The term of each award is specified in the award agreement. Under the Pre-[**REDACTED**] ESOP, the specified term of any award granted shall not exceed ten years from the date of grant.

Vesting schedule

In general, the plan administrator determines the vesting schedule, which is specified in the relevant award agreement. Except as approved by the plan administrator, options to be issued to the grantees under the Pre-[**REDACTED**] ESOP are subject to a vesting schedule of four years, and details of the vesting schedule and the vesting arrangement should be set forth in the award agreement.

Transfer restrictions

Subject to the applicable laws, awards should be transferable or otherwise disposed of (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the grantee, to the extent and in the manner authorised by the plan administrator.

Adjustment

In the event of among other, change in capitalisation, reorganisation or liquidation of the Company, the plan administrator shall make such equitable adjustments, if any, subject to any required action by the shareholders of the Company, to the number of Shares subject to an award, exercise or purchase price and the vesting periods of the outstanding awards, as well as any other terms that the plan administrator determines require adjustment.

Duration, amendment, modification or termination

The Pre-[**REDACTED**] was adopted by the Board and approved by the stockholders effective as of 30 November 2018 with an initial term of ten (10) years. It was later amended and restated on 1 January 2023 and subsequently amended on 1 April 2024 to extend the term of the Pre-[**REDACTED**] ESOP for another ten (10) years, resulting in a total term of twenty (20) years, unless sooner terminated or extended before expiration. Any awards that are outstanding on the expiration date of the Pre-[**REDACTED**] ESOP shall remain in full force and effect according to the terms of the Pre-[**REDACTED**] ESOP and the applicable award agreement. The chairman of the Board has the authority to terminate, amend or suspend the Pre-[**REDACTED**] ESOP; provided, however, that no such amendment should be made without the approval of Shareholders to the extent such approval is required by the applicable laws. No Award may be granted during any suspension of the Pre-[**REDACTED**] ESOP or after termination of the Pre-[**REDACTED**] ESOP.

However, no suspension or termination of the Pre-[**REDACTED**] ESOP shall adversely affect any rights under awards already granted to a grantee.

Details of outstanding awards granted

As at the Latest Practicable Date, options to purchase a total of 149,047,300 Class B Shares and restricted share units to receive a total of 12,120,000 Class B Shares had been granted and were outstanding under the Pre-[**REDACTED**] ESOP. Immediately following completion of the [**REDACTED**] (assuming the Assumptions), the aggregate number of Class B Shares underlying all options and RSUs granted represents approximately [**REDACTED**]% of the issued Shares immediately following the completion of the [**REDACTED**]. Assuming full vesting and exercise of all options and RSUs granted under the Pre-[**REDACTED**] ESOP, the shareholding of our Shareholders immediately following completion of the [**REDACTED**] (assuming the Assumptions) will be diluted by approximately [**REDACTED**]% and our earnings per Share will be diluted by approximately [**REDACTED**]%.

As of the Latest Practicable Date, our Company has granted outstanding options and RSUs to 4,077 participants under the Pre-[**REDACTED**] ESOP, including Directors, senior management, other connected persons of the Company, and other employees and consultants of the Group. The Company will not grant further awards under the Pre-[**REDACTED**] ESOP after the [**REDACTED**]. No consideration was payable by the grantees for the grant of the award under the Pre-[**REDACTED**] ESOP.

The table below shows the details of the outstanding options granted to the Directors, senior management and other connected persons of the Company under the Pre-[**REDACTED**] ESOP as of the Latest Practicable Date:

Name	Position	Address	Number of Class B Shares underlying outstanding options	Exercise Price (per Share)	Date of Grant	Vesting Period(2)	Approximate percentage of issued Shares immediately after completion of [REDACTED](1)
				(US$)			
[REDACTED] . .	[**REDACTED**]	[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
[REDACTED] . .	[**REDACTED**]	[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
[REDACTED] . .	[**REDACTED**]	[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
[REDACTED] . .	[**REDACTED**]	[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:			[REDACTED]				[REDACTED]%

Notes:

(1) Percentages are subject to the Assumptions.

(2) The exercise period of the Options granted under the Pre-[**REDACTED**] ESOP shall commence from the date on which the relevant options become vested and end on 29 November 2028 (i.e . the expiration date specified in the option award agreement), subject to the terms of the Pre-[**REDACTED**] ESOP and the option award agreement signed by the grantee.

The table below shows the details of the RSUs granted to the Directors, senior management and other connected persons of the Company under the Pre-[**REDACTED**] ESOP as of the Latest Practicable Date:

Name	Position	Number of Class B Shares underlying the RSUs	Grant Price (per Share)	Date of Grant	Vesting Period	Approximate percentage of issued Shares immediately after completion of [REDACTED][1]
			(US$)			
[REDACTED] . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
[REDACTED] . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
[REDACTED] . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Subtotal:		[REDACTED]				[REDACTED]%

Note:

(1) Percentages are subject to the Assumptions.

The table below shows the details of the outstanding options granted to the remaining 3,905 grantees, who are not Directors, senior management, connected persons of the Company, under Pre-[**REDACTED**] ESOP as of the Latest Practicable Date:

Range of Class B Shares underlying options under the Pre-[REDACTED] ESOP	Total number of grantees	Total number of Class B Shares underlying options	Exercise Price (per Share)	Date of grant	Vesting Period[2]	Approximate percentage of issued Shares immediately after completion of [REDACTED][1]
			(US$)			
Over 50,000 Shares .	115	56,780,900	0	2016/06/28-2026/01/01	2 years – 5 years	[REDACTED]%
5,001 Shares to 50,000 Shares . . .	1,002	13,171,900	0	2020/09/30-2026/04/01	2 years – 5 years	[REDACTED]%
0 Shares to 5,000 Shares	2,788	5,475,050	0	2020/12/31-2026/04/01	0 year – 5 years	[REDACTED]%
Subtotal:	**3,905**	**75,427,850**				[REDACTED]%

Notes:

(1) Percentages are subject to the Assumptions.

(2) The exercise period of the options granted under the Pre-[**REDACTED**] ESOP shall commence from the date on which the relevant options become vested and end on 29 November 2028 (i.e. the expiration date specified in the option award agreement), subject to the terms of the Pre-[**REDACTED**] ESOP and the option award agreement signed by the grantee.

The table below shows the details of the RSUs granted to the remaining 165 grantees, who are not Directors, senior management, connected persons of the Company, under the Pre-[**REDACTED**] ESOP as of the Latest Practicable Date:

Range of Class B Shares underlying RSUs under the Pre-[REDACTED] ESOP	Total number of grantees	Total number of Class B Shares underlying RSUs	Grant Price (per Share)	Date of grant	Vesting Period	Approximate percentage of issued Shares immediately after completion of [REDACTED][(1)]
			(US$)			
Over 50,000 Shares	19	10,011,950	0	2021/09/20-2024/07/01	0 year – 5 years	[**REDACTED**]%
5,001 Shares to 50,000 Shares	72	1,171,500	0	2021/08/23-2026/04/01	2 years – 5 years	[**REDACTED**]%
0 Shares to 5,000 Shares	74	214,400	0	2021/3/31-2026/04/01	4 years – 5 years	[**REDACTED**]%
Subtotal:	**165**	**11,397,850**				[**REDACTED**]**%**

Note:

(1) Percentages are subject to the Assumptions.

2. Post-[REDACTED] Share Scheme

The following is a summary of the principal terms of the Post-[**REDACTED**] Share Scheme conditionally adopted by our Shareholders by resolutions of the Shareholders dated [●]. The terms of the Post-[**REDACTED**] Share Scheme will be governed by Chapter 17 of the Listing Rules. For the purposes of the Post-[**REDACTED**] Share Scheme, references to Shares are for Class B Shares and include treasury shares, and references to the issue of or subscription for Shares include the transfer of treasury shares

Purpose

The purposes of the Post-[**REDACTED**] Share Scheme are: (a) to provide eligible participants with the opportunity to acquire proprietary interests in our Company and to encourage the eligible participants to work towards enhancing the value of our Company and the shares for the benefit of our Company and our Shareholders as a whole; (b) to encourage and retain eligible participants and attract talents to make contributions to the long-term development goals of our Group; and (c) to provide our Company with a flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to eligible participants.

Eligible participants

The eligible participants of the Post-[**REDACTED**] Share Scheme are: (a) directors and employees (whether full-time or part-time) of our Group (including persons who are granted awards under the Post-[**REDACTED**] Share Scheme as an inducement to enter into employment contracts with any member of our Group) ("**Employee Participants**"); (b) directors and employees of the a holding company of our Company, subsidiaries of the holding company other than members of our Group and associated companies of our Company ("**Related Entity Participants**"); and (c) persons (whether a natural person, a corporate entity or otherwise) who provide services to our Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of our Group ("**Service Provider Participants**") (collectively, the "**Eligible Participants**").

The Board or a committee of the Board or other persons to whom the Board has delegated its authority to administer the Post-[**REDACTED**] Share Scheme in accordance with the Post-[**REDACTED**] Share Scheme (the "**Scheme Administrator**") may, at its sole and absolute discretion, select any Eligible Participant for participation in the Post-[**REDACTED**] Share Scheme based on such Eligible Participant's contribution to the development and growth of our Group.

In particular, Service Provider Participants include:

i. outsourced persons engaged by our Group that provide services which are material or significant and relevant to our Group's operations on a regular or recurring basis;

ii. consultants who provide consultancy services material or significant and relevant to our Group's operations (including but not limited to services in recruitment, tax, research and development, industry insight and market advisory services), engage with our Group on a regular or recurring basis, and have specialties or expertise in areas that supplement our Group (including the industries in which the Group directly or indirectly operates) or with which our Group would consider important to maintain a close business relationship on an ongoing basis;

iii. suppliers who supply our Group with goods and/or services on a regular or recurring basis, with which our Group would consider important to maintain a close business relationship on an ongoing basis, and in turn, it would be beneficial to our Group's business relationship to grant such supplier with proprietary ownership in our Company and to encourage the supplier to have a vested shareholding interest in our Group and in our Group's future development; and

iv. agents and contractors who provide important services to our Group on a regular or recurring basis with which our Group would consider important to maintain a close collaborative relationship on an ongoing basis, that in turn, it would be beneficial to the collaboration between our Group and the agents and/or contractors to grant such agents and/or contractors proprietary ownership in our Company and to encourage the agents and/or contractors to have a vested shareholding interest in our Group and our Group's future development.

For the avoidance of doubt, placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity may not participate in the Post-[**REDACTED**] Share Scheme.

In assessing the eligibility of Service Provider Participants, the Board or the Scheme Administrator will consider all relevant factors as appropriate, on a case-by-case basis based on qualitative and quantitative performance indicators, including, among others: (a) the length of business relationship with our Group; (b) the materiality and nature of the business relationship with our Group (such as whether they relate to the core business of our Group and whether such business dealings could be readily substituted by third parties); (c) the track record in the quality of services provided to and/or cooperation with our Group; and (d) the scale of business dealing with our Group with regards to factors such as the actual or expected change in our Group's business or financial performance which is or may be attributable to them.

In assessing whether a Service Provider Participants provides services to our Group on a continuing and recurring basis, the Board or the Scheme Administrator will take into account all relevant factors as appropriate, including, among others: (a) the length and type of services provided to our Group in the past twelve (12) months, and the recurrences and regularity of such services; (b) the period of engagement of the Service Provider; (c) how the selection metrics benchmark against comparable metrics used to determine other Eligible Participants who have been granted awards under our Company's equity incentives; (d) our Group's objectives in engaging the service provider and how granting awards to the service provider would align with the purpose of the Post-[**REDACTED**] Share Scheme or benefit our Group; and (e) the remuneration packages of comparable [**REDACTED**] peers for similar service providers, if any, based on available industry information.

In assessing whether a service provider provides services to our Group in our Company's ordinary and usual course of business, the Board or the Scheme Administrator will take into account factors such as: the nature of the services provided to our Group by the service provider, and whether such services form part of or are directly ancillary to the businesses conducted by our Group, as disclosed in our Company's financial reports from time to time.

Maximum number of Shares

The total number of Shares which may be issued upon exercise of all awards to be granted under the Post-[**REDACTED**] Share Scheme together with the number of Shares which may be issued pursuant to any awards to be granted under any other share schemes of the Company is no more than 10% of the total number of shares of the Company in issue (including both Class A ordinary shares and Class B ordinary shares but excluding any treasury shares) on the date the Shares commence trading on the Stock Exchange (the "**Scheme Mandate Limit**"). For the avoidance of doubt, Shares issued or to be issued pursuant to awards made under the Pre-[**REDACTED**] ESOP shall not be subject to the Scheme Mandate Limit.

Within the Scheme Mandate Limit, the total number of Shares which may be issued pursuant to all awards under the Post-[**REDACTED**] Share Scheme together with the number of Shares which may be issued under any other share schemes of the Company, all of which to be granted to Service Provider Participants under the Post-[**REDACTED**] Share Scheme shall be not more than 2% of the total number of shares of the Company in issue (including both Class A ordinary shares and Class B ordinary shares but excluding any treasury shares) on the date the Shares commence trading on the Stock Exchange (the "**Service Provider Sublimit**"). For the avoidance of doubt, awards which have lapsed in accordance with the terms of the rules of the Post-[**REDACTED**] Share Scheme (or any other share schemes of the Company) shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

The Scheme Mandate Limit and the Service Provider Sublimit may be refreshed: (a) from the later of three (3) years after the date on which the Shares commence trading on the Stock Exchange or three (3) years after the date of the previous shareholder approval for refreshment of the Scheme Mandate Limit or Service Provider Sublimit (as the case may be), with the prior approval of our Shareholders in general meeting by way of ordinary resolution; or (b) at any time, with the prior approval from our Shareholders in general meeting and subject to compliance with any other requirements prescribed under the Listing Rules from time to time.

However, the refreshed Scheme Mandate Limit shall not exceed 10% of the total number of shares of the Company in issue (including both Class A ordinary shares and Class B ordinary shares but excluding any treasury shares) as of the date of such approval to refresh the Scheme Mandate Limit by the Shareholders in general meeting. Awards previously granted under the Post-[**REDACTED**] Share Scheme and any other share schemes of our Company (and to which provisions of Chapter 17 of the Listing Rules are applicable) (including those exercised, outstanding, canceled or lapsed in accordance with its terms), shall not be counted for the purpose of calculating the number of Shares that may be issued under the Scheme Mandate Limit as refreshed.

Our Company may seek separate approval of the Shareholders in general meeting to grant awards in excess of the Scheme Mandate Limit to specifically identified Eligible Participants, subject to compliance with the requirements set out in the Listing Rules.

Limits on Grant of Awards

The Board or the Scheme Administrator may, from time to time, in their absolute discretion select any Eligible Participant to be a grantee and, subject to the rules of the Post-[**REDACTED**] Share Scheme, grant an award under the Post-[**REDACTED**] Share Scheme to such grantee during the scheme period. The nature, amount, terms and conditions of any such award so granted shall be determined by the Board or Scheme Administrator in their sole and absolute discretion.

An award may take the form of: (i) an award which vests in the form of the right to subscribe for and/or be issued such number of Shares as the Board or the Scheme Administrator may determine at the issue price in accordance with the terms of the Post-[**REDACTED**] Share Scheme (a "**Share Award**"); or (ii) an award which vests in the form of the right to subscribe for such number of Shares as the Board or the Scheme Administrator may determine during the exercise period at the exercise price in accordance with the terms of the Post-[**REDACTED**] Share Scheme (a "**Share Option**").

Unless approved by our Shareholders, the total number of Shares issued and to be issued in respect of awards granted and to be granted under the Post-[**REDACTED**] Share Scheme and any other share scheme(s) of the Company to each Eligible Participant (including both exercised and outstanding Share Options) in any 12-month period shall not exceed 1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue (including both Class A Shares and Class B Shares but excluding any treasury shares) (the "**Individual Limit**"). Any further grant of awards to an Eligible Participant which would exceed the Individual Limit shall be subject to separate approval of our Shareholders in general meeting, with the relevant Eligible Participant and their associates abstaining from voting. A circular shall be sent to our Shareholders disclosing the information required under the Listing Rules. The number and terms of the awards to be granted to such Eligible Participant shall be fixed before Shareholders' approval is sought. For any Share Options to be granted in such circumstances, the date of the Board meeting for proposing such grant shall be the date of grant for the purpose of calculating the exercise price.

Any grant of awards to any Director, including any Director who is a beneficiary of Class A ordinary shares of the Company (a "**WVR Director**"), chief executive of our Company, or any of their respective associates, shall be subject to: (i) the prior approval of the remuneration committee of the Board (excluding any member who is the proposed grantee); (ii) the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee); and (iii) in respect of any WVR Director only, recommendation on the grant from the corporate governance committee of the Board.

Any grant of awards to any substantial shareholder of our Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors.

In addition:

(a) where any grant of Share Awards (but not any grant of Share Options) to any Director (other than an independent non-executive Director) or chief executive of our Company or any of their associates would result in the Shares issued and to be issued in respect of all awards granted under the Post-[**REDACTED**] Share Scheme together with awards granted under any other share schemes of our Company (excluding any awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the total number of shares of our Company in issue (including both Class A Shares and Class B Shares but excluding any treasury shares); or

(b) where any grant of awards to an independent non-executive Director or substantial shareholder of our Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all awards granted under the Post-[**REDACTED**] Share Scheme together with awards granted under any other share schemes of our Company (excluding any awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the total number of shares of our Company in issue (including both Class A Shares and Class B Shares but excluding any Treasury Shares; or

(c) where the Shares issued and to be issued under all awards granted to an individual grantee (excluding awards lapsed under the Post-[**REDACTED**] Share Scheme) within any 12-month period (including the date of the latest grant) represent in aggregate over 1% of the total number of shares of our Company in issue (including both Class A Shares and Class B Shares but excluding any Treasury Shares),

such further grant of Awards must be approved by shareholders of our Company in general meeting in the manner required, and subject to the requirements set out in the Listing Rules.

Performance target

The Board or the Scheme Administrator may, in respect of each award and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of awards in its sole and absolute discretion. Any such performance targets, criteria or conditions shall be set out in the award agreement. The Board or the Scheme Administrator shall not set any performance targets in the award agreement in respect of awards granted to any independent non-executive Director.

The performance targets refer to any performance measures, or derivations of such performance measures that may be related to the individual grantee or our Group as a whole, or to a subsidiary, division, department, region, function or business unit of our Company or the relevant Related Entity or the relevant service provider. The Board or the Scheme Administrator shall take into account the following factors in making such determination, including but not limited to: (a) the contribution of the Eligible Participants to our Group's financial or business performance; (b) the individual performance appraisal of the Eligible Participants; (c) the key operational/financial metrics of our Group or any line of business; (d) the business goals and future development milestones of our Group or any line of business; and (e) any other matters deemed relevant by the Board or the Scheme Administrator. The Board or the Scheme Administrator shall also establish robust mechanisms to ensure impartial evaluation of such indicators. For the avoidance of doubt, an award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant award agreement.

The performance targets will be assessed periodically, on an absolute basis or a relative basis (such as relative to a pre-established target, to previous year's results or to a designated comparison group), as specified by the Board or the Scheme Administrator in its sole discretion.

Exercise price and exercise period

For awards which take the form of Share Options, the exercise price for such Share Options (the "**Exercise Price**") shall be determined by the Board or the Scheme Administrator but shall in any event be no less than the higher of:

(a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

(b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five (5) business days immediately preceding the date of grant; and

(c) the nominal value of the Shares.

The exercise period for such Share Options shall in any event be not longer than ten (10) years from the date of grant. A Share Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the date of grant.

Transferability

An award shall be personal to the grantee to whom they are made, and shall not be transferable or assignable except in circumstances where the written consent of the Company has been obtained and a waiver has been granted by the Stock Exchange for such transfer in compliance with the requirements of the Listing Rules and provided that any such transferee shall be bound by the rules of the Post-[**REDACTED**] Share Scheme as if the transferee were the grantee. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any award, unless the written consent of our Company has been obtained and a waiver is granted by the Stock Exchange for such transfer.

Award agreement

The Company shall, in respect of each award, issue a letter to each grantee in such form as the Board or the Scheme Administrator may from time to time determine setting out the terms and conditions of the award (an "**Award Agreement**"), which sets out the details of the awards, including the number of Shares in respect of which the award relates, the issue price or exercise price (as applicable), the vesting criteria and conditions, the vesting date, any performance targets that must be achieved and any such other details as the Board or the Scheme Administrator may consider necessary, and requires the grantee to undertake to hold the award on the terms of the Award Agreement and be bound by the provisions of the rules of the Post-[**REDACTED**] Share Scheme.

Unless otherwise specified in the Award Agreement, (a) a grantee shall accept the award within such period from the date of grant as set out in the Award Agreement; (b) any award may be accepted in whole or in part provided that it must be accepted in respect of a board lot for dealing in Shares or a multiple thereof; and (c) to the extent an award is not accepted within the time and in the manner indicated in the rules of the Post-[**REDACTED**] Share Scheme, the award shall be deemed to have been irrevocably declined and shall automatically lapse.

Events after vesting date

After the applicable vesting date for any award:

(a) in respect of a Share Option, such Share Option may be exercised in whole or in part by the grantee giving notice in writing to the Board or the Scheme Administrator in such form as the Board or the Scheme Administrator may from time to time determine stating that the Share Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the exercise price multiplied by the number of Shares in respect of which the notice is given. Within such period as may be determined by the Scheme Administrator after receipt of the notice and related remittance in full, our Company shall allot and issue to the grantee the number of award Shares in respect of which the Share Option has been exercised; and

(b) in respect of a Share Award, within such period as may be determined by the Scheme Administrator following the vesting date, subject to receipt in full of the issue price payable (if any) multiplied by the number of award Shares to be issued pursuant to the relevant Share Award, our Company shall allot and issue to the grantee the relevant number of award Shares constituting the Share Award,

in each case credited as fully paid, subject to the grantee executing and delivering all such forms and instruments and providing such instructions in the manner as shall be required by the Board, the Scheme Administrator or any designated third party.

The award Shares to be allotted and issued shall be identical to all existing issued Shares and shall be allotted and issued subject to all the provisions of the Articles for the time being in force and will rank pari passu with the other fully paid Shares in issue. For the avoidance of doubt, a grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of our Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

At the discretion of the scheme administrator, any obligation to allot and issue award Shares to a grantee may be satisfied by transferring the equivalent number of treasury shares to the grantee.

Cancellation of awards

The Board or the Scheme Administrator may in its sole and absolute discretion cancel any award that has not been vested or forfeited provided that the cancellation shall not affect the subsisting rights of grantees. Any Share Option granted but not exercised may be cancelled by the Board or the Scheme Administrator at any time with the prior consent of the grantee. The awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

Grant of new awards to the same grantee whose awards have been cancelled pursuant to the Post-[**REDACTED**] Share Scheme may only be made with available Scheme Mandate Limit (excluding the awards of the relevant grantee cancelled pursuant to the Post-[**REDACTED**] Share Scheme) and in compliance with the scheme rules of the Post-[**REDACTED**] Share Scheme.

Lapse of awards

Without prejudice to the authority of the Board or the Scheme Administrator to provide additional situations when an award shall lapse in the terms of any award agreement, an award shall lapse automatically (to the extent not already vested and, where relevant, exercised) on the earliest of:

(a) the grant of the award has not been accepted by the grantee in the manner prescribed;

(b) the expiry of any applicable exercise period;

(c) the grantee no longer qualifies as an Eligible Participant;

(d) the grantee has entered into any arrangement or settlement with its creditors, or has been convicted of any criminal offense involving fraud or dishonesty;

(e) the grantee waives their rights and qualifications to the awards;

(f) the voluntary liquidation of our Company;

(g) the clawback mechanisms under the Post-[**REDACTED**] Share Scheme being triggered;

(h) the expiry of any of the periods for accepting or exercising an award; or

(i) the date on which the grantee commits a breach of the transferability restrictions under the Post-[**REDACTED**] Share Scheme (including any unauthorized sale, transfer, charge, mortgage, encumbrance or creation of any interest in favor of any third party over or in relation to any award).

The Board or the Scheme Administrator shall have the power to decide whether an award shall lapse and its decision shall be binding and conclusive on all parties. Our Company shall not owe any liability to any grantee for the lapse of any award.

Voting and dividend rights

Awards do not carry any right to vote at general meetings of our Company, nor any right to dividends, transfer or other rights. The trustee holding the unvested Shares under the Post-[**REDACTED**] Share Scheme, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. No grantee shall enjoy any of the rights of a shareholder by virtue of an award unless and until the award Shares are issued or transferred to the grantee pursuant to the vesting and/or exercise of such awards. Where award Shares are held on trust for the grantee, a grantee may give instructions to the trustee to exercise the voting rights in respect of those award Shares pursuant to, and to the extent permitted by, the trust deed.

Alterations in share capital

In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, sub-division, consolidation of Shares, reduction of the share capital of our Company or similar transaction affecting the Shares (other than any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party) after the date on which the Shares commence trading on the Stock Exchange, the Board or the Scheme Administrator shall make such corresponding adjustments, if any, as the Board or the Scheme Administrator in its discretion may deem appropriate to reflect such change with respect to:

(a) in the event of sub-division or consolidation of Shares only, the number of Shares comprising the Scheme Mandate Limit or Service Provider Sublimit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit and Service Provider Sublimit as a percentage of the total issued Shares of the Company at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or sub-division;

(b) the number of Shares comprised in each award to the extent any award has not been exercised; and

(c) the exercise price of any option or issue price of any share award,

or any combination thereof, as the auditors or a financial adviser engaged by our Company for such purpose have certified to the Directors in writing that the adjustments satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular grantee, provided always that (i) any such adjustments should give each grantee the same proportion of the equity capital of our Company, rounded to the nearest whole Share, as that to which that grantee was previously entitled prior to such adjustments, and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value. The capacity of the auditors or financial adviser (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees.

Clawback

In the event that:

(a) a grantee ceases to be an Eligible Participant by reason of the termination of his/her employment or contractual engagement with the Group or Related Entity for cause, including serious violation of any rules or policies of the Group or a Related Entity, such as the employee handbook, conflict of interest policies, anti-corruption and anti-bribery policies;

(b) a grantee has been convicted of a criminal offence involving his/her integrity or honesty; or

(c) in the reasonable opinion of the Board or the Scheme Administrator, a grantee has engaged in serious misconduct or breaches the terms of the Post-[**REDACTED**] Share Scheme or any material obligation owed to the Group or a Related Entity, which is considered to be material;

(d) a grantee has engaged in any act or omission to perform his/her duties that has had or will have a material adverse effect on the reputation or interests of our Group; or

(e) the award to the grantee will no longer be appropriate and aligned with the purpose of the Post-[**REDACTED**] Share Scheme,

then the Board or the Scheme Administrator may make a determination at its absolute discretion that: (A) any awards granted but not yet vested or exercised (as the case may be) shall immediately lapse, and (B) with respect to any Shares issued or transferred to that grantee, the grantee shall be required to transfer or pay back to our Company or its nominee (i) the equivalent number of Shares, (ii) an amount in cash equal to the market value of such Shares, or (iii) a combination of (i) and (ii); and/or (C) with respect to any award Shares held by the trustee for the benefit of the grantee, those award Shares shall no longer be held on trust for nor inure to the benefit of the grantee.

Ceasing to be an Eligible Participant

If a grantee ceases to be an Eligible Participant for the following reasons: (a) termination of his/her employment or contractual engagement with our Group or a Related Entity by mutual agreement; (b) retirement of the grantee; (c) death of the grantee or his/her being declared legally deceased; (d) total or partial loss of capacity to work due to permanent physical or mental disablement; (e) non-renewal of an employment contract upon its expiry at the initiation of our Group or a Related Entity; (f) termination of employment or contractual engagement due to the grantee's incompetence for the position, significant changes in the business circumstances of our Group or a Related

Entity, or as part of a statutory workforce reduction plan implemented by our Group or a Related Entity, (g) non-renewal of an employment contract upon its expiry at the initiation of the grantee, unless the Board or the Scheme Administrator determines otherwise at its absolute discretion, his or her Awards shall be treated as follows:

(a) Unvested Award: Any awards that have not yet vested shall immediately lapse on the date of cessation of continuous service.

(b) Vested Share Options: Any vested Share Option that has not yet been exercised may be exercised within three (3) months following the cessation of continuous service. Any portion of such Share Option not exercised within this period shall automatically lapse.

(c) Vested Share Awards or Exercised Shares: All vested Share Awards (or all Shares acquired upon the exercise of a Share Option but not yet sold) can continue to be held or sold at the discretion of the grantee, subject to any applicable lock-up arrangement that our Company has implemented in relation to the grantee.

(d) Death or Incapacity: In the event of a cessation under sub-clauses (c) or (d) above, any rights conferred by this Rule may be exercised by the grantee's legal personal representatives or the person legally charged with managing his/her affairs subject to the Listing Rules and under applicable laws, rules and regulations.

If a grantee's employment or contractual engagement with our Group or a Related Entity is terminated for cause, then: (a) any unvested or unexercised awards shall immediately lapse on the date of cessation of service; and (b) with respect to any vested or exercised awards, our Company shall be entitled to proceed in accordance with the clawback provisions of the Post-[**REDACTED**] Share Scheme.

Notwithstanding the foregoing, if a grantee breaches any material obligation regarding confidentiality, non-competition, or non-solicitation owed to our Group or a Related Entity, the Scheme Administrator may, in its absolute discretion, determine that: (a) all awards granted to that grantee, whether vested, unvested, or exercised, shall immediately lapse and be forfeited; and (b) our Company shall be entitled to enforce the strictest clawback measures available under the Post-[**REDACTED**] Share Scheme, including requiring the grantee to return all proceeds received from the sale of any award Shares.

If a grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his/her creditors generally, they shall cease to be an Eligible Participant under the Post-[**REDACTED**] Share Scheme and any unvested or unexercised awards shall immediately lapse, unless the Scheme Administrator determines otherwise at its absolute discretion.

If a grantee (i) ceases to be an Eligible Participant for reasons other than those set out in the preceding provisions or (ii) vacates his/her position in or with respect to our Group for more than 6 months without approval, and unless the Board or the Scheme Administrator determines otherwise at its absolute discretion: (a) subject to the provisions of the clawback clause of the Post-[**REDACTED**] Share Scheme, a grantee may exercise any vested Share Options within one (1) months of such cessation or within the exercise period, whichever is the shorter, or such other period as the Board or the Scheme Administrator may decide in its sole discretion. If a Share Option is not exercised within the stipulated time, the Share Option shall be forfeited and shall lapse; and (b) any outstanding awards not yet vested and any vested Share Awards for which the issue price has not been paid shall immediately be forfeited and shall lapse, unless the Board or the Scheme Administrator determines otherwise at its absolute discretion.

Vesting of awards

The vesting date in respect of any award shall be determined by the Scheme Administrator and shall be not less than twelve (12) months from the grant date (including on the grant date), provided that subject to applicable laws and regulations, the Board or the Scheme Administrator may in its sole and absolute discretion determine that the awards granted to an Employee Participant may be subject to a vesting period of less than twelve (12) months in the following circumstances:

(i) grants of "make whole" share awards to an Employee Participant who is a new joiner to replace share awards he/she has forfeited when leaving the previous employers (including another member of our Group);

(ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event, in which circumstances the vesting of shares awards may accelerate;

(iii) grants of awards that are subject to performance-based vesting conditions, in lieu of time-based vesting criteria;

(iv) grants of awards that are made in batches during a year for administrative and/or compliance reasons, in which case the vesting date may be shorter to reflect the time from which the awards would have been granted;

(v) grants of awards with a mixed or accelerated vesting schedule (such as where the awards may vest evenly over a period of 12 months); or

(vi) grants of awards with a total vesting and holding period of more than twelve (12) months.

Change of control

If there is a change in control of our Company as the result of a merger, scheme of arrangement or general offer, the Board or the Scheme Administrator shall at its sole discretion and subject to compliance with any applicable laws, rules and regulations (including the Listing Rules and the Takeovers Code), make any adjustments in relation to the awards (including but not limited to (a) determine whether the vesting dates of any awards will be accelerated and/or the vesting conditions or criteria of any awards will be amended or waived, (b) cancel or amend the terms or conditions of awards granted under the Post-[**REDACTED**] Share Scheme (whether vested or not), or (c) declare that any awards shall be cancelled or lapsed and the terms thereof) and notify the grantees accordingly.

Duration

The Post-[**REDACTED**] Share Scheme shall become effective upon fulfilment of the following conditions: (a) the passing of a resolution by the Shareholders to approve the adoption of the Scheme; (b) the Listing Committee granting approval for the [**REDACTED**] of, and permission to deal in, the Shares to be allotted and issued pursuant to the Post-[**REDACTED**] Share Scheme; and (c) the commencement of dealings in the Shares on the Stock Exchange.

The Post-[**REDACTED**] Share Scheme shall be valid and effective for the period of ten (10) years commencing on the date on which the Shares commence trading on the Stock Exchange and ending on the tenth anniversary of such date ("**Scheme Period**"), after which, no further awards will be granted under the Post-[**REDACTED**] Share Scheme, and thereafter for so long as there are any unvested awards granted prior to the expiration of the Scheme Period, in order to give effect to the vesting of such awards or otherwise as may be required in accordance with the provisions of the rules of the Post-[**REDACTED**] Share Scheme.

Amendment of the Post-*[REDACTED] *Share Scheme or awards

The Board or the Scheme Administrator may, subject to the rules of the Post-[**REDACTED**] Share Scheme, amend any of the provisions of the Post-[**REDACTED**] Share Scheme or any awards granted under the Post-[**REDACTED**] Share Scheme at any time and in any respect, provided that the terms of the Post-[**REDACTED**] Share Scheme or the awards so altered must comply with the relevant requirements of Chapter 17 of the Listing Rules.

No amendment or alteration shall be made to any provisions of the Post-[**REDACTED**] Share Scheme or any awards granted under the Post-[**REDACTED**] Share Scheme to the extent that such amendment or alteration has a material adverse effect on any subsisting rights of any grantee at that date in respect of awards already granted to that grantee and to the extent that such awards have not vested or lapsed, without such grantee's consent, provided that no such consent shall be required if the Board or the Scheme Administrator determines in its sole discretion that such amendment or alteration either: (a) is necessary or advisable in order for our Company, the Post-[**REDACTED**] Share Scheme or the award to satisfy any applicable law or Listing Rules or to meet the requirements of, or avoid adverse consequences under, any accounting standard; or (b) is not reasonably likely to diminish materially the benefits provided under such award, or that any such diminishment has been adequately compensated.

The approval of the Shareholders in general meeting is required for any amendment or alteration to the terms of the Post-[**REDACTED**] Share Scheme which are of a material nature or to those provisions of the Post-[**REDACTED**] Share Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration or amendment operates to the advantage of Eligible Participants.

Any amendment or alteration to the terms of any award the grant of which was subject to the approval of a particular body (such as the Board or any committee thereof, the independent non-executive Directors, or the Shareholders in general meeting) shall be subject to approval by that same body, provided that such requirement is not applicable where the relevant alteration takes effect automatically under existing terms of the Post-[**REDACTED**] Share Scheme. Without limiting the generality of the foregoing, any change in the terms of awards granted to any grantee who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in general meeting in the manner required in the Listing Rules if the initial grant of the awards requires such approval (except where the changes take effect automatically under the Post-[**REDACTED**] Share Scheme).

Termination

The Post-[**REDACTED**] Share Scheme shall terminate on the earlier of (a) the expiry of the Scheme Period; (b) an ordinary resolution in general meeting passed by our Shareholders; and (c) such date of early termination as determined by the Board, following which no further awards will be offered or granted thereunder, provided that notwithstanding such termination, the Post-[**REDACTED**] Share Scheme and rules thereof shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any awards granted prior to the termination of the Post-[**REDACTED**] Share Scheme and such termination shall not affect any subsisting rights already granted to any grantee thereunder. Awards complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Post-[**REDACTED**] Share Scheme and remaining unvested, unexercised and/or unexpired immediately prior to the termination of the operation of the Post-[**REDACTED**] Share Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Post-[**REDACTED**] Share Scheme.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

2. Litigation

Save as disclosed in "Business", no member of our Group is 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.

3. Joint Sponsors

Each of Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited and J.P. Morgan Securities (Far East) Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will each receive US$300,000 for acting as the Company's sponsors for the [**REDACTED**].

4. Consents of Experts

This document contains statements made by the following experts:

Name	Qualification
Goldman Sachs (Asia) L.L.C.	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO
Morgan Stanley Asia Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO regulated activities as defined under the SFO

Name	Qualification
J.P. Morgan Securities (Far East) Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
King & Wood	Legal adviser to Company as to Chinese mainland law
Maples and Calder (Hong Kong) LLP	Legal adviser to Company as to Cayman Islands law
Deloitte Touche Tohmatsu .	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
China Insights Industry Consultancy Limited . . .	Industry consultant

As of the Latest Practicable Date, none of the experts named above has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Each of the experts named above have given and have not withdrawn their respective written consent to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

5. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all 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.

6. Bilingual [REDACTED]

[REDACTED]

7. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

8. Disclaimers

(a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

(i) there are no commissions (but not including commission to sub-[**REDACTED**]) for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company; and

(ii) there are no commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital of any member of our Group, and no Directors, promoters or experts named in the part headed "— E. Other Information — 4. Consents of Experts" received any such payment or benefit.

(b) Save as disclosed in this document:

(i) there are no founder, management or deferred shares in our Company or any member of our Group;

(ii) we do not have any promoter and no cash, securities or other benefit has been paid, allotted or given within the two years immediately preceding the date of this document, or are proposed to be paid, allotted or given to any promoters;

(iii) none of the Directors or the experts named in the part headed "— E. Other Information — 4. Consents of Experts" above has any interest, direct or indirect, in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(iv) there are no bank overdrafts or other similar indebtedness by our Company or any member of our Group;

(v) there are no hire purchase commitments, guarantees or other material contingent liabilities of our Company or any member of our Group;

(vi) there are no outstanding debentures of our Company or any member of our Group;

(vii) there are no other stock exchange on which any part of the equity or debt securities of our Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought;

(viii) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option; and

(ix) there are no contracts or arrangements subsisting at the date of this document in which a Director is materially interested or which is significant in relation to the business of our Group.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this [**REDACTED**] delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to under the section headed "Statutory and General Information — E. Other Information — 4. Consents of Experts" in Appendix IV; and

(b) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in Appendix IV.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **https://www.sheingroup.com** for 14 days from the date of this document (both dates inclusive):

(a) the Memorandum and the Articles;

(b) the material contracts referred to in "Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in Appendix IV;

(c) the service contracts and the letters of appointment with our Directors referred to in "Statutory and General Information — C. Further Information about Our Directors — 1. Particulars of Directors' service contracts and appointment letters" in Appendix IV;

(d) the PRC legal opinions issued by King & Wood, our legal adviser as to Chinese mainland law, in respect of certain general corporate matters and property interests of our Group;

(e) the Accountant's Report and the report on the unaudited [**REDACTED**] financial information of our Group, the texts of which are set out in Appendices I and II, respectively;

(f) the audited consolidated financial statements of our Company for the three financial years ended 31 December 2023, 2024, and 2025 and the three months ended 31 March 2026;

(g) the letter of advice prepared by Maples and Calder (Hong Kong) LLP, our legal adviser on Cayman Islands law, summarising the constitution of the Company and certain aspects of the Cayman Islands Company law referred to in Appendix III;

(h) the Cayman Companies Act;

(i) the report issued by China Insights Industry Consultancy Limited, a summary of which is set forth in the section headed "Industry Overview";

(j) the written consents referred to under the section headed "Statutory and General Information — E. Other Information — 4. Consents of Experts" in Appendix IV; and

(k) the terms of the Share Incentive Plans.

DOCUMENT AVAILABLE FOR INSPECTION

A list of grantees under the Pre-[**REDACTED**] ESOP will be made available for inspection at the office of Skadden, Arps, Slate, Meagher & Flom at 42/F Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. up to and including the date which is 14 days from the date of this document.