

## 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 and is qualified in its entirety by, and should be read in conjunction with, the full text of this Document. You should read the entire Document before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks of investing in the [REDACTED] are set out in the section headed “Risk Factors” in this Document. You should read that section carefully before you decide to invest in the [REDACTED].*

## OVERVIEW

We are a leading integrated dairy company in China, driven by our commitment to continuous innovation. Through 30 years of development, we have evolved into a nationwide dairy company with diversified product categories and an integrated value chain. According to Frost & Sullivan, we have built Junlebao (君樂寶) into one of the most recognized dairy brands in China and ranked No. 3 among integrated dairy companies by retail value in China market in 2024, with a market share of 4.3%. Our revenue increased by 13.0% in 2024 as compared to 2023, significantly above the industry average, according to the same source.

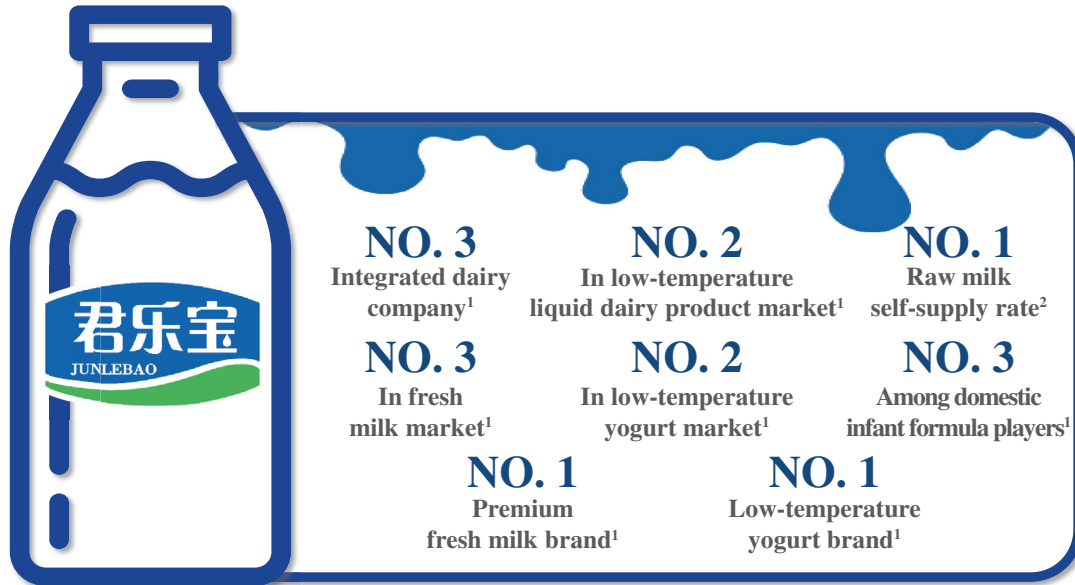
Leveraging deep consumer insights and strong R&D capabilities, we have successfully captured the growth in the low-temperature liquid dairy segment and introduced differentiated low-temperature yogurt and fresh milk products that align closely with consumer preferences. Within five years of launch, SimPurity (簡醇) and Freshjoy (悦鲜活) became the No. 1 low-temperature yogurt brand since 2022 and No. 1 premium fresh milk brand since 2024 by retail value in China market, respectively, according to Frost & Sullivan. Beyond our strong momentum in the fast-growing low-temperature liquid dairy segment, our primary products include formula, ambient liquid dairy products and other dairy products, serving consumers across all age groups with safe, high-quality, nutritious and healthy dairy offerings.

Our flagship products are well received by consumers and hold leading positions in multiple dairy categories. According to Frost & Sullivan, in terms of retail value in China market:

- We ranked No. 2 in China’s low-temperature liquid dairy product market in 2024, with a market share of 14.5%. Low-temperature liquid dairy product is the fastest-growing segment within the China’s liquid dairy product market, with the market size reaching RMB89.7 billion in 2024 and expected to grow to RMB125.9 billion in 2029. From 2025 to 2029, the market is expected to grow at a CAGR of 7.2%.
- We ranked No. 3 in China’s fresh milk market in 2024, with a market share of 10.6%. In 2024, Freshjoy (悦鲜活) is the No. 1 premium fresh milk brand with a market share of 24.0% in China’s premium fresh milk market (with MSRP of products priced above RMB20 per liter of fresh milk).

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- We ranked No. 2 in China’s low-temperature yogurt market in 2024, with a market share of 17.2%. In 2024, SimPurity (简醇) is the No. 1 low-temperature yogurt brand with a market share of 7.9%.
- Since launching our infant formula products in 2014, we have been providing high-quality products that address the nutritional needs of Chinese infants, and have ranked No. 3 domestic infant formula player for five consecutive years from 2020 to 2024, with a market share of 5.0% in 2024.



*Note 1:* Our rankings in terms of retail sales in 2024 in respective markets in China according to Frost & Sullivan.

*Note 2:* Raw milk self-supply rate is calculated as the volume of raw milk self-produced by our self-operated farms divided by the volume of raw milk used in our production. According to Frost & Sullivan, our raw milk self-supply rate was 66% in 2024, ranking top among Chinese large-scale integrated dairy companies.

### Our Brands and Products

Our brand portfolio has evolved alongside our growth. We began with a focus on delivering high-quality yogurt products, and over the past 30 years have progressively expanded into diversified dairy product categories as we identified emerging market opportunities and changing consumer needs. Supported by our integrated value chain, we have built a portfolio that spans multiple product types and price points, anchored by multiple well-established brands across China. Today, our brands reflect both the heritage of our early foundations and the breadth of our development into an integrated dairy group.

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Junlebao (君樂寶) is one of the most widely recognized dairy brands in China, according to Frost & Sullivan. It represents our broad presence across low-temperature liquid dairy products, formula and ambient liquid dairy products. SimPurity (簡醇), launched in 2017, marked our entry into the healthy yogurt category and played an important role in driving consumer consumption of sucrose-free yogurt. Freshjoy (悅鮮活), launched in 2019, represents our focus on premium fresh milk supported by advances in processing technology and product design. We have been continuously investing in science-based nutrition and formula R&D since the launch of our first infant formula product in 2014. Our latest infant formula launching, Youcui Baoai (優萃寶愛), provides scientifically supported brain and physical development benefits and has been assessed by the Chinese Institute of Food Science and Technology as achieving the internationally advanced level. Our major brands have achieved strong brand equity in their respective categories.

Leveraging our strong R&D capabilities and high-quality raw milk supply, we have also successively launched a range of domestically produced, high-quality dairy ingredients for corporate customers, including additive-free premium whipping cream, high-quality butter and foodservice milk. These products address the rapidly growing demand from the upgrading bakery and freshly made coffee and tea chains, providing new growth drivers for our future development.

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

	For the Year Ended December 31,				For the Nine Months Ended September 30,			
	2023		2024		2024		2025	
	<i>(unaudited)</i>							
	<i>(RMB in thousands, except for percentages)</i>							
<b>Liquid dairy products . . .</b>	<b>9,664,255</b>	<b>55.1%</b>	<b>11,503,060</b>	<b>58.0%</b>	<b>8,687,570</b>	<b>58.3%</b>	<b>9,245,130</b>	<b>61.1%</b>
Low-temperature liquid dairy products . . . . .	6,287,370	35.9%	7,580,948	38.2%	5,738,370	38.5%	6,437,199	42.5%
– Low-temperature yogurt	4,713,784	26.9%	5,306,447	26.7%	4,140,257	27.8%	4,189,462	27.6%
– Fresh milk . . . . .	1,573,586	9.0%	2,274,501	11.5%	1,598,113	10.7%	2,247,737	14.9%
Ambient liquid dairy products . . . . .	3,376,885	19.2%	3,922,112	19.8%	2,949,200	19.8%	2,807,931	18.6%
– Ambient yogurt . . . . .	1,084,961	6.2%	1,065,961	5.4%	841,646	5.6%	819,064	5.4%
– Ambient milk . . . . .	2,291,924	13.0%	2,856,151	14.4%	2,107,554	14.2%	1,988,867	13.2%
<b>Formula . . . . .</b>	<b>5,429,189</b>	<b>30.9%</b>	<b>5,370,792</b>	<b>27.1%</b>	<b>3,974,917</b>	<b>26.7%</b>	<b>3,345,216</b>	<b>22.1%</b>
<b>Other dairy products<sup>(1)</sup> . .</b>	<b>689,496</b>	<b>4.0%</b>	<b>791,279</b>	<b>4.0%</b>	<b>629,551</b>	<b>4.2%</b>	<b>608,191</b>	<b>4.0%</b>
<b>Subtotal – dairy products</b>	<b>15,782,940</b>	<b>90.0%</b>	<b>17,665,131</b>	<b>89.1%</b>	<b>13,292,038</b>	<b>89.2%</b>	<b>13,198,537</b>	<b>87.2%</b>
<b>Dairy farming . . . . .</b>	<b>841,024</b>	<b>4.7%</b>	<b>1,391,763</b>	<b>7.0%</b>	<b>1,056,101</b>	<b>7.0%</b>	<b>823,729</b>	<b>5.5%</b>
Raw milk . . . . .	647,032	3.7%	928,855	4.7%	768,325	5.2%	313,833	2.1%
Feed and beef cattle . . . . .	193,992	1.0%	462,908	2.3%	287,776	1.8%	509,896	3.4%
<b>Other business<sup>(2)</sup> . . . . .</b>	<b>922,211</b>	<b>5.3%</b>	<b>775,596</b>	<b>3.9%</b>	<b>560,332</b>	<b>3.8%</b>	<b>1,111,561</b>	<b>7.3%</b>
<b>Total . . . . .</b>	<b>17,546,175</b>	<b>100.0%</b>	<b>19,832,490</b>	<b>100.0%</b>	<b>14,908,471</b>	<b>100.0%</b>	<b>15,133,827</b>	<b>100.0%</b>

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*Notes:*

- (1) Other dairy products primarily included products such as lactic acid bacteria beverages, yogurt drinks, cheese and whipping cream.
- (2) Other business primarily consisted of (i) sales of semi-processed dairy ingredients; (ii) sales of eggs and non-staple food products; (iii) sales of packaging materials; (iv) contract manufacturing services; and (v) sales of residential units primarily to our employees.

The following table sets forth a breakdown of our sales volume and average selling price by product categories for the periods indicated.

	For the Year Ended December 31,				For the Nine Months Ended September 30,			
	2023		2024		2024		2025	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	<i>(tons)</i>	<i>(RMB/Kg)</i>	<i>(tons)</i>	<i>(RMB/Kg)</i>	<i>(tons)</i>	<i>(RMB/Kg)</i>	<i>(tons)</i>	<i>(RMB/Kg)</i>
<b>Liquid dairy products</b>								
Low-temperature liquid dairy products								
– Low-temperature yogurt . . .	534,887	8.8	602,737	8.8	466,333	8.9	484,852	8.6
– Fresh milk . . . . .	145,881	10.8	227,397	10.0	157,139	10.2	238,602	9.4
Ambient liquid dairy products								
– Ambient yogurt . . . . .	91,322	11.9	93,977	11.3	74,587	11.3	75,302	10.9
– Ambient milk . . . . .	309,320	7.4	425,504	6.7	310,402	6.8	319,191	6.2
<b>Formula . . . . .</b>	<b>55,221</b>	<b>98.3</b>	<b>54,803</b>	<b>98.0</b>	<b>40,631</b>	<b>97.8</b>	<b>33,048</b>	<b>101.2</b>
<b>Other dairy products . . . . .</b>	<b>117,594</b>	<b>5.9</b>	<b>136,377</b>	<b>5.8</b>	<b>108,047</b>	<b>5.8</b>	<b>100,856</b>	<b>6.0</b>
<b>Dairy farming</b>								
Raw milk . . . . .	154,888	4.2	230,584	4.0	191,085	4.0	80,194	3.9
Feed and beef cattle . . . . .	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
<b>Other business . . . . .</b>	<b>NA*</b>	<b>NA*</b>	<b>NA*</b>	<b>NA*</b>	<b>NA*</b>	<b>NA*</b>	<b>NA*</b>	<b>NA*</b>

*Note:*

NA\*: Not applicable.

## SUMMARY

### Our R&D Capabilities

We place strong emphasis on in-house R&D and continuous innovation, maintaining our competitiveness by proactively advancing new products, new technologies, new processes and new packaging. Guided by the principle of “science-based nutrition”, we have established an industry-leading R&D and innovation platform, the Institute of Science-based Nutrition, which collaborates with top-tier domestic and international research institutions and universities, as well as renowned global suppliers. Our R&D covers fundamental research and product applications, including key dairy technologies, product formulation, clinical efficacy validation, breast-milk composition analysis, development and commercialization of proprietary probiotics, process engineering and packaging development.

### Our Dairy Farming and Production

Our operations span the entire value chain, with our self-operated dairy farms and production facilities forming the core foundation of product quality and supporting our overall operational efficiency. As of September 30, 2025, we operated 33 dairy farms and 20 dairy production facilities across China.

#### *Dairy Farming Operation*

We operate one of the leading integrated dairy farm networks in China. Our high-quality raw milk serves as the foundation for our extensive portfolio of dairy products.

Our healthy herd structure is maintained through active management, including regular culling and targeted expansion. The following table sets forth the volume of our dairy cows as of the dates indicated:

	As of December 31,	2024	As of September 30,	2025
	2023		2025	
	<i>(heads)</i>			
Milkable Cows . . . . .	81,146	95,960		96,390
Heifers . . . . .	76,587	62,630		73,120
Calves . . . . .	28,372	28,824		22,547
<b>Total . . . . .</b>	<b>186,105</b>	<b>187,414</b>		<b>192,057</b>

In 2023, 2024 and for the nine months ended September 30, 2025, our annualized average milk yield per milkable cow was 11.9 tons, 12.0 tons and 12.0 tons, respectively.

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### *Our Dairy Production Facilities*

As of September 30, 2025, we operated 20 dairy production facilities across China, complemented by a selected network of third-party manufacturing partners. Our dairy production facilities are equipped with advanced production equipment and modern processing technologies, enabling highly automated and digitalized production operations that ensure stable production efficiency and consistently high product quality. Through our extensive and optimized production network, we have achieved effective coverage of core markets nationwide and ensured timely delivery and efficient distribution through our sales channels across the country, thereby establishing a solid foundation for our continued growth and market competitiveness.

### **Our Sales Network**

We have developed an extensive nationwide sales and distribution network, enabling broad market reach across multiple channels and regions.

As of September 30, 2025, we cooperated with over 5,500 distributors. Over half of our distributors had partnered with us for more than three years and these long-standing distribution partners contributed approximately 82% of our revenue generated under the distribution model during the Track Record Period. Through this network, together with our direct sales to customers including national and regional supermarkets and convenience stores, e-commerce platforms, mother-and-baby chain stores, freshly made coffee and tea chains and corporate customers, our products reach a broad range of offline and online sales channels. As of September 30, 2025, our products were available in approximately 400,000 low-temperature liquid dairy retail outlets and 70,000 formula retail outlets nationwide.

We have achieved broad nationwide sales network coverage and have begun expanding into overseas markets. During the Track Record Period, our sales network was across all 31 provincial-level regions in Chinese Mainland, with North, East, Central and South China being our core sales regions. Our liquid dairy products recorded rapid revenue growth in China’s high-consumption regions, including East, Central and South China, with aggregate growth rate in those regions exceeding 15% in both 2024 and the nine months ended September 30, 2025. The acquisitions of regional dairy product brands, Yinqiao (銀橋) and LESSON (來思爾), further strengthened our presence in Northwest and Southwest China. Despite our extensive coverage, the domestic market still offers significant room for further expansion. During the Track Record Period, our sales network covered approximately 2,200 counties in Chinese Mainland, representing 77% of counties coverage nationwide. Supported by our strong brand equity, popular product portfolio and well-established channel-management capabilities, we expect to deepen our nationwide penetration. Our products are also available in Hong Kong and Macau, providing a foundation for long-term growth in overseas markets.

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

	For the Year Ended December 31,		For the Nine Months Ended September 30,					
	2023	2024	2024		2025			
	<i>(unaudited)</i>							
	<i>(RMB in thousands, except for percentages)</i>							
<b>Distributors</b> . . . . .	<b>13,062,775</b>	<b>74.4%</b>	<b>14,284,645</b>	<b>72.0%</b>	<b>10,825,339</b>	<b>72.6%</b>	<b>10,406,133</b>	<b>68.8%</b>
– Offline distributors . . .	11,634,437	66.3%	12,751,505	64.3%	9,685,518	65.0%	9,449,813	62.5%
– Online distributors . . .	1,428,338	8.1%	1,533,140	7.7%	1,139,821	7.6%	956,320	6.3%
<b>Direct sales</b> . . . . .	<b>3,561,189</b>	<b>20.3%</b>	<b>4,772,249</b>	<b>24.1%</b>	<b>3,522,800</b>	<b>23.6%</b>	<b>3,616,133</b>	<b>23.9%</b>
– KA customers . . . . .	880,093	5.0%	1,155,195	5.9%	884,674	5.9%	1,036,513	6.9%
– E-commerce platforms .	577,196	3.3%	734,708	3.7%	534,615	3.6%	623,643	4.1%
– Online self-operated stores . . . . .	527,124	3.0%	660,015	3.3%	490,169	3.3%	485,667	3.2%
– Corporate and institutional clients and others . . . . .	1,576,776	9.0%	2,222,331	11.2%	1,613,342	10.8%	1,470,310	9.7%
<b>Other business<sup>(1)</sup></b> . . . . .	<b>922,211</b>	<b>5.3%</b>	<b>775,596</b>	<b>3.9%</b>	<b>560,332</b>	<b>3.8%</b>	<b>1,111,561</b>	<b>7.3%</b>
<b>Total</b> . . . . .	<b>17,546,175</b>	<b>100.0%</b>	<b>19,832,490</b>	<b>100.0%</b>	<b>14,908,471</b>	<b>100.0%</b>	<b>15,133,827</b>	<b>100.0%</b>

Note:

- (1) Other business primarily consisted of (i) sales of semi-processed dairy ingredients; (ii) sales of eggs and non-staple food products; (iii) sales of packaging materials; (iv) contract manufacturing services; and (v) sales of residential units primarily to our employees.

### Our Integrated Value Chain

We have established an integrated value chain covering dairy farming, R&D and product innovation, production and sales network, each reinforcing our ability to deliver high-quality, innovative and trusted dairy products to consumers. These core elements are supported by end-to-end digitalization, which enhances efficiency, traceability and execution across the entire value chain. Together, they form the foundation for the continued strengthening of our brands and products.

See “Business — Overview — Our Integrated Value Chain” for details.

### Our Market Opportunities

As dairy products represent one of the most important sources of daily nutrition for Chinese consumers, China’s dairy market is large and continues to expand. Based on retail value, the size of China’s dairy product market reached RMB653.5 billion in 2024 and is

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expected to grow to RMB749.2 billion by 2029, according to Frost & Sullivan. Per-capita dairy consumption in China was 40.5 kilograms in 2024, less than one-third of the global average, indicating substantial long-term growth potential.

Low-temperature liquid dairy products are growing at a significantly faster rate, supported by rising health awareness and improvements in cold-chain infrastructure. According to Frost & Sullivan, the retail value of China’s low-temperature liquid dairy market reached RMB89.7 billion in 2024 and is expected to grow to RMB125.9 billion by 2029. From 2025 to 2029, the market is expected to grow at a CAGR of 7.2%. The share of low-temperature liquid dairy products in the overall liquid dairy products market is expected to increase from 25.3% in 2024 to 31.8% in 2029, with fresh milk emerging as the fastest-growing category. Its retail value reached RMB36.9 billion in 2024 and is expected to rise to RMB60.6 billion by 2029. From 2025 to 2029, the market is expected to grow at a CAGR of 10.7%. China’s low-temperature liquid dairy product penetration remains significantly below that of mature markets such as the United States and Japan, where penetration exceeds 90% and 75% respectively, indicating substantial room for future growth.

In the formula category, consumers increasingly seek science-based and function-oriented products supporting brain and physical development, providing balanced nutrition, promoting digestive health and addressing sub-optimal wellness for infants, children and adults. The rigorous registration requirements of infant formula in China further benefits companies with strong R&D and formulation capabilities.

With strong brand equity, science-driven product development, an integrated value chain of operation and nationwide sales network coverage, we believe we are well positioned to capture these structural growth and continue expanding our market presence.

### **Our Financial Performance**

During the Track Record Period, we achieved sustained revenue and profit growth. Our revenue increased from RMB17,546.2 million in 2023 to RMB19,832.5 million in 2024, representing a year-over-year increase of 13.0%, and from RMB14,908.5 million for the nine months ended September 30, 2024 to RMB15,133.8 million for the same period in 2025.

Growth in our low-temperature liquid dairy product segment was particularly strong. Revenue for this segment increased from RMB6,287.4 million in 2023 to RMB7,580.9 million in 2024, representing growth of 20.6%, and from RMB5,738.4 million for the nine months ended September 30, 2024 to RMB6,437.2 million for the same period in 2025, representing growth of 12.2%. Within this segment: (i) revenue of fresh milk products increased from RMB 1,573.6 million in 2023 to RMB2,274.5 million in 2024, representing an increase of 44.5%, and from RMB1,598.1 million for the nine months ended September 30, 2024 to RMB2,247.7 million for the same period in 2025, representing an increase of 40.6%; and (ii) revenue of low-temperature yogurt products increased from RMB4,713.8 million in 2023 to RMB5,306.4 million in 2024, representing an increase of 12.6%, and from RMB4,140.3 million for the nine months ended September 30, 2024 to RMB4,189.5 million for the same period in 2025.

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Supported by cost efficiencies from our integrated operations, enhanced marketing effectiveness driven by refined and digitalized management, and operating leverage, we recorded rapid net profit growth during the Track Record Period. We define adjusted net profit (*non-CASBE measure*) as net profit adding back (i) interest expenses on financial liabilities related to shareholders’ special rights; (ii) share-based payment expenses; and (iii) [REDACTED]. Adjusted net profit increased from RMB603.0 million in 2023 to RMB1,160.6 million in 2024, representing growth of 92.5%, and from RMB756.1 million for the nine months ended September 30, 2024 to RMB944.7 million for the same period in 2025, representing growth of 24.9%. Adjusted net margin improved from 3.4% in 2023 to 5.9% in 2024, and further to 6.2% for the nine months ended September 30, 2025.

### OUR STRENGTHS

- An innovation-driven and fast-growing leading dairy company in China, strengthening our leadership through a strategic focus on the low-temperature liquid dairy segment;
- Systematic capabilities to develop category-leading products, underpinned by sustained R&D investment and deep market insights;
- Integrated value chain for quality assurance, strengthened by digital systems for coordinated and efficient operations;
- Broad consumer reach and brand mindset through diversified and precision marketing;
- Nationwide omni-channel sales and distribution network with strong channel-management capabilities; and
- Seasoned and forward-looking management team with a long-term vision.

### OUR STRATEGIES

- Invest in product upgrade and portfolio expansion through R&D;
- Enhance brand awareness and consumer engagement;
- Deepen channel penetration and expand consumption scenarios and market reach;
- Optimize production network and drive supply chain efficiency;
- Strengthen digital capabilities and enhance operational performance; and
- Foster a high-performing organization and attract strategic talents.

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### OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of distributors, KA customers, e-commerce platforms and corporate and institutional clients during the Track Record Period. In 2023, 2024 and for the nine months ended September 30, 2025, our sales to the five largest customers in each year/period amounted to RMB1,572.2 million, RMB1,873.0 million and RMB1,059.9 million, representing 9.0%, 9.4% and 7.0% of our total revenue, respectively, and our sales to the largest customer in each year/period amounted to RMB436.2 million, RMB609.1 million and RMB351.5 million, representing 2.5%, 3.0% and 2.4% of our total revenue for the same year/period. To the best knowledge of our Directors, none of our Directors, their respective close associates or any Shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers during the Track Record Period.

Our suppliers primarily include raw material suppliers (such as suppliers of raw milk, ingredients, packaging materials, and feed), equipment suppliers, logistics service providers, advertising and marketing service providers, and manufacturing service providers. In 2023, 2024 and for the nine months ended September 30, 2025, our purchases from the five largest suppliers in each year/period amounted to RMB1,928.7 million, RMB2,094.0 million and RMB1,614.7 million, representing 11.7%, 12.4% and 13.3% of our total purchases, respectively, and our purchases from the largest supplier in each year/period amounted to RMB568.9 million, RMB632.9 million and RMB382.3 million, representing 3.5%, 3.8% and 3.1% of our total purchases for the same year/period. To the best knowledge of our Directors, none of our Directors, their respective close associates or any Shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers during the Track Record Period.

### RISK FACTORS

- We operate in a highly competitive and evolving market and may lose our market share if we fail to compete successfully;
- We may fail to adapt to changes in consumer preferences and market trends and introduce new products;
- The continued appeal of our brands is critical to our success. Any damage to our reputation or any of our brands may materially and adversely affect our business and results of operations;
- We mainly collaborate with Independent Third Party distributors over whom we have limited control;

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- We may not be able to maintain relationships with our direct sales channels, or be otherwise successful in strengthening our presence in retail formats;
- Our operating results are substantially affected by the market selling prices of dairy products;
- Any failure to execute effective sales and marketing strategies or adjust such strategies according to market changes may materially and adversely affect our business, financial conditions and results of operations;
- Fluctuations in prices and quality of raw materials and unstable supply of raw materials could adversely impact our business, profitability and results of operations;
- We mainly source raw milk from our dairy farms. Such raw milk supply may be affected by various factors including the health of our dairy cows; and
- Actual or perceived food safety issues or product contamination could harm our reputation, financial conditions and results of operations.

## COMPETITION

We operate in a highly competitive dairy market in China and have established a leading position in the fast-growing low-temperature liquid dairy segment. We primarily compete with other dairy companies in China with decades of operation history and diverse product offerings.

According to Frost & Sullivan, we ranked No. 3 among integrated dairy companies by retail value in China market in 2024, with a market share of 4.3%, and ranked No. 2 in China’s low-temperature liquid dairy product market. We believe that, with our integrated value chain encompassing high-quality raw milk supply from self-operated dairy farms, science-driven R&D and product development, intelligent manufacturing with strict quality assurance, and broad nationwide sales network, we are well positioned to capture growth opportunities in dairy product market and continue strengthening our market position.

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### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

#### Description of Selected Items of Our Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth selected items of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	2024	2024	2025
	<i>(unaudited)</i>			
	<i>(RMB in thousands)</i>			
Revenue . . . . .	17,546,175	19,832,490	14,908,471	15,133,827
Operating costs . . . . .	(11,542,582)	(12,958,710)	(9,727,835)	(10,298,439)
<b>Gross profit . . . . .</b>	<b>6,003,593</b>	<b>6,873,780</b>	<b>5,180,636</b>	<b>4,835,388</b>
Taxes and surcharges . . . . .	(140,102)	(151,933)	(121,167)	(113,941)
Selling and distribution expenses . . . . .	(3,600,984)	(3,377,111)	(2,744,655)	(2,531,183)
General and administrative expenses . . . . .	(853,298)	(856,309)	(608,603)	(668,433)
Research and development expenses . . . . .	(106,003)	(98,747)	(73,701)	(66,544)
Financial expenses . . . . .	(928,527)	(401,632)	(304,878)	(201,576)
Investment income . . . . .	31,014	12,475	19,071	61,754
Other income . . . . .	235,352	222,386	149,934	152,177
Losses from changes in fair values . . . . .	(318)	(15,146)	(15,146)	–
Credit impairment (losses)/reversal . . . . .	(41,584)	19,173	(42,425)	(1,292)
Asset impairment losses . . . . .	(253,132)	(435,142)	(247,299)	(114,063)
Losses from asset disposals . . . . .	(205,364)	(397,170)	(306,263)	(372,459)
<b>Operating profit . . . . .</b>	<b>140,647</b>	<b>1,394,624</b>	<b>885,504</b>	<b>979,828</b>
Non-operating income . . . . .	41,526	52,954	34,833	47,693
Non-operating expenses . . . . .	(36,142)	(22,005)	(12,380)	(11,036)
<b>Profit before income tax . . . . .</b>	<b>146,031</b>	<b>1,425,573</b>	<b>907,957</b>	<b>1,016,485</b>
Income tax expenses . . . . .	(140,451)	(311,056)	(185,675)	(114,211)
<b>Net profit . . . . .</b>	<b>5,580</b>	<b>1,114,517</b>	<b>722,282</b>	<b>902,274</b>
<b>Net (loss)/profit attributable to:</b>				
– Owners of the Company . . . . .	(21,442)	1,017,484	646,316	837,392
– Non-controlling interests . . . . .	27,022	97,033	75,966	64,882

## SUMMARY

### NON-CASBE FINANCIAL MEASURES

To supplement our consolidated financial statements presented in accordance with CASBE, we use adjusted net profit (*non-CASBE measure*) as an additional financial measure, which is not required by or presented in accordance with CASBE. We believe that this non-CASBE measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, presentation of this non-CASBE measure may not be comparable to similarly titled measures presented by other companies. The use of such non-CASBE measures has limitations as an analytical tool, and investors should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under CASBE.

We define adjusted net profit (*non-CASBE measure*) as net profit adding back (i) interest expenses on financial liabilities related to shareholders’ special rights; (ii) share-based payment expenses; and (iii) [REDACTED].

The following table shows reconciliation from our profit for the year/period to our adjusted net profit (*non-CASBE measure*) for the year/period indicated:

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	2024	2024	2025
			<i>(unaudited)</i>	
			<i>(RMB in thousands)</i>	
<b>Net profit</b> . . . . .	<b>5,580</b>	<b>1,114,517</b>	<b>722,282</b>	<b>902,274</b>
Adjustments:				
– Interest expenses on financial liabilities related to shareholders’ special rights . . . . .	554,428	–	–	–
– Share-based payment expenses	41,828	40,172	31,389	30,178
– [REDACTED] . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<b>Adjusted net profit</b> <b>(non-CASBE measure)</b> . . . . .	<b><u>602,957</u></b>	<b><u>1,160,569</u></b>	<b><u>756,084</u></b>	<b><u>944,661</u></b>

See “Financial Information — Description of Selected Items of Our Consolidated Statements of Profit or Loss and Other Comprehensive Income” for details.

## SUMMARY

### Discussion of Selected Items from Our Consolidated Statements of Financial Position

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

	As of December 31,		As of September 30,
	2023	2024	2025
			<i>(unaudited)</i>
			<i>(RMB in thousands)</i>
Total current assets . . . . .	6,357,855	6,404,653	5,648,792
Total non-current assets . . . . .	17,539,879	17,044,953	17,124,103
Total current liabilities . . . . .	10,919,319	11,680,873	9,527,450
Net current liabilities . . . . .	4,561,464	5,276,220	3,878,658
Total non-current liabilities . . . . .	8,311,140	6,744,752	8,038,817
Total liabilities . . . . .	19,230,459	18,425,625	17,566,267
Net assets . . . . .	4,667,275	5,023,981	5,206,628

See “Financial Information — Discussion of Selected Items from Our Consolidated Statements of Financial Position” for details.

### Summary of Consolidated Cash Flow Statements

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	2024	2024	2025
				<i>(unaudited)</i>
				<i>(RMB in thousands)</i>
Net cash inflow from operating activities . . . . .	2,023,010	3,530,528	2,623,352	1,962,141
Net cash outflow from investing activities . . . . .	(3,760,155)	(2,333,336)	(1,562,339)	(1,474,820)
Net cash inflow/(outflow) from financing activities . . . . .	1,541,021	(1,074,238)	(1,049,859)	(598,630)
Effect of foreign exchange rate changes on cash and cash equivalents . . . . .	20	(30)	(1)	(116)
<b>Net (decrease)/increase in cash and cash equivalents . . . . .</b>	<b><u>(196,104)</u></b>	<b><u>122,924</u></b>	<b><u>11,153</u></b>	<b><u>(111,425)</u></b>
Cash and cash equivalents at the beginning of the year/period . . . . .	1,550,567	1,354,463	1,354,463	1,477,387
<b>Cash and cash equivalents at the end of the year/period . . . . .</b>	<b><u>1,354,463</u></b>	<b><u>1,477,387</u></b>	<b><u>1,365,616</u></b>	<b><u>1,365,962</u></b>

See “Financial Information — Liquidity and Capital Resources — Cash Flows” for details.

## SUMMARY

### Key Financial Ratios

	For the Year Ended December 31,		For the Nine Months Ended September 30,
	2023	2024	2025 <i>(unaudited)</i>
Gross profit margin (%) <sup>(1)</sup> . . . . .	34.2	34.7	32.0
Gross profit margin of our dairy products (%) <sup>(2)</sup> . . . . .	37.5	37.8	36.6
Net profit margin (%) <sup>(3)</sup> . . . . .	0.03	5.6	6.0
Adjusted net profit margin (non-CASBE measure) (%) <sup>(4)</sup> . . . . .	3.4	5.9	6.2

*Notes:*

- (1) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.
- (2) Gross profit margin of dairy products equals gross profit of dairy products divided by revenue from dairy products and multiplied by 100%.
- (3) Net profit margin equals net profit divided by revenue and multiplied by 100%. Our net profit margin for 2023 was 0.03%, primarily due to the interest expenses on financial liabilities related to shareholders’ special rights of RMB554.4 million, arising from certain special rights granted to certain Pre-[REDACTED] investors before the Track Record Period. Such special rights were terminated in 2023, resulting in the derecognition of the relevant liabilities and no interest expenses were subsequently incurred. See Note (VI) 37 to the Accountants’ Report in Appendix I to this Document.
- (4) Adjusted net profit margin (non-CASBE measure) equals adjusted net profit (non-CASBE measure) divided by revenue and multiplied by 100%. See “Financial Information — Non-CASBE Financial Measures.”

### Biological Assets and Valuation

Pursuant to Chapter 4.10 under the Guide for New Listing Applicants, the following table sets forth the fair value of our biological assets as measured by the Valuer as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
<i>(RMB in thousands)</i>			
<b>Productive biological assets</b>			
– Immature productive biological assets . . . . .	2,159,104	1,653,787	1,906,467
– Mature productive biological assets . . . . .	2,452,626	2,990,982	2,821,687
<b>Subtotal . . . . .</b>	<b>4,611,730</b>	<b>4,644,769</b>	<b>4,728,154</b>

## SUMMARY

	As of December 31,		As of September 30,
	2023	2024	2025
	<i>(RMB in thousands)</i>		
<b>Consumable biological assets</b>			
– Beef cattle . . . . .	49,891	N/A	N/A
<b>Total . . . . .</b>	<b>4,661,621</b>	<b>4,644,769</b>	<b>4,728,154</b>

The fair value of our biological assets remained relatively stable during the Track Record Period. The fair value of our productive biological assets increased from RMB4,611.7 million as of December 31, 2023 to RMB4,644.8 million as of December 31, 2024, and further increased to RMB4,728.2 million as of September 30, 2025, primarily due to the increases in the number of dairy cows, the decrease of feed costs and the improved herd structure and quality. The fair value of our consumable biological assets was RMB49.9 million as of December 31, 2023, and we ceased to sell beef cattle in 2024.

### CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), Mr. Wei, the chairperson of the Board, executive Director and general manager of our Group, is entitled to exercise approximately [REDACTED]% voting rights in our Company, through (i) 270,310,455 Shares, representing approximately [REDACTED]% voting rights in our Company, directly held by him; (ii) 156,378,010 Shares, representing approximately [REDACTED]% voting rights in our Company, through Lehui Ruisheng, Yuehui Xinghong, Yuehui Xinghong I, Runde Zhiying II, Zhenlecheng and Zhenlecheng XII, the sole general partner of each of which being Lehui Consulting, a company owned as to 99% by Mr. Wei. Therefore, Mr. Wei, Lehui Consulting, together with Lehui Ruisheng, Yuehui Xinghong, Yuehui Xinghong I, Runde Zhiying II, Zhenlecheng and Zhenlecheng XII, will be our Controlling Shareholders upon [REDACTED].

### PRE-[REDACTED] INVESTMENTS

We have undertaken several rounds of Pre-[REDACTED] Investments and our Pre-[REDACTED] Investors include, among others, HongShan, Primavera Investment Group and Ping An Investment. See “History, Development and Corporate Structure — Pre-[REDACTED] Investments” for details of the background of our major Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments.

## SUMMARY

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[REDACTED]

### USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], assuming the [REDACTED] is not exercised, and an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the midpoint of the indicative [REDACTED] range stated in this Document.

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## SUMMARY

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In line with our strategies, we intend to use the net [REDACTED] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

<u>Approximately HK\$ in [REDACTED]</u>	<u>Percentage of Net [REDACTED]</u>	<u>Future Plans</u>
[REDACTED] . .	[REDACTED]%	Expand, upgrade and construct production facilities to support our long-term capacity planning, improve production efficiency and strengthen our supply capabilities across key regions
[REDACTED] . .	[REDACTED]%	Strengthen brand equity and increase consumer engagement through coordinated online and offline marketing campaigns
[REDACTED] . .	[REDACTED]%	Support channel expansion and market development
[REDACTED] . .	[REDACTED]%	Strengthen our R&D platform, advance basic scientific research, accelerate product innovation and explore new business opportunities
[REDACTED] . .	[REDACTED]%	Strengthen our intelligent digital capability development
[REDACTED] . .	[REDACTED]%	For working capital and other general corporate purposes

See “Future Plans and Use of [REDACTED] — Use of [REDACTED]” for details.

## DIVIDENDS

In 2023, 2024, and for the nine months ended September 30, 2025, we paid dividends of RMB337.0 million, RMB555.5 million and RMB732.2 million, respectively, to our Shareholders. Pursuant to the approval at the extraordinary general meeting of Shareholders on October 16, 2025, we declared dividends of RMB1,000.0 million to our Shareholders, which were fully paid in December 2025.

A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial conditions, payments by our subsidiaries of cash dividends to us, business prospects, statutory and regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment of dividends, as well as the amount thereof, shall comply with our Articles of Association and the relevant PRC laws and regulations, and shall be approved by our Board of Directors and the Shareholders’ Meeting.

## SUMMARY

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According to applicable PRC laws and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of any accumulated historical losses and allocations to the statutory reserve equivalent to 10% of our profit after tax.

[REDACTED]

Our [REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED] and the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] Range, we estimate that our [REDACTED] and [REDACTED] will be approximately RMB[REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED], including (i) [REDACTED]-related expenses of approximately RMB[REDACTED], and (ii) non-[REDACTED] related expenses of approximately RMB[REDACTED], comprising (a) sponsor fee of approximately RMB[REDACTED], (b) fees and expenses of legal advisors and Reporting Accountant of approximately RMB[REDACTED], and (c) other fees and expenses of approximately RMB[REDACTED]. As of September 30, 2025, we have incurred RMB[REDACTED] of [REDACTED] and [REDACTED] for the [REDACTED], including [REDACTED] of RMB[REDACTED] and [REDACTED] of RMB[REDACTED]. We expect to further incur [REDACTED] and [REDACTED] of approximately RMB[REDACTED] upon completion of the [REDACTED], out of which approximately RMB[REDACTED] is expected to be charged to our consolidated statements of profit or loss and approximately RMB[REDACTED] is expected to be deducted from equity. The [REDACTED] above are the best estimate as of the Latest Practicable Date and for reference only, and the actual amount may differ from this estimate.

### RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our business, financial conditions and results of operations since September 30, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Unaudited Financial Information for the Nine Months Ended September 30, 2025 included in Appendix IA to this Document, and up to the date of this Document.