

## CONNECTED TRANSACTIONS

### OVERVIEW

Prior to the [REDACTED], in our ordinary and usual course of business, our Company has entered into a number of transactions with our connected persons as defined under Chapter 14A of the Listing Rules. Upon [REDACTED], the transactions disclosed in this section will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

### OUR CONNECTED PERSONS

Following the [REDACTED], we expect to continue our transactions with the following parties which will be connected persons of our Company under the Listing Rules:

No.	Name	Connected relationship
1. . .	Banner Dairy and Banner Farming (together with their respect subsidiaries, the “ <b>Connected Subsidiaries</b> ”)	Each of Banner Dairy and Banner Farming is a non-wholly owned subsidiary of our Company owned as to 12.66% by Mr. Wei Liqiang (魏立強), the brother of Mr. Wei, our Controlling Shareholder and executive Director, and therefore constitutes a connected subsidiary of our Company under the Listing Rules.
2. . .	Shijiazhuang Hetiande Trading Co., Ltd. (石家莊禾田德商貿有限公司) (“ <b>Hetiande</b> ”)	Hetiande was owned as to 70% by Mr. Wei Futian (魏蚌田) and 30% by Mr. Wei Fuhe (魏蚌禾). Mr. Wei Futian and Mr. Wei Fuhe are relatives of Mr. Wei and constitutes a deemed connected person of our Company under Rule 14A.21 of the Listing Rules.
3. . .	Hebei Pinyuan Biotechnology Co., Ltd. (河北品元生物科技股份有限公司) (“ <b>Hebei Pinyuan</b> ”) and its subsidiaries (“ <b>Pinyuan Group</b> ”)	Hebei Pinyuan was owned by Hebei Pinyuan Enterprise Management Company Limited (河北品元企業管理有限公司) as to 33.25%, which is held by Mr. Wei as to 60% and his spouse, Ms. He Xiaomei as to 40%, and therefore it constitutes a connected person of our Company under the Listing Rules.

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### PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

#### 1. Banner Sales Framework Agreement

##### *Principal Terms*

On [●], 2026, the Company entered into an agreement with Banner Dairy and Banner Farming (the “**Banner Sales Framework Agreement**”), pursuant to which, (a) Banner Dairy agrees to purchase production materials primarily including raw milk, packaging materials and marketing related consulting services, and (b) Banner Farming agrees to purchase cattle breeding related production materials primarily including feed, vaccines and whole milk powder, from the Company and other subsidiaries of the Group. The Banner Sales Framework Agreement has a term commencing from the [REDACTED] and ending on December 31, 2028, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

##### *Reasons for the Transactions*

The Connected Subsidiaries have been operated within the Group and managed by the Company with the brand “Banner (旗幟)” since 2018. They have been closely working with the Company and other subsidiaries of the Group for nearly a decade and “Banner (旗幟)” has also become one of our established formula brands that enriches our infant formula offerings. Therefore, Banner Dairy has substantial production and sales support demand from the Group. As one of our largest and most modernized dairy farms, Banner Farming also has procurement needs related to cattle breeding, which can be supported by the Group’s integrated value chain. Such cooperations provide mutual benefits to our Group and our Connected Subsidiaries, which in turn improve synergies and enhance business growth for both the Connected Subsidiaries and our Group. We believe it is in the best interests of the Group and our Shareholders as a whole to continue to sell relevant products and services to the Connected Subsidiaries after the [REDACTED].

##### *Pricing Policy*

The prices of transactions contemplated under the Banner Sales Framework Agreement are primarily based on the cost and expenses incurred by our Group. The sales prices of our products and services under the Banner Sales Framework Agreement are fair and reasonable, and on normal commercial terms no less favorable to our Company than terms offered to Independent Third Parties and other subsidiaries.

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### *Historical Transaction Amounts*

Our relevant transaction amounts with the Connected Subsidiaries amounted to approximately RMB210.2 million, RMB319.9 million and RMB219.5 million for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

### *Annual Cap and Basis of Cap*

Our proposed annual caps of the product and services sales to the Connected Subsidiaries under the Banner Sales Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are approximately RMB365 million, RMB380 million and RMB450 million, respectively.

In arriving at the above annual caps, the Directors have considered the following factors: (1) the existing contracts between our Group and the Connected Subsidiaries, (2) the historical transaction amounts, (3) the estimated increase in the demand from the Connected Subsidiaries in the next three years based on factors including, among others, production plans and business development strategies, and (4) the expected sales price of the respect products and services.

## 2. **Hetiande Sales Framework Agreement**

### *Principal Terms*

On [●], 2026, the Company entered into an agreement with Hetiande (the “**Hetiande Sales Framework Agreement**”), pursuant to which, our Group may from time to time sell our products to Hetiande, as our distributor, for their distribution to downstream customers. The Hetiande Sales Framework Agreement has a term commencing from the [REDACTED] and ending on December 31, 2028, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

### *Reasons for the Transactions*

We have been selling our products through a large number of distributors through our nationwide sales and distribution network, including Hetiande. Hetiande is a limited liability company established in the PRC on December 14, 2016 with extensive industry experience and proven track record as our distributor. We believe it is in the best interests of the Group and our Shareholders as a whole to continue to engage Hetiande as our distributor after the [REDACTED].

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### *Pricing Policy*

The prices for the products we offered to Hetiande will be in line with the prices we offer to other distributors who are Independent Third Parties in the ordinary course of business.

### *Historical Transaction Amounts*

Our relevant product sales to Hetiande amounted to approximately RMB24.6 million, RMB49.1 million and RMB37.2 million for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

### *Annual Cap and Basis of Cap*

Our proposed annual caps of the products sales to Hetiande under the Hetiande Sales Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are approximately RMB60.0 million, RMB70.0 million and RMB80.0 million, respectively.

In arriving at the above annual caps, the Directors have considered the following factors: (1) the existing contracts between the Group and Hetiande, (2) the historical transaction amounts for the abovementioned transactions, (3) the estimated increasing demand of our products by downstream customers reached through Hetiande for the next three years, and (4) the expected sales price.

## **3. Pinyuan Procurement Framework Agreement**

### *Principal Terms*

On [●], 2026, the Company entered into an agreement with Hebei Pinyuan (the “**Pinyuan Procurement Framework Agreement**”), pursuant to which, our Group agrees to procure from Pinyuan Group breeding-related products including, among others, frozen bovine semen, calf and production materials such as spare parts, consumables, and instruments. The Pinyuan Procurement Framework Agreement has a term commencing from the [REDACTED] and ending on December 31, 2028, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

### *Reasons for the Transactions*

Hebei Pinyuan is a professional genetic supplier from elite bulls which was held as a subsidiary of our Company between its establishment and December 2023. Currently, our Company is interested in Hebei Pinyuan as to 28.0458% and Hebei Pinyuan is also one of our associated companies. Pinyuan Group has been providing genetic-related products to our Group since its inception and has been maintaining stable and long-term

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cooperative relationship which largely contributed to the enhancement of our dairy cow qualities. We believe it is in the best interests of the Group and our Shareholders as a whole to continue to purchase genetic-related products from Pinyuan Group after the [REDACTED].

### *Pricing Policy*

The prices of transactions contemplated under the Pinyuan Procurement Framework Agreement will be in line with the prices as Pinyuan Group offers to other Independent Third Parties in the ordinary course of business, and determined based on arm’s length negotiations between the parties with reference to the qualities of genetic-related products, relevant labor costs, costs of materials, and the prevailing market price of similar products.

### *Historical Transaction Amounts*

Our relevant transaction amount with Pinyuan Group amounted to approximately RMB51.6 million, RMB41.9 million and RMB38.3 million for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

### *Annual Cap and Basis of Cap*

Our proposed annual caps of the products procurement from Pinyuan Group under the Pinyuan Procurement Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are approximately RMB25 million, RMB26 million and RMB27 million, respectively.

In arriving at the above annual caps, the Directors have considered the following factors: (1) the existing contracts with Pinyuan Group, (2) the historical transaction amounts, (3) the estimated demand in the next three years, based on factors including, among others, our dairy cow herd size, and (4) the expected sales price based on communication with Pinyuan Group.

### **Listing Rules Implications**

In respect of each of the continuing connected transactions as described above, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules is expected to be above 0.1% but will not exceed 5% on an annual basis. Accordingly, each of the continuing connected transactions as described above are exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules but will be subject to the annual reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

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### NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

#### **Banner Procurement Framework Agreement**

##### *Principal Terms*

On [●], 2026, the Company entered into an agreement with Banner Dairy and Banner Farming (the “**Banner Procurement Framework Agreement**”), pursuant to which, (a) Banner Farming agrees to sell, among others, raw milk, and (b) Banner Dairy agrees to sell, among others, formula products and other production materials, and to provide contract manufacturing services, to the Company and other subsidiaries of the Group. The Banner Procurement Framework Agreement has a term commencing on the [REDACTED] and ending on December 31, 2028, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

##### *Reasons for the Transactions*

The Connected Subsidiaries have been operated within the Group and managed by the Company with the brand “Banner (旗幟)” since 2018. They have been closely working with other subsidiaries of the Group for nearly a decade and “Banner (旗幟)” has also become one of our established formula brands that enriches our infant formula offerings. Therefore, Banner Dairy leverages the Group’s sales strengths for products promotion and distribution, while its production facilities also provide manufacturing support for our Group. As one of our largest and most modernized dairy farms, Banner Farming provides raw milk to other subsidiaries of the Group to meet our Group’s significant raw milk demand. Such cooperations provide mutual benefits to our Group and our Connected Subsidiaries, which in turn improve synergies and enhance business growth for both the Connected Subsidiaries and our Group. We believe it is in the best interests of the Group and our Shareholders as a whole to continue to purchase relevant products and services from the Connected Subsidiaries after the [REDACTED].

##### *Pricing Policy*

The prices of transactions contemplated under the Banner Procurement Framework Agreement will be in line with the prices as we purchase from other Independent Third Parties in the ordinary course of business, and determined based on arm’s length negotiations between the parties with reference to the types of products and services, the relevant labor costs and costs of materials, and the prevailing market price of similar products and services.

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### *Historical Transaction Amounts*

Our relevant transaction amounts with the Connected Subsidiaries amounted to approximately RMB409.9 million, RMB951.9 million and RMB925.4 million for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

### *Annual Cap and Basis of Cap*

Our proposed annual caps of the products and services procured from the Connected Subsidiaries under the Banner Procurement Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are approximately RMB1,350 million, RMB1,400 million and RMB1,450 million, respectively.

In arriving at the above annual caps, the Directors have considered the following factors: (1) the existing contracts with the Connected Subsidiaries, (2) the historical transaction amounts, (3) the estimated increase in the demanding within the Group and from the downstream customers and the production ability of the Connected Subsidiaries in the next three years, based on factors including, among others, the herd size and production plans, and (4) the expected sales price based on historical quotes and the prevailing market price of similar products and services.

### **Listing Rules Implications**

As one or more of the applicable percentage ratios in respect of the transactions under the Banner Procurement Framework Agreement are expected to exceed 5% on an annual basis, such transactions will, upon [REDACTED], be subject to the reporting, annual review, announcement and the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **CONFIRMATION OF OUR DIRECTORS**

Our Directors (including independent non-executive Directors) consider that (i) the partially-exempt and non-exempt continuing connected transactions as set out above have been and will be entered into in the ordinary and usual course of business of our Group, on normal commercial terms or better, are fair and reasonable and in the interests of our Group and Shareholders as a whole; and (ii) the proposed annual caps are fair and reasonable, and in the interests of our Group and Shareholders as a whole.

### **CONFIRMATION OF THE JOINT SPONSORS**

The Joint Sponsors are of the view that (i) the partially-exempt and non-exempt continuing connected transactions above have been and will be entered into in the ordinary and usual course of business of our Group, on normal commercial terms or better, are fair and reasonable and in the interests of our Group and Shareholders as a whole; and (ii) the proposed annual caps are fair and reasonable, and in the interests of our Group and Shareholders as a whole.

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### **WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES**

In relation to the continuing connected transactions above, we have applied for, and the Stock Exchange [has] granted to us, a waiver from strict compliance with the announcement, circular and independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules pursuant to Rule 14A.105 of the Listing Rules, subject to the condition that the aggregate value of such continuing connected transactions for the years ending December 31, 2026, 2027 and 2028 shall not exceed relevant annual amounts stated above.