OVERVIEW

Our history can be traced back to 2001, when New Hope Liuhe commenced the incubation of its dairy business unit. In July 2006, our Company was formally incorporated. Since then, we have developed and become a technology-driven nutritional food company through the research, development, production and marketing of dairy products and other nutritional food. We ranked No. 5 in China's liquid dairy products market in terms of retail sales value in 2025, with the fastest growth in retail sales value of low-temperature liquid dairy products among the top five dairy companies from 2024 to 2025 in China's low-temperature liquid dairy products market, according to the F&S Report. Our Company was converted into a joint stock limited company in December 2016, and subsequently listed on the Shenzhen Stock Exchange (stock code: 002946.SZ) in January 2019. See "—Major Shareholding Changes of Our Company—Conversion into Joint Stock Limited Company and Listing on the Shenzhen Stock Exchange" under this section.

As of the Latest Practicable Date, by virtue of the Acting in Concert Agreement, our group of Controlling Shareholders collectively owned 76.48% of the total issued share capital of our Company, comprising (1) 65.07% of the equity interests indirectly held by Ms. Liu through UDL and her wholly owned intermediate holding companies, including New Hope Dairy International and New Century, and (2) 11.42% of equity interests indirectly held by Mr. Liu through New Hope Investment and his wholly owned intermediate holding companies, including New Hope Holdings, New Hope Asia Pacific and Lhasa New Hope. For further details of the Acting in Concert Agreement, see "—Acting in Concert Agreement" under this section.

KEY DEVELOPMENT MILESTONES

The following table sets out a summary of our Group's key development milestones:

Year	Development Milestones
2001	New Hope Liuhe commenced the incubation of its dairy business unit
2006	Our Company was incorporated in Chengdu
2010	We introduced the concept of the "Fresh Strategy" ("鮮戰略") for low-temperature fresh milk
2011	Inspired by the principle "Freshness Defined by Time" (時間定義新鮮), we launched our *24-Hour Fresh Milk* (24小时™鲜牛乳) products
2015	We implemented our strategic expansion by acquiring *Hunan Nanshan* (南山®), *Suzhou Shuangxi* (双喜®) and *Xichang Sanmu* (三牧®), laying a solid foundation for our business expansion in East China, Central China and Southwest China regions
2016	We acquired the *Zhaori Weipin* (朝日唯品®) brand, further diversifying our brand portfolio
2017	We successfully passed the review of the "Intelligent Manufacturing Comprehensive Standardization and Innovation Model Application Project" (智能製造綜合標準化與創新模式應用項目) by the MIIT
	We established the "Sichuan Provincial Key Laboratory of Dairy Nutrition and Function" (乳製品營養與功能四川省重點實驗室)
2018	We engaged in industry-academia-research collaboration with leading advanced research institutes in Europe

Year	Development Milestones
2019	Our Shares were listed on the Shenzhen Stock Exchange (stock code: 002946.SZ) We established strategic equity cooperation with Modern Dairy (現代牧業) (stock code: 1117.HK) Hangzhou Shuangfeng was awarded the Second Prize of National Science and Technology Progress Award (國家科學技術進步獎二等獎)
2020	We acquired Xiajin Dairy, strengthening our strategic footprint in Northwest China
2021	We established equity cooperation with AustAsia Group (澳亞集團) and launched our "Fresh Cube Strategy" (鮮立方戰略)
2022	Our annual revenue reached RMB10.0 billion
2023	We announced our "Five Year Strategic Plan 2023-2027" (2023-2027 五年戰略規劃), aiming to achieve a doubled profit margin by the end of 2027
2024	The production facility for our *Huaxi* (华西®) brand in Chengdu was awarded the TPM Excellence Prize (TPM優秀獎) by the Japan Institute of Plant Maintenance
2025	We successfully hosted the Conference for 10th Anniversary of the Premium Milk Project (優質乳工程十週年大會), and received the award for 2025 CGMA Global Management Accounting China Annual Award (CGMA全球管理會計中國年度大獎)

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Our Early History

We trace our origin back to a dairy business unit incubated by New Hope Liuhe (stock code: 000876.SZ) (then known as New Hope Agriculture Co., Ltd. (四川新希望農業股份有限公司), a company whose shares have been listed on the Shenzhen Stock Exchange since March 11, 1998). On July 5, 2006, our Company, then known as New Hope Dairy Co., Ltd. (新希望乳業控股有限公司), was incorporated in the PRC as a limited liability company with an initial registered capital of RMB480,000,000. At the time of incorporation, our Company was wholly owned by New Hope Liuhe.

On September 19, 2011, upon the approval by the CSRC, New Hope Liuhe entered into an equity transfer agreement with Southern Hope Industry Co., Ltd. (南方希望實業有限公司) ("Southern Hope"), a subsidiary of New Hope Group, pursuant to which New Hope Liuhe agreed to transfer its 100% equity interest in our Company to Southern Hope. Upon completion of such equity interest transfer, our Company was wholly owned by Southern Hope.

On May 10, 2015, Southern Hope entered into an equity transfer agreement with UDL, pursuant to which Southern Hope agreed to transfer its 100% equity interest in our Company to UDL at the consideration of RMB618 million, which was determined on an arm's length basis with reference to our then business operations and future prospects. Upon completion of such equity interest transfer, our Company was wholly owned by UDL. UDL was wholly owned by Ms. Liu, who had remained as one of our Company's Controlling Shareholders since then. For details of the background of Ms. Liu, see "Directors and Senior Management."

Conversion into joint stock limited company and listing on the Shenzhen Stock Exchange

In December 2016, our Company was converted from a limited liability company to a joint stock limited company with registered capital of RMB598,667,108.

On December 30, 2016, New Hope Investment (formerly known as Lhasa Economic and Technological Development Zone Caogen Hechuang Assets Management Co., Ltd. (拉薩經濟技術開發區草根合創資產管理有限公司)) entered into a capital increase agreement, pursuant to which New Hope Investment agreed to subscribe for 129,462,609 Shares at the consideration of RMB279,500,000, which was determined on an arm's length basis with reference to our then business operations and future prospects. Upon the completion of such equity subscription, our Company was owned as to 76.91% by UDL and as to 17.78% by New Hope Investment, which was indirectly wholly owned by Mr. Liu, who had remained as one of our Controlling Shareholders since then.

On January 25, 2019, we completed the listing of our A Shares on the Shenzhen Stock Exchange, during which our Company issued an aggregate of 85,371,067 A Shares, accounting for approximately 10% of our Company's then share capital immediately following completion of our A Shares listing. Following the completion of our A Shares listing, our group of Controlling Shareholders collectively owned 81.34% of the total issued share capital of our Company at the time, comprising (1) 65.60% of the equity interests indirectly held by Ms. Liu through UDL, and (2) 15.74% of equity interests indirectly held by Mr. Liu through New Hope Investment.

Issue of convertible bond in 2020

In December 2020, our Company conducted a public issuance of convertible bonds in the principal amount of RMB718.0 million with a maturity period of six years to satisfy the funding needs of our Company for acquisition of 40% equity interest in Huanmei Dairy. The 2020 Convertible Bonds were listed on the Shenzhen Stock Exchange on January 19, 2021 (bond code: 128142.SZ). The conversion period of the 2020 Convertible Bonds was from the first trading day after six months from the completion date of the issuance of the 2020 Convertible Bonds to the maturity date of the Convertible Bonds which is expected to be no later than December 17, 2026. The initial conversion price of the 2020 Convertible Bonds was RMB18.69 per A Share, which was determined after taking into account, among other things, the average trading price prior to the date of the offering circular of the 2020 Convertible Bonds and was subject to the adjustment mechanism as disclosed in the offering circular. The initial conversion price of the 2020 Convertible Bonds was adjusted to RMB17.88 per A Share, effective on January 16, 2026, after declaration of the interim dividends for the six months ended June 30, 2025. As of December 31, 2025, the outstanding balance of the 2020 Convertible Bonds were RMB717,880,400, out of which **[REDACTED]** underlying A Shares may be further issued upon full conversion of the 2020 Convertible Bonds, representing approximately **[REDACTED]**% of our Company's **[REDACTED]** share capital immediately following the completion of the **[REDACTED]**, based on the conversion price of RMB17.88 per A Share adjusted by the effect of the proposed dividend for the year of 2025, and assuming that the **[REDACTED]** are not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

Issuance and repurchase of restricted A Shares relating to the 2020 Restricted Shares Incentive Plan

In February 2021, our Company adopted the 2020 Restricted Shares Incentive Plan to establish and improve our Company's long-term incentive mechanism. Under the 2020 Restricted Shares Incentive Plan, 13,560,000 restricted A Shares were granted to 39 grantees including connected persons of our Company. Pursuant to the 2020 Restricted Shares Incentive Plan, our Company also from time to time repurchased and canceled Shares granted to these grantees. As of the Latest Practicable Date, there was no outstanding restricted A Shares granted under the 2020 Restricted Shares Incentive Plan and the 13,560,000 restricted A Shares granted pursuant to the 2020 Restricted Shares Incentive Plan have either been repurchased by our Company or have had their restrictions lifted and vested in the respective grantees.

OUR MAJOR SUBSIDIARIES

The following table sets forth the principal activities, the date and place of incorporation, and the equity interest attributable to our Group in respect of each of our Major Subsidiaries as of the Latest Practicable Date:

Name of major subsidiary	Date of incorporation	Place of incorporation	Equity interest controlled by our Group	Principal activities
Sichuan Dairy	February 13, 2004	PRC	96.18%	Production and sales of dairy products
Kunming Xuelan	December 27, 1999	PRC	100.00%	Production and sales of dairy products
Huanmei Dairy	March 2, 2007	PRC	100.00%	Production and sales of dairy products and dairy farming
Qingdao Qinpai	April 3, 1991	PRC	99.90%	Production and sales of dairy products
Shandong Weipin	March 24, 2008	PRC	100.00%	Production and sales of dairy products
Yunnan Diequan	August 29, 1990	PRC	97.84%	Production and sales of dairy products
Xiajin Dairy	September 23, 1992	PRC	99.17%	Production and sales of dairy products
Hangzhou Shuangfeng	October 22, 2002	PRC	100.00%	Production and sales of dairy products
Hebei Tianxiang	January 2, 2003	PRC	100.00%	Production and sales of dairy products
Anhui Baidi	September 29, 2009	PRC	100.00%	Production and sales of dairy products
Hunan Nanshan	November 27, 2013	PRC	100.00%	Production and sales of dairy products
Xinhuaxi	August 8, 2014	PRC	92.99%	Production and sales of dairy products
Fujian Auscow	December 11, 2019	PRC	100.00%	Production and sales of dairy products
Helanshan Husbandry	January 7, 2011	PRC	100.00%	Dairy farming
New Hope Husbandry	September 24, 2014	PRC	99.73%	Dairy farming
Yongchang Husbandry	September 14, 2018	PRC	100.00%	Dairy farming
Haiyuan Husbandry	November 28, 2018	PRC	100.00%	Dairy farming
Saishang Husbandry	January 8, 2021	PRC	100.00%	Dairy farming
Dairui Trading	December 27, 2017	PRC	100.00%	Trading
GGG	March 19, 2015	Hong Kong	100.00%	Investment holding

ACTING IN CONCERT AGREEMENT

On March 1, 2016, Mr. Liu and Ms. Liu entered into an acting in concert agreement (the "Acting in Concert Agreement"), pursuant to which Mr. Liu and Ms. Liu agreed and confirmed that since September 2011, they had reached a unanimous consensus among themselves in respect of all decision-making matters of our Company and they had been and would continue to be parties acting in concert (whether in their capacities as shareholders, partners, directors, senior management or otherwise) so as to jointly exercised control over our Company. The Acting in Concert Agreement shall remain valid from the date of execution until the parties mutually agree to terminate the Acting in Concert Agreement in writing, provided that such termination shall not take effect earlier than the expiry of three years after our Company's A Shares listing.

MATERIAL ACQUISITIONS AND DISPOSALS

In December 2023, our Company transferred its 45.0% equity interests in Chongqing Hanhong, one of the then subsidiaries of our Company, to Grass Green Group at a consideration of RMB148.5 million (the "Disposal"). The considerations were determined after arm's length negotiations among the parties with reference to the value of Chongqing Hanhong as of June 30, 2023 as appraised by an independent valuer. Upon on the completion of the Disposal, our Company held 15.0% equity interest in Chongqing Hanhong and Chongqing Hanhong ceased to be a subsidiary of our Company. Chongqing Hanhong is principally engaged in the operation of stores offering freshly-made drinks. The reason for the Disposal is that our Company intends to further focus on our core businesses, in particular the development and operation of low-temperature dairy products.

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisition, disposal or merger which would fall within the scope of Rule 4.05A of the Listing Rules.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since January 25, 2019, our Company has been listed on the Shenzhen Stock Exchange. In December 2024, our Company received a regulatory letter (the "Regulatory Letter") from the Sichuan Bureau of CSRC（中國證券監督管理委員會四川監管局）regarding our failure to conduct a goodwill impairment test in our 2023 interim report for Chongqing Hanhong on June 30, 2023 due to discrepancies arising during the application of the applicable rules and policies. See "—Material Acquisition and Disposal" for our interest in Chongqing Hanhong.

As advised by our PRC Legal Advisor, the Regulatory Letter was not regarded as a form of administrative penalty. Save for the Regulatory Letter, since the listing of our A Shares on the Shenzhen Stock Exchange on January 25, 2019 and up to the Latest Practicable Date, we had not received any notification from the Shenzhen Stock Exchange or the CSRC indicating that we were involved in any non-compliance issues. For the same period, our Directors confirm that save for the Regulatory Letter, we had no instances of non-compliance with the rules or regulations of the Shenzhen Stock Exchange or the relevant laws and regulations in the PRC in all material respects, and to the best knowledge of our Directors after having made all reasonable enquiries, there is no matter that should be brought to investors' attention in relation to our compliance record on the Shenzhen Stock Exchange.

Further, as advised by our PRC Legal Advisor, based on the public filings on the website of the Shenzhen Stock Exchange and other information in the public domain, save as otherwise disclosed, the Company has complied with applicable securities laws and regulations of the PRC in relation to its listing on the Shenzhen Stock Exchange in all material respects for the Track Record Period and up to the Latest Practicable Date.

Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

We seek to be **[REDACTED]** on the Stock Exchange to boost our international brand profile and image, satisfy our international business development needs, continue advancing our global strategy and further enhance our capital strength and overall competitiveness.

[REDACTED] FLOAT

Pursuant to Rule 19A.13A(2) of the Listing Rules, as our Company has A Shares in issue apart from the H Shares for which the **[REDACTED]** is sought, the H Shares for which the **[REDACTED]** is sought that are held by the public, at the time of the **[REDACTED]**, must (a) represent at least 10% of our Company's total number of issued Shares (excluding treasury shares): or (b) have an expected market value of not less than HK$3 billion.

The total number of the H Shares to be issued pursuant to the **[REDACTED]** represents approximately **[REDACTED]**% of the **[REDACTED]** issued share capital of our Company (assuming that the underlying A Shares under the 2020 Convertible Bonds are **[REDACTED]** and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**). It is expected that upon **[REDACTED]** (assuming that the underlying A Shares under the 2020 Convertible Bonds are **[REDACTED]** and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]** and none of the **[REDACTED]** will be **[REDACTED]** to any core connected person of our Company), the H Shares that are held by the **[REDACTED]** represent at least **[REDACTED]**% of the total issued share capital of our Company, which will satisfy the **[REDACTED]** float requirement under Rule 19A.13A(2) of the Listing Rules.

[REDACTED]

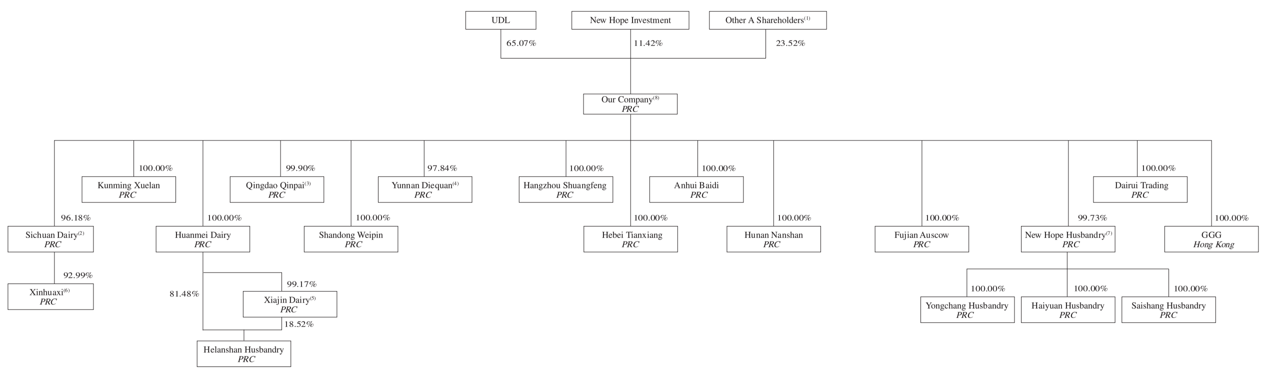
[REDACTED]

Our Company will satisfy the **[REDACTED]** float requirement under Rule 19A.13C(2) of the Listing Rules.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure as of the Latest Practicable Date

The following chart illustrates our simplified shareholding and corporate structure as of the Latest Practicable Date:



(1) No other single A Shareholder held more than 5% interests in the Company as of the Latest Practicable Date.

(2) The remaining 3.82% equity interest in Sichuan Dairy was owned as to 1.82% by Sichuan Academy of Animal Sciences（四川省畜牧科學研究院）, as to 1.78% by Sichuan Xintian Investment Co., Ltd.（四川新天投資有限公司）, as to 0.18% by Liu Bihui（劉碧輝）and as to 0.05% by Liu Youying（劉友英）, each of whom is an independent third party.

(3) The remaining 0.10% equity interest in Qingdao Qinpai was owned by Guild Committee of Qingdao New Hope Qinpai Dairy Co., Ltd.（青島新希望琴牌乳業有限公司工會委員會）, an independent third party.

(4) The remaining 2.16% equity interest in Yunnan Diequan was owned as to 1.08% by Lin Hongsheng（林鴻聲）, as to 0.54% by Shan Fengying（單鳳英）and as to 0.54% by Yang Yanhao（楊岩豪）, each of whom is an independent third party.

(5) The remaining 0.83% equity interest in Xiajin Dairy was owned by Feng Kong（馮孔）, an employee of our Group and other 37 individuals, each of whom is an independent third party.

(6) The remaining 7.01% equity interest in Xinhuaxi was registered under the name of CDB Development Fund Co., Ltd.（國開發展基金有限公司）, an independent third party.

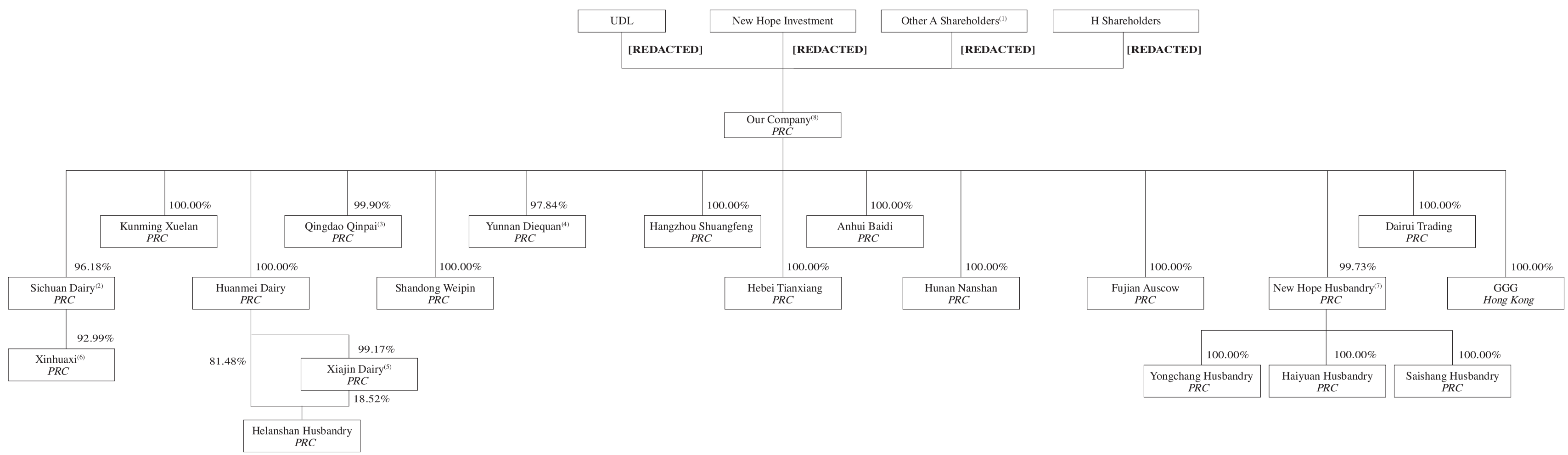
(7) The remaining 0.27% equity interest in New Hope Husbandry was owned as to 0.17% by Jiao Haopeng（焦浩鵬）, an independent third party, and as to 0.10% by Yuanyong（袁勇）, an employee of our Group.

(8) Other than the Major Subsidiaries illustrated in the chart, our Group also controls other 28 subsidiaries as of the Latest Practicable Date, none of which individually made material contribution to our results of operations during the Track Record Period.

As of the Latest Practicable Date, all of our Shares were traded on the Shenzhen Stock Exchange, and our Controlling Shareholders controlled directly and indirectly 76.48% of our total issued Shares. To the best knowledge of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, save as disclosed above, no other Shareholders of our A Shares were close associates of any of our Controlling Shareholders.

Shareholding and Corporate Structure upon Completion of the [REDACTED]

The following chart illustrates our simplified shareholding and corporate structure immediately following the completion of the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised, the underlying A Shares under the 2020 Convertible Bonds are **[REDACTED]** and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**:



(1)-(8) See notes to the corporate structure on the preceding page.