OVERVIEW

We have, in our ordinary and usual course of business, entered into certain transactions with entities that will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon **[REDACTED]**. Such transactions will continue after the **[REDACTED]** and will therefore constitute our continuing connected transactions under the Listing Rules.

CONNECTED PERSONS

The following entities will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon the **[REDACTED]** and have entered into certain transactions with us which will constitute continuing connected transactions under Chapter 14A of the Listing Rules:

Connected Persons	Connected Relationship
Mr. Liu, Ms. Liu and entities in which Mr. Liu and Ms. Liu, individually or collectively, control more than 30.00% or more voting power at the general meeting, excluding New Hope Liuhe Group and New Hope Service Group (each as defined below) and our Group	Each of Mr. Liu and Ms. Liu is a member of the group of our Controlling Shareholders
New Hope Liuhe, together with its subsidiaries (the "New Hope Liuhe Group")	A company listed on the Shenzhen Stock Exchange (stock code: 000876.SZ) and controlled by Mr. Liu
New Hope Service, together with its subsidiaries (the "New Hope Service Group")	A company listed on the Stock Exchange (stock code: 3658.HK) and controlled by Mr. Liu and Ms. Liu

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

	Nature of transactions	Counterparties	Applicable Listing Rules	Waiver Sought
	Fully exempt continuing connected transactions			
1.	Procurement of advertising and consulting services from Mr. Liu & Ms. Liu Connected Persons	Mr. Liu & Ms. Liu Connected Persons	14A.76(1)(a)	N/A
2.	Procurement of living services from New Hope Service Group	New Hope Service Group	14A.76(1)(a)	N/A
3.	Property and equipment lease to the Mr. Liu & Ms. Liu Connected Persons	Mr. Liu & Ms. Liu Connected Persons	14A.76(1)(a)	N/A
4.	Property lease to New Hope Liuhe Group	New Hope Liuhe Group	14A.76(1)(a)	N/A
5.	Provision of Products to New Hope Liuhe Group	New Hope Liuhe Group	14A.76(1)(a)	N/A

	Nature of transactions	Counterparties	Applicable Listing Rules	Waiver Sought
	Fully exempt continuing connected transactions			
6.	Procurement of office supplies and equipment from New Hope Service Group	New Hope Service Group	14A.76(1)(a)	N/A
7.	Property lease from New Hope Service Group	New Hope Service Group	14A.76(1)(a)	N/A
8	Provision of loading and uploading services to the Mr. Liu & Ms. Liu Connected Persons	Mr. Liu & Ms. Liu Connected Persons	14A.76(1)(a)	N/A
	Partially-exempt continuing connected transactions (subject to reporting, annual review and announcement requirements)			
9.	Provision of Products to New Hope Service Group	New Hope Service Group	14A.34, 14A.35, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement requirement
10.	Provision of Products to the Mr. Liu & Ms. Liu Connected Persons	Mr. Liu & Ms. Liu Connected Persons	14A.34, 14A.35, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement requirement
11.	Procurement of feed from New Hope Liuhe Group	New Hope Liuhe Group	14A.34, 14A.35, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement requirement
12.	Procurement of raw materials from the Mr. Liu & Ms. Liu Connected Persons	Mr. Liu & Ms. Liu Connected Persons	14A.34, 14A.35, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement requirement
	Non-exempt continuing connected transactions (subject to reporting, annual review, announcement, circular and independent Shareholders' approval requirements)			
13.	Procurement of logistics services from the Mr. Liu & Ms. Liu Connected Persons	Mr. Liu & Ms. Liu Connected Persons	14A.34 to 14A.36, 14A.46, 14A.49, 14A.51 to 14A.59 and 14A.71	Announcement, circular, and independent Shareholders' approval

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Procurement of advertising and consulting services from the Mr. Liu & Ms. Liu Connected Persons

Our Group has entered into and will continue to enter into after the **[REDACTED]** certain agreement with certain Mr. Liu & Ms. Liu Connected Persons to procure advertising and consulting services in relation to our marketing and promotion activities. The relevant Mr. Liu & Ms. Liu Connected Persons have accumulated solid experience and sound reputation among local advertising and consulting service providers in Sichuan and they have been providing such services to us during the Track Record Period. Any change of the current arrangement may cause inconvenience to our administration and incur additional costs. The continuation of such arrangement is cost efficient and is beneficial to our operation. The consideration for the procurement of services has been arrived at after arm's length negotiations between our Group and the relevant Mr. Liu & Ms. Liu Connected Persons, which shall not be less favorable than those for transactions between our Group and independent third parties or other counterparties under the same conditions.

2. Procurement of living services from New Hope Service Group

Our Group has entered into and will continue to enter into after the **[REDACTED]** certain agreement with New Hope Service, for itself and on behalf of its subsidiaries, to procure living services for our office premises and internal canteens. As a professional service provider, New Hope Service Group delivers quality property management and catering services for the properties we leased from them, which enhances our tenant experience in an efficient manner. New Hope Service Group has been providing such services to us during the Track Record Period, and any change of the current arrangement may cause inconvenience to our administration and incur additional costs. The continuation of such arrangement is cost efficient and is beneficial to our operation. The consideration for the procurement of services has been arrived at after arm's length negotiations between our Group and New Hope Service Group, which shall not be less favorable than those for transactions between our Group and independent third parties or other counterparties under the same conditions.

3. Property and equipment lease to the Mr. Liu & Ms. Liu Connected Persons

Our Group has entered into and will continue to enter into after the **[REDACTED]** certain leases with certain Mr. Liu & Ms. Liu Connected Persons, pursuant to which the relevant Mr. Liu & Ms. Liu Connected Persons agreed to lease from our Group certain offices and logistics equipment for their ad hoc office space and equipment usage needs arising in their course of providing logistics services to us. These leases have commenced during the Track Record Period and terminating them would cause inconvenience to our cooperation with the relevant Mr. Liu & Ms. Liu Connected Persons in our ordinary course of business. The rent was determined by the parties at arm's length negotiations with reference to the location, function and size of the properties, and the specification of the required equipment, and is to be no less favorable to our Group than the prevailing market price of the rent of similar property in the vicinity and of the similar equipment.

4. Property lease to New Hope Liuhe Group

Our Group has entered into and will continue to enter into after the **[REDACTED]** certain leases with New Hope Liuhe Group, pursuant to which our Group agreed to lease to New Hope Liuhe Group certain properties in the PRC for office purposes. The leased office buildings are able to accommodate New Hope Liuhe Group's operational needs for office spaces in terms of location, rent, size as well as property management. These leases have commenced during the Track Record Period and terminating them would require our Group to find new tenants and incur additional costs. The rent was determined by the parties at arm's length negotiations with reference to the location, function and size of the properties, and is to be no less favorable to our Group than the prevailing market price of the rent of similar property in the vicinity.

5. Provision of Products to New Hope Liuhe Group

Our Group has entered into and will continue to enter into after the **[REDACTED]** certain agreements with New Hope Liuhe, for itself and on behalf of its subsidiaries, pursuant to which we agreed to provide to New Hope Liuhe Group various dairy products. New Hope Liuhe Group purchased our dairy products for its occasional re-sale to their customers in its course of business. The continuation of these sales will permit our dairy products to efficiently fulfill the resale needs of New Hope Liuhe Group. The pricing of such products was determined by the parties on normal commercial terms, negotiated on an arm's length basis with reference to prevailing market price and the unit price it offered to independent third parties.

6. Procurement of office supplies and equipment from New Hope Service Group

Our Group has entered into and will continue to enter into after the **[REDACTED]** certain agreement with New Hope Service, for itself and on behalf of its subsidiaries, to procure office supplies and equipment from the online centralized procurement platform operated by New Hope Service Group for our day-to-day office needs. Participating in procurement through such platform enables us to purchase high-quality products at competitive price, thereby improving our procurement efficiency and cost control. The consideration for the procurement of office supplies and equipment has been arrived at after arm's length negotiations between our Group and New Hope Service Group, with reference to the transaction price between New Hope Service Group and its independent third party customers under the same conditions.

7. Property lease from New Hope Service Group

Our Group has entered into and will continue to enter into after the **[REDACTED]** certain lease agreements with New Hope Service, for itself and on behalf of its subsidiaries, pursuant to which our Group agreed to lease from New Hope Service Group certain booths in a commercial complex under the management of New Hope Service Group for hosting our promotion activities. These leases have commenced during the Track Record Period and have adequately satisfied our marketing needs for our new products, and terminating them would incur unnecessary relocation costs for our Group. The rent was determined by the parties at arm's length negotiations with reference to the location, function and size of the properties, and is to be no less favorable to our Group than the prevailing market price of the rent of similar property in the vicinity. Such leases are not recognized as right-of-use assets on our balance sheets in accordance with CASBE 21 "Leases".

8. Provision of loading and unloading services to the Mr. Liu & Ms. Liu Connected Persons

Our Group has entered into and will continue to enter into after the **[REDACTED]** certain agreement with certain Mr. Liu & Ms. Liu Connected Persons, pursuant to which we agreed to provide loading and unloading services to the relevant Mr. Liu & Ms. Liu Connected Persons. We have been providing such loading and unloading services for products and raw materials to the relevant Mr. Liu & Ms. Liu Connected Persons during the Track Record Period. The continuation of such service provision will meet the ad hoc needs for loading and unloading service from the relevant Mr. Liu & Ms. Liu Connected Persons, so as to facilitate the cooperation between the relevant Mr. Liu & Ms. Liu Connected Persons and us in our ordinary course of business. The consideration for the provision of services has been arrived at after arm's length negotiations between our Group and the relevant Mr. Liu & Ms. Liu Connected Persons, which shall not be less favorable than those for transactions between our Group and independent third parties or other counterparties under the same conditions.

Each transaction under "Fully Exempt Continuing Connected Transactions" has been conducted in the ordinary and usual course of business and on normal commercial terms or better, and all applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%. Therefore, each of such transactions will be exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Provision of Products to New Hope Service Group

Principal Terms

On January 24, 2025, our Company entered into a framework agreement (the "New Hope Service Group Products Provision Framework Agreement") with New Hope Service, for itself and on behalf of its subsidiaries, pursuant to which New Hope Service Group will procure from our Group various dairy products.

The New Hope Service Group Products Provision Framework Agreement became effective on January 24, 2025 and will end on December 31, 2026. Both parties or their respective subsidiaries will enter into individual agreements which will set out the specific terms and conditions according to the principal terms of the New Hope Service Group Products Provision Framework Agreement.

Pricing Policy

The purchase price to be charged by our Group shall be determined after arm's length negotiations with reference to the prevailing market price and the unit price it offered to independent third parties, which shall not be less favorable than those for transactions between our Group and independent third parties or other counterparties under the same conditions.

Reasons for the Transaction

We are a leading dairy products provider in China focusing on low-temperature fresh dairy products. New Hope Service Group purchased our dairy products in their ordinary course of business primarily for its re-sale of dairy products via online mobile applications or offline convenience stores under its management. New Hope Service Group considers it is in its interest in terms of cost, time and stability to purchase additional dairy products from us for its re-sell business instead of finding new suppliers for additional needs. In addition, we intend to leverage the strengths of New Hope Service Group in community retail operations and customised service offerings to enhance the sales network of our low-temperature milk products within residential communities.

Historical Amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to our sale of the above products were approximately RMB3.7 million, RMB7.0 million and RMB8.7 million, respectively.

Annual cap and basis of annual cap

The following table sets forth the proposed annual cap for the annual transaction amounts to be paid by New Hope Service Group to our Group under the New Hope Service Group Products Provision Framework Agreement:

	For the year ending December 31, 2026
	(RMB in million)
Total fees to be paid by New Hope Service Group to our Group	18.0

The proposed annual cap is determined based on:

(i) the historical transaction amounts under the New Hope Service Group Products Provision Framework Agreement;

(ii) the expected number of properties to be managed by New Hope Service Group based on the total number of properties New Hope Service Group managed as at June 30, 2024 being 244 and the estimation of the increasing demand of residents in the properties New Hope Service Group managed for the "New Hope" customised dairy products; and

(iii) the increasing number of corporate customers of New Hope Service Group from its enterprise services which led to an increase in resale demand.

2. Provision of Products to the Mr. Liu & Ms. Liu Connected Persons

Principal Terms

On [●], 2026, our Company entered into a framework agreement (the "Mr. Liu & Ms. Liu Connected Persons Products Procurement Framework Agreement") with Mr. Liu and Ms. Liu, for themselves and on behalf of the Mr. Liu & Ms. Liu Connected Persons, pursuant to which our Group may from time to time provide with the Mr. Liu & Ms. Liu Connected Persons various dairy products.

The Mr. Liu & Ms. Liu Connected Persons Products Procurement Framework Agreement will become effective on the **[REDACTED]** and will end on December 31, 2026. Our Group and the Mr. Liu & Ms. Liu Connected Persons will enter into individual agreements which will set out the specific terms and conditions according to the principal terms of the Mr. Liu & Ms. Liu Connected Persons Products Procurement Framework Agreement.

Pricing Policy

The purchase price to be charged by our Group shall be determined after arm's length negotiations with reference to the prevailing market price and the unit price it offered to independent third parties, which shall not be less favorable than those for transactions between our Group and independent third parties or other counterparties under the same conditions.

Reasons for the Transaction

We are a leading dairy products provider in China focusing on low-temperature fresh dairy products. The Mr. Liu & Ms. Liu Connected Persons have been purchasing our dairy products in their ordinary course of business primarily for their distribution on e-commerce platforms and discount snack stores, or for the production of freshly-made drinks at their chain stores, as the case may be. The relevant Mr. Liu & Ms. Liu Connected Persons consider it is in their interest in terms of cost, time and stability to purchase additional dairy products from us for its distribution or beverage business instead of finding new suppliers for additional needs. In addition, such transactions also benefit our Group by broadening our online and offline sales channels, enhancing the market exposure of our products and contributing to the overall reputation and visibility of our brand through wider distribution across different retail and beverage settings.

Historical Amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to our sale of the above products were approximately RMB89.0 million, RMB159.0 million and RMB193.8 million, respectively.

Annual cap and basis of annual cap

The following table sets forth the proposed annual cap for the annual transaction amounts to be paid by the Mr. Liu & Ms. Liu Connected Persons to our Group under the Mr. Liu & Ms. Liu Connected Persons Products Procurement Framework Agreement:

	For the year ending December 31, 2026
	(RMB in million)
Total fees to be paid by the Mr. Liu & Ms. Liu Connected Persons to our Group	183.9

The proposed annual cap is determined based on:

(i) the existing sales contracts between our Group and the relevant Mr. Liu & Ms. Liu Connected Persons;

(ii) the historical amounts of the transactions between the Group and the Mr. Liu & Ms. Liu Connected Persons during the Track Record Period in respect of the procurement of our dairy products, which recorded steady growth mainly driven by the increasing demand for our dairy products from the relevant Mr. Liu & Ms. Liu Connected Persons to support their business expansion and by our Group's implementation of the "Fresh Cube Strategy," under which we strengthened cooperation in core product categories such as low-temperature fresh milk and specialty yogurt across e-commerce and milk beverage stores channels;

(iii) the estimated slight decline of the transaction amount for the year ending December 31, 2026, which is attributable to our continuous efforts in accumulating independent channel resources, particularly in snack store channels, resulting in a reduced demand for channel expansion from our connected persons; and

(iv) the estimated price of the dairy products to be supplied to the Mr. Liu & Ms. Liu Connected Persons, with reference to the price level during the Track Record Period and the potential fluctuation in the price, taking into account the relevant cost.

3. Procurement of feed from New Hope Liuhe Group

Principal Terms

On [●], 2026, our Company entered into a framework agreement (the "New Hope Liuhe Group Feed Framework Agreement") with New Hope Liuhe, for itself and on behalf of its subsidiaries, pursuant to which our Group may from time to time procure from New Hope Liuhe Group feed for our dairy cattle.

The New Hope Liuhe Group Feed Framework Agreement will become effective on the **[REDACTED]** and will end on December 31, 2026. Our Group and the New Hope Liuhe Group will enter into individual agreements which will set out the specific terms and conditions according to the principal terms of the New Hope Liuhe Group Feed Framework Agreement.

Pricing Policy

Our feed procurement prices are generally determined through quarterly or semiannual open tendering and price comparison processes, in which both independent third-party suppliers and connected suppliers are invited to bid. When granting the engagement, we fairly and comprehensively consider factors such as bidders' quotations, qualifications, supply stability as well as commercial reputation. Therefore, we believe our purchase prices to be paid to New Hope Liuhe Group are in line with the prices as we procure from other independent third parties in our ordinary and usual course of business, with reference to the type and specification of materials and the unit price New Hope Liuhe Group offered to independent third party clients.

Reasons for the Transaction

Our Group has been purchasing feed from New Hope Liuhe Group during the Track Record Period in the ordinary and usual course of our business, primarily for providing nutritional supplementation for our heifers and lactating cows, which helps us strengthen and improve the overall physical condition of our cattle and ensures the quality of raw milk. Our demand for feed covers a broad range of products for our diverse usage scenarios. New Hope Liuhe is a leading feed producer in China with strong supply chain management capabilities, refined technical R&D competencies, a diversified product portfolio and reliable product quality. Given its ability to supply multiple types of feed in a one-stop manner, our procurement from New Hope Liuhe Group also enables us to streamline our sourcing processes and achieve cost efficiency compared with engaging multiple suppliers for different types of feed.

Furthermore, considering that dairy cows are adapted to routinely consumed feed, maintaining stable procurement of the same or similar feed from New Hope Liuhe Group also helps us to enhance the health conditions of our dairy cows.

Historical Amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to our purchase of the above feed and packaging materials were approximately RMB211.7 million, RMB165.3 million and RMB164.0 million, respectively.

Annual cap and basis of annual cap

The following table sets forth the proposed annual cap for the annual transaction amounts to be paid by our Group to New Hope Liuhe Group under the New Hope Liuhe Group Feed Framework Agreement:

	For the year ending December 31, 2026
	(RMB in million)
Total fees to be paid by our Group to New Hope Liuhe Group	190.0

The proposed annual cap is determined based on:

(i) the existing purchase contracts between our Group and the New Hope Liuhe Group;

(ii) the historical amounts of the transactions between the Group and New Hope Liuhe Group during the Track Record Period in respect of the procurement of such products. The decrease in the transaction amounts between our Group and New Hope Liuhe Group during the Track Record Period were primarily due to our adjustment of operating strategies, under which we voluntarily closed certain dairy farms to enhance economic efficiency and initiated attempts to independently formulate and mix feed at certain dairy farms to cope with unfavorable feed market conditions, resulting in an overall reduction in our demand for feed;

(iii) the estimated demand for feed to be provided by New Hope Liuhe Group for the year ending December 31, 2026. We expect our demand for feed to rebound in 2026, given that (a) the number of our dairy cows is expected to increase by over 1,000 in 2026; and (b) we expect to procure certain new types of feed, such as flaked maize, from New Hope Liuhe Group in light of the relatively favorable feed market conditions; and

(iv) the estimated price of the feed and packing materials to be supplied by New Hope Liuhe Group, with reference to the price level during the Track Record Period and the potential fluctuation in the price.

4. Procurement of raw materials from the Mr. Liu & Ms. Liu Connected Persons

Principal Terms

On [●], 2026, our Company entered into a framework agreement (the "Mr. Liu & Ms. Liu Connected Persons Raw Materials Procurement Framework Agreement") with Mr. Liu and Ms. Liu, for themselves and on behalf of the Mr. Liu & Ms. Liu Connected Persons, pursuant to which our Group may from time to time procure the Mr. Liu & Ms. Liu Connected Persons raw materials which primarily include ingredient-grade milk powder and auxiliary materials for production of our dairy products.

The Mr. Liu & Ms. Liu Connected Persons Raw Materials Procurement Framework Agreement will become effective on the **[REDACTED]** and will end on December 31, 2026. Our Group and the Mr. Liu & Ms. Liu Connected Persons will enter into individual agreements which will set out the specific terms and conditions according to the principal terms of the Mr. Liu & Ms. Liu Connected Persons Raw Materials Procurement Framework Agreement.

Pricing Policy

The price of our procurement for bulk ingredient-grade milk powder are generally determined through routine price comparison mechanism, in which both independent third-party suppliers and connected suppliers are invited to bid. When granting the engagement, we fairly and comprehensively consider factors such as bidders' quotations, qualifications, supply stability as well as commercial reputation. In particular, we place great importance on channel resources, local network and import licenses of suppliers in key overseas dairy sourcing regions. Therefore, we consider our purchase price with the relevant Mr. Liu & Ms. Liu Connected Persons to be in line with the prices as we procure from other independent third parties in our ordinary and usual course of business, with reference to the prevailing market price and the unit price the relevant Mr. Liu & Ms. Liu Connected Persons offered to independent third clients for procurement of raw materials of similar nature.

Reasons for the Transaction

The raw materials our Group procured from the relevant Mr. Liu & Ms. Liu Connected Persons are primarily bulk ingredient-grade milk powder to be used in the production of our reconstituted milk products. With reference to market fluctuations in bulk ingredient-grade milk powder, we dynamically adjust the quantities of both domestic and imported milk powder we procure to ensure the continuous supply for our production. The relevant Mr. Liu & Ms. Liu Connected Persons have accumulated extensive experience in trading of bulk ingredient-grade milk powder with an established distribution network. Furthermore, they also obtained the agency qualification for leading milk powder manufacturers in New Zealand, enabling them to provide a stable and reliable supply of imported ingredient-grade milk powder. Given the significant price volatility in the milk powder market, expanding our procurement channels through cooperation with the relevant Mr. Liu & Ms. Liu Connected Persons helps us secure multiple sources for the supply of our bulk ingredient-grade milk powder and further enhances our operational efficiency.

Historical Amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to our purchase of the above raw materials were approximately RMB172.2 million, RMB96.1 million and RMB50.1 million, respectively.

Annual cap and basis of annual cap

The following table sets forth the proposed annual cap for the annual transaction amounts to be paid by the Mr. Liu & Ms. Liu Connected Persons to our Group under the Mr. Liu & Ms. Liu Connected Persons Procurement of Products Framework Agreement:

	For the year ending December 31, 2026
	(RMB in million)
Total fees to be paid by our Group to the Mr. Liu & Ms. Liu Connected Persons	100.3

The proposed annual cap is determined based on:

(i) the existing purchase contracts between our Group and the relevant Mr. Liu & Ms. Liu Connected Persons;

(ii) the historical amounts of the transactions between the Group and the Mr. Liu & Ms. Liu Connected Persons during the Track Record Period in respect of the procurement of such products, the fluctuation of which aligns the market price volatility of domestic and imported raw milk during the Track Record Period, and also echoed our cost control and optimisation strategy, under which our Group strategically adjust our procurement based on market conditions;

(iii) the expected increase in demand for bulk ingredient-grade milk powder in 2026, mainly due to the anticipated decline in our production of self-spray-dried milk powder, which will lead to a greater need for additional purchase for bulk ingredient-grade milk powder; and

(iv) the estimated price of the powder to be supplied by the Mr. Liu & Ms. Liu Connected Persons, with reference to the price level during the Track Record Period and the potential fluctuation in the price.

Implications under the Listing Rules

As the highest applicable percentage ratio of the proposed annual cap in respect of each of the transactions under "Partially-exempt continuing connected transactions″ for the year ending December 31, 2026 is expected to exceed 0.1% but be less than 5%, such transactions will, upon the **[REDACTED]**, constitute continuing connected transactions of our Company subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Procurement of logistics services from the Mr. Liu & Ms. Liu Connected Persons

Principal Terms

On [●], 2026, our Company entered into a framework agreement (the "Mr. Liu & Ms. Liu Connected Persons Logistics Services Procurement Framework Agreement") with Mr. Liu and Ms. Liu, for themselves and on behalf of the Mr. Liu & Ms. Liu Connected Persons, pursuant to which our Group may from time to time procure the Mr. Liu & Ms. Liu Connected Persons logistics services for transportation of our raw milk and dairy products.

The Mr. Liu & Ms. Liu Connected Persons Logistics Services Procurement Framework Agreement will become effective on the **[REDACTED]** and will end on December 31, 2026. Our Group and the Mr. Liu & Ms. Liu Connected Persons will enter into individual agreements which will set out the specific terms and conditions according to the principal terms of the Mr. Liu & Ms. Liu Connected Persons Logistics Services Procurement Framework Agreement.

Pricing Policy

The purchase price to be paid by our Group for the logistics services shall be primarily determined based on either (i) unit freight rates, transportation distance, and shipment volume, or (ii) within a pre-agreed percentage range of our revenue generated from the relevant products involved in the logistics services, which may be further adjusted to reflect changes in the relevant costs, such as fluctuations in fuel prices. The relevant unit freight rates or percentage range are established through arm's length negotiations with reference to (i) the nature, scope and standards of services required; and (ii) the prevailing market rates for similar services provided by independent third parties.

Reasons for the Transaction

As a dairy enterprise focusing on low-temperature products, our Group requires professional cold-chain logistics services for the transportation of our finished dairy products and raw milk. Such operations demand stringent temperature control, timely delivery and specialised handling to maintain product freshness and safeguard raw milk quality. The relevant Mr. Liu & Ms. Liu Connected Persons possess the necessary qualifications, established cold-chain networks and extensive operational experience in temperature-controlled logistics. Leveraging their ability to provide reliable, standardised and efficient cold-chain services, our Group procures cold-chain logistics services from them to support the stable and quality-assured transportation of our raw milk and low-temperature dairy products.

Through the long-standing and stable business relationship, the relevant Mr. Liu & Ms. Liu Connected Persons have gained a comprehensive understanding of our business needs, quality standards and operational requirements, and we consider that the relevant Mr. Liu & Ms. Liu Connected Persons are capable of effectively and stably satisfying our demand for the relevant services.

Historical Amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to our purchase of the above logistics services were approximately RMB546.9 million, RMB583.2 million and RMB635.3 million, respectively.

Annual cap and basis of annual cap

The following table sets forth the proposed annual cap for the annual transaction amounts to be paid by our Group to the Mr. Liu & Ms. Liu Connected Persons under the Mr. Liu & Ms. Liu Connected Persons Logistics Services Procurement Framework Agreement:

	For the year ending December 31, 2026
	(RMB in million)
Total fees to be paid by our Group to the Mr. Liu & Ms. Liu Connected Persons	730.0

The proposed annual cap is determined based on:

(i) the existing service contracts between our Group and the relevant Mr. Liu & Ms. Liu Connected Persons;

(ii) the historical amounts of the transactions between the Group and the Mr. Liu & Ms. Liu Connected Persons during the Track Record Period in respect of the procurement of such services;

(iii) our expected steady growth of the production and sales of our dairy products, which is in line with our overall development trajectory of our business. As a result, the demand for the transportation of raw milk and low-temperature fresh milk products is anticipated to increase in 2026; and

(iv) the estimated price of the logistics services to be provided by the Mr. Liu & Ms. Liu Connected Persons, with reference to the price level during the Track Record Period and the potential fluctuation in the price, taking into account the relevant cost.

Implications under the Listing Rules

As the highest applicable percentage ratio of the proposed annual cap in respect of the transaction under the Mr. Liu & Ms. Liu Connected Persons Logistics Services Procurement Framework Agreement for the year ending December 31, 2026 is expected to exceed 5%, such transactions will, upon the **[REDACTED]**, constitute continuing connected transactions of our Company subject to the reporting, annual review, announcement requirements and the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVER APPLICATION

Under Rule 14A.76(2) of the Listing Rules, the transactions under the subsection headed "—Partially-exempt continuing connected transactions" and "—Non-exempt continuing connected transaction" will constitute our continuing connected transactions subject to those requirements under Chapter 14A of the Listing Rules (as the case may be).

As those non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis and have been fully disclosed in this document, our Directors consider that compliance with the announcement and the independent Shareholders' approval requirements (as the case may be) would be impractical, and such requirements would lead to unnecessary administrative costs and would be unduly burdensome to us.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, waivers exempting us from strict compliance with (i) the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "—Partially-exempt continuing connected transaction" in this section; and (ii) the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "—Non-exempt continuing connected transactions" in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that (1) fully-exempt continuing connected transactions, (2) partially-exempt continuing connected transactions and (3) non-exempt continuing connected transactions set out above, including but not limited to terms and annual caps thereof, have been entered into and will be entered into (i) in the ordinary and usual course of our business; (ii) on normal commercial terms or better; and (iii) are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

JOINT SPONSORS' VIEWS

The Joint Sponsors have reviewed the relevant information and historical amounts prepared and provided by our Company relating to the partially exempt continuing connected transactions and the non-exempt continuing connected transaction as disclosed in this section, obtained necessary representations and confirmations from our Company and the Directors, and participated in due diligence with the management of our Company. Based on the above and having taken into account the view of the Directors, the Joint Sponsors are of the view that the partially exempt continuing connected transactions and the non-exempt continuing connected transaction as disclosed in this section for which waivers have been sought, have been and will be carried out in the ordinary and usual course of business of our Company, on normal commercial terms or better, are fair and reasonable and in the interests of our Company and the Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

We will adopt the following internal control and corporate governance measures to closely monitor connected transactions and ensure future compliance with the Listing Rules:

(i) we will adopt and implement a management system on connected transactions and our Board and various internal departments of our Company will be responsible for the control and daily management in respect of the continuing connected transactions;

(ii) our Board and various internal departments of our Company will be jointly responsible for evaluating the terms of the connected transactions, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;

(iii) our Board and the finance department of our Group will regularly monitor the connected transactions and our management will regularly review the pricing policies to ensure connected transactions to be performed in accordance with the relevant agreements;

(iv) we shall engage our auditors to, and our independent non-executive Directors will, conduct annual review on the connected transactions provide annual confirmation in accordance with Rules 14A.55 and 14A.56 of the Listing Rules, respectively; and

(v) we will comply with the relevant requirements under Chapter 14A of the Listing Rules for the continuing connected transactions, and comply with the conditions prescribed under the wavier submitted to the Stock Exchange in connection with the continuing connected transactions in this regard.