

SUMMARY

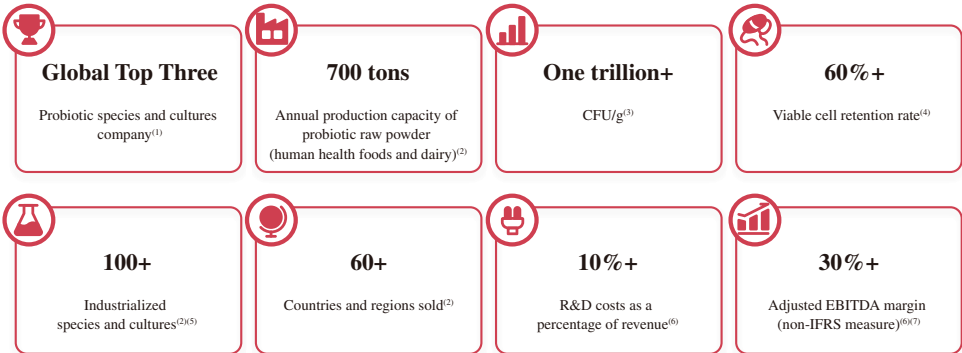
This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read this Document, including our financial statements and the accompanying notes, in its entirety before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any investment. Some of the particular risks in [REDACTED] in the [REDACTED] are set forth in the section headed “Risk Factors” in this Document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a global leading biomanufacturing company, primarily engaged in the research and development (“R&D”), production and sales of probiotic species and cultures. We ranked third globally and first in Asia and China in 2025 by the production volume of probiotic raw powder, according to Frost & Sullivan. We are committed to providing high-viability, high-stability and functional probiotic powder, probiotic formula, and dairy cultures to companies in human health (namely functional foods and dietary supplements), dairy and agricultural industries through our proprietary probiotic strain resources and advanced fermentation and production processes. The strain-specific functional characteristics of our core probiotic strains across multiple applications have been validated in human studies and other clinical validation activities. High-standard industrialization of probiotic species involves substantial process and technological barriers. According to Frost & Sullivan, we are one of the few companies globally that have achieved both R&D capacities and high-standard industrialization of functional probiotic species and cultures.

We have established production bases with intelligent production systems in Suzhou, Jiangsu Province and Luohe, Henan Province in China. We operate high-density fermentation systems, and we have developed proprietary multi-layer encapsulation and emulsification systems that improve strain viability and stability in applications. We have achieved scaled production of probiotic raw powder with viable cells over one trillion (10¹² CFU/g) for multiple strains, and certain core strains maintained viable cell retention rates of over 60% after 24 months of storage under ambient conditions. Our production bases are equipped with large-scale vacuum freeze-drying workshops for probiotic raw powder. As of the Latest Practicable Date, we had an annual production capacity of 700 tons of probiotic raw powder for human health foods and dairy applications, over 5,000 tons of probiotic formula for human health foods and 1,000 tons of agricultural beneficial microbial raw powder.



SUMMARY

Notes:

- (1) According to Frost & Sullivan, we ranked third among global probiotic species and cultures companies in 2025 by the production volume of probiotic raw powder.
- (2) As of the Latest Practicable Date.
- (3) CFU/g refers to colony-forming units per gram, representing the number of viable cells that can reproduce in each gram of sample. As of the Latest Practicable Date, we had over 20 strains with viable cells over one trillion CFU/g.
- (4) We had more than 20 strains with viable cell retention rates of over 60% after 24 months of storage under ambient conditions as of the Latest Practicable Date.
- (5) According to Frost & Sullivan, industrialized species refer to microbial strains that have been successfully developed and applied in industrial-scale production, characterized by high yield, genetic stability and robust performance under industrial fermentation.
- (6) Each year during the Track Record Period.
- (7) Adjusted net profit (non-IFRS measure) is calculated as profit for the year excluding share-based payment expenses, [REDACTED] expenses and fair value change on other financial instruments. Adjusted EBITDA (non-IFRS measure) is calculated as adjusted net profit (non-IFRS measure) for the year adding back income tax expenses, finance costs, and depreciation and amortization, and less finance income. Adjusted EBITDA margin (non-IFRS measure) is calculated as adjusted EBITDA (non-IFRS measure) divided by revenue for the same year and multiplied by 100%. See “Financial Information — Non-IFRS Measure” for details.

Our Business

We have developed an industry-leading product portfolio covering a broad range of downstream sectors and established a business model spanning strain R&D, clinical validation, scaled production and commercialization. Supported by our proprietary probiotic strain resources and production technologies, our products and services are applied across multiple industry sectors, including functional foods, dietary supplements, dairy, and agriculture, and we continue to drive innovative applications of probiotic strains and cultures across diversified scenarios. We are committed to providing global customers with high-quality probiotic powder and formula products. We also provide technical services in relation to industrialization solutions for functional probiotic species and cultures to our customers.

We have a significant advantage in the reserve of key functional strains. Our WecLac[®] core strains that we have independently developed and industrialized include *Bifidobacterium animalis subsp. lactis* BLa80 (動物雙歧桿菌乳亞種BLa80) (“**BLa80**”), *Lacticaseibacillus rhamnosus* LRa05 (鼠李糖乳酪桿菌LRa05) (“**LRa05**”), *Weizmannia (Bacillus) coagulans* BC99 (凝結魏茨曼氏菌BC99) (“**BC99**”), *Bifidobacterium longum subsp. longum* BL21 (長雙歧桿菌長亞種BL21) (“**BL21**”), and *Akkermansia muciniphila* Akk11 (嗜黏蛋白阿克曼氏菌Akk11) (“**Akk11**”), among others. These strains have undergone stringent process development, clinical validation and evaluation testing, supporting a broad range of functional endpoints including gastrointestinal health, metabolic parameters, immune-related indicators, and sleep and mood. This enables us to deliver probiotic solutions tailored to the health needs of different population groups. Based on our robust strain bank and formulation R&D capabilities, we also apply WecPro[®] compound formulation technology to combine strains and develop compound formulas with functions such as immune modulation and gastrointestinal health, further expanding the application of probiotics in nutrition and health management.

We primarily generate revenue from the sales of probiotic powder, and we also process probiotic powder into probiotic formula upon customer request, providing customers with high-quality and customizable probiotic formula products. As of the Latest Practicable Date, our products had been sold in over 60 countries and regions, covering major markets including China, North America, and Europe.

SUMMARY

We have also established four overseas offices and are gradually building a broad and rapid-response international marketing and service network, laying a solid foundation for our continued global expansion.

Our probiotic powder and formula products are widely used in downstream application areas including primarily human health, dairy, agriculture and others. The following table sets forth a breakdown of our revenue by product category and downstream application for the years indicated:

	For the Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)					
Human health:						
Probiotic powder	218,788	44.1	250,399	46.0	352,264	50.2
Probiotic formula	224,303	45.3	245,826	45.2	294,651	42.0
	443,091	89.4	496,225	91.2	646,915	92.2
Dairy	13,592	2.7	11,182	2.0	17,739	2.5
Agriculture	1,178	0.2	7,674	1.4	9,808	1.4
Others ⁽¹⁾	29,205	5.9	21,562	4.0	22,879	3.3
Technical services	8,786	1.8	7,427	1.4	4,140	0.6
Total	495,852	100.0	544,070	100.0	701,481	100.0

Notes:

(1) Primarily included revenue from product sales to end customers and sales of by-products.

The following table sets forth a breakdown of our revenue by geographical region for the years indicated:

	For the Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)					
Greater China	335,174	67.6	342,366	62.9	419,778	59.8
Overseas sales	160,678	32.4	201,704	37.1	281,703	40.2
— North America	73,831	14.9	96,063	17.7	163,417	23.3
— Europe	69,421	14.0	77,371	14.2	80,522	11.5
— Others ⁽¹⁾	17,426	3.5	28,270	5.2	37,764	5.4
Total	495,852	100.0	544,070	100.0	701,481	100.0

Note:

(1) Primarily included Asia (excluding Greater China), Oceania and Africa.

SUMMARY

Our R&D Capabilities

R&D is the core driving force of our development and we have built a full-chain R&D system spanning strain discovery, functional validation and industrial development. This system not only supports our current product development but also provides a solid foundation for sustained innovation and long-term competitiveness. We had established a large-scale and highly diverse probiotic strain bank with over 40,000 strains as of the Latest Practicable Date, among which more than 100 candidate strains have clear functional characteristics and have completed industrial feasibility assessments. Based on advanced microbiomics and metabolomics, we continue to identify new strains with specific health or application functions through systematic high-throughput screening and mining coupled with comprehensive process optimization. On this basis, we have established industry-leading high-density fermentation process, centrifugation process, encapsulation and emulsification technologies and freeze-drying processes, enabling efficient conversion from lab-scale strains to scaled and stable industrial products, while improving production efficiency and ensuring high product viability and stability.

Our Financial Performance

We have rapid growth in our financial performance. In 2023, 2024 and 2025, we recorded total revenue of RMB495.9 million, RMB544.1 million and RMB701.5 million, respectively. In 2025, revenue from the Greater China market accounted for 59.8% of our total revenue, while revenue from overseas markets accounted for 40.2% of our total revenue, reflecting our international presence. In terms of downstream application scenarios, we achieved steady growth across human health, dairy and agriculture sectors, reflecting the effectiveness of our product penetration across multiple scenarios and customer expansion.

In 2023, 2024 and 2025, we recorded gross profit of RMB246.6 million, RMB264.8 million and RMB332.9 million, respectively, and adjusted net profit (non-IFRS measure) of RMB96.0 million, RMB83.7 million and RMB106.9 million, respectively. In each year during the same period, our adjusted EBITDA (non-IFRS measure) amounted to RMB166.0 million, RMB170.8 million and RMB219.8 million, respectively, with an adjusted EBITDA margin (non-IFRS measure) of 33.5%, 31.4% and 31.3%, respectively, reflecting healthy profitability of our core business.

In 2023, 2024 and 2025, net cashflows generated from operating activities amounted to RMB198.6 million, RMB101.3 million and RMB216.8 million, respectively. Our ample cashflows provide strong support for the continued increase in our R&D investments, expansion of production capacity and advancement of market expansion.

Our Market Opportunities

According to Frost & Sullivan, the global probiotic raw powder market size is expected to increase from US\$3,263.6 million in 2025 to US\$4,820.6 million in 2030, representing a CAGR of 8.1%. In the meantime, the growth rate of China's probiotic raw powder market is expected to be higher than the global level and is expected to increase from US\$482.9 million in 2025 to US\$794.2 million in 2030, representing a CAGR of 10.5%. This growth primarily benefits from rising consumer health awareness, accelerated population aging, expansion of application scenarios, and continued implementation of supportive industrial policies.

Biomanufacturing has been explicitly included in the “15th Five-Year Plan” and incorporated into the future industrial development agenda by the PRC government. Biomanufacturing has broad applications and innovation potential in areas such as human health, dairy and agriculture and therefore continues to receive policy attention and support. As we are deeply engaged in the R&D and

SUMMARY

biomanufacturing of probiotic species and cultures, and with our solid technological accumulation, integrated value chain and scaled production capacity, we expect to benefit from a more favorable growth environment and development opportunities driven by both policy and market forces.

We have achieved steady growth during the Track Record Period, leveraging our technological leadership, capacity efficiency and cost advantages. In particular, our revenue generated from overseas markets grew at a CAGR of 31.4% during the same period. This growth reflects the competitive advantages of our products in terms of viability, stability and functionality, enabling us to gain acceptance and trust among the established international biomanufacturers in the probiotic industry.

STRENGTHS

We consider the competitive strengths set out below have been instrumental to our development, positioning us to seize market opportunities and support our long-term, sustainable growth: (i) our world-class production bases with capacity ranked third globally and first in Asia, supporting high-standard industrialization of functional probiotic strains and cultures; (ii) our advanced and proprietary R&D system with integrated capacities from strain discovery to industrialization; (iii) our global leading position in probiotic biomanufacturing enabling us to capture broad market opportunities; (iv) our solutions platform covering multiple application scenarios and creating diversified revenue streams; (v) our deep relationships with global high-quality customers, underpinning our strong overseas presence; and (vi) our experienced and visionary management team and institutional shareholders.

STRATEGIES

We advance our business by executing the following strategies: (i) further expand production capacity to consolidate our position as a global leading biomanufacturer of probiotic species and cultures; (ii) strengthen and enhance our R&D capabilities, and broaden our portfolio of core strains and product applications; (iii) continuously optimize production processes to improve product quality, including viability and stability; (iv) deepen our international brand influence and expand our professional customer base to accelerate global market penetration; and (v) expand application scenarios leveraging our large strain bank.

PRODUCTION

As of the Latest Practicable Date, we had one production base in Suzhou, Jiangsu Province and two production bases in Luohe, Henan Province. As of the same date, we had an annual production capacity of 700 tons of probiotic raw powder for human health foods and dairy applications, an annual production capacity of over 5,000 tons of probiotic formula for human health foods and an annual production capacity of 1,000 tons of agricultural beneficial microbial raw powder, making us a world-leading fermentation base for the R&D, production and sales of probiotic species and cultures, according to Frost & Sullivan. We are among the few companies globally that have achieved high-standard industrialization of functional probiotic strains. According to Frost & Sullivan, we ranked third globally and first in Asia and China in 2025 by the production volume of probiotic raw powder.

OUR SUPPLIERS

The principal raw materials used in the production of our probiotic powder include fermentation related raw materials such as peptone, yeast extract, yeast powder, glucose and inorganic salts. During the Track Record Period, we sourced the majority of our raw materials and packaging materials in China. In 2023, 2024 and 2025, the aggregate purchases from our top five suppliers in each year during the Track Record Period amounted to RMB51.4 million, RMB76.5 million and RMB75.8 million, respectively, which accounted for 24.6%, 28.0% and 23.3% of our total purchases for the same years,

SUMMARY

respectively. In 2023, 2024 and 2025, purchases from our largest supplier in each year during the Track Record Period amounted to RMB17.6 million, RMB36.3 million and RMB40.1 million, respectively, which accounted for 8.4%, 13.3% and 12.4% of our total purchases for the same years, respectively.

OUR CUSTOMERS

We primarily sell probiotic powder and formula products directly to corporate customers. Customers of our probiotic powder products are mainly corporate customers in both domestic and overseas markets, including dietary supplement and functional foods, dairy products, agriculture and animal feed and pharmaceuticals sectors. Customers of probiotic formula are mainly dietary supplement and functional food companies and pharmaceutical companies. In 2023, 2024 and 2025, the aggregate sales to our five largest customers in each year during the Track Record Period amounted to RMB87.7 million, RMB98.0 million and RMB85.0 million, respectively, accounting for 17.7%, 18.0% and 12.1% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, the sales to our largest customer in each year during the Track Record Period amounted to RMB28.6 million, RMB27.5 million and RMB17.7 million, respectively, accounting for 5.8%, 5.1% and 2.5% of our total revenue for the same years, respectively.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountant’s Report in Appendix I to this Document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this Document, including the related notes. Our financial information was prepared in accordance with IFRS.

SUMMARY

Summary of Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of comprehensive profit or loss for the years indicated:

	For the Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except percentages)					
Revenue	495,852	100.0	544,070	100.0	701,481	100.0
Cost of sales	(249,215)	(50.3)	(279,265)	(51.3)	(368,551)	(52.5)
Gross profit	246,637	49.7	264,805	48.7	332,930	47.5
Other income	14,519	2.9	20,483	3.8	18,259	2.6
Other losses, net	(5,608)	(1.1)	(8,279)	(1.5)	(660)	(0.1)
Selling and marketing expenses	(42,566)	(8.6)	(52,960)	(9.7)	(69,079)	(9.8)
General and administrative expenses	(79,557)	(16.0)	(51,251)	(9.4)	(56,863)	(8.1)
Research and development costs	(57,185)	(11.5)	(74,875)	(13.8)	(88,808)	(12.7)
Impairment losses under expected credit loss model, net of reversal	(3,582)	(0.7)	(120)	—	(9,897)	(1.4)
Fair value change on other financial instruments	(28,400)	(5.7)	(1,800)	(0.3)	(37,000)	(5.3)
Operating profit	44,258	8.9	96,003	17.6	88,882	12.7
Finance income	1,125	0.2	1,424	0.3	984	0.1
Finance costs	(3,722)	(0.8)	(5,535)	(1.0)	(7,730)	(1.1)
Finance costs — net	(2,597)	(0.5)	(4,111)	(0.8)	(6,746)	(1.0)
Profit before income tax	41,661	8.4	91,892	16.9	82,136	11.7
Income tax expense	(16,236)	(3.3)	(12,278)	(2.3)	(16,926)	(2.4)
Profit for the year	25,425	5.1	79,614	14.6	65,210	9.3
Other comprehensive (loss)/income for the year						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences arising from translation of foreign operations	(7)	—	22	—	(283)	—
Total comprehensive income for the year attributable to owners of the Company	25,418	5.1	79,636	14.6	64,927	9.3

SUMMARY

Non-IFRS Measure

The following table reconciles our adjusted net profit (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted EBITDA margin (non-IFRS measure) for the years indicated:

	For the Year ended December 31,		
	2023	2024	2025
	(RMB in thousands, except percentages)		
Profit for the year	25,425	79,614	65,210
Add:			
Share-based payment expenses	42,161	2,246	3,213
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Fair value change on other financial instruments	28,400	1,800	37,000
Adjusted net profit (non-IFRS measure)	95,986	83,660	106,874
Add:			
Income tax expense	16,236	12,278	16,926
Finance costs	3,722	5,535	7,730
Depreciation and amortization ⁽¹⁾	51,170	70,734	89,252
Less:			
Finance income	1,125	1,424	984
Adjusted EBITDA (non-IFRS measure)	165,989	170,783	219,798
Adjusted EBITDA margin (non-IFRS measure)	33.5%	31.4%	31.3%

Note:

- (1) Depreciation and amortization included depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets.

Summary of Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	605,325	752,227	908,457
Right-of-use assets	67,480	70,895	52,922
Intangible assets	2,571	5,112	4,068
Deferred tax assets	9,257	11,630	10,953
Prepayments for non-current assets	4,394	66,589	56,752
Investment in an associate	606	638	662
Financial assets at fair value through profit or loss (“FVPL”)	8,722	1,956	1,610
Total non-current assets	698,355	909,047	1,035,424

SUMMARY

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current assets			
Inventories	55,755	84,145	89,073
Trade and bills receivables	49,006	73,821	76,609
Prepayments, deposits and other receivables	26,266	40,853	46,512
Income tax recoverable	—	—	107
Financial assets at FVPL	—	114,167	23,000
Restricted bank deposits	16,162	7,500	3,002
Time deposits	—	20,000	3,514
Cash and cash equivalents	89,250	167,427	268,657
Total current assets	236,439	507,913	510,474
Total Assets	934,794	1,416,960	1,545,898
Current liabilities			
Trade and bills payables	50,990	33,743	55,739
Contract liabilities	14,111	18,915	19,696
Other payables and accruals	83,423	105,612	118,388
Borrowings	30,000	16,390	12,781
Lease liabilities	10,084	15,042	9,664
Deferred income	8,218	10,594	10,673
Income tax payable	10,872	6,446	7,226
Total current liabilities	207,698	206,742	234,167
Net current assets	28,741	301,171	276,307
Total assets less current liabilities	727,096	1,210,218	1,311,731
Non-current liabilities			
Borrowings	66,773	208,818	236,448
Lease liabilities	45,687	47,530	38,486
Deferred tax liabilities	1,389	732	513
Deferred income	71,096	67,533	60,967
Other financial instruments	239,100	240,900	277,900
Total non-current liabilities	424,045	565,513	614,314
Net assets	303,051	644,705	697,417

SUMMARY

Summary of Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years indicated:

	For the Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cashflows generated from operating activities	198,645	101,309	216,786
Net cashflows used in investing activities	(287,893)	(398,092)	(107,210)
Net cashflows generated from/(used in) financing activities	<u>134,950</u>	<u>374,751</u>	<u>(7,936)</u>
Net increase in cash and cash equivalents	45,702	77,968	101,640
Cash and cash equivalents at the beginning of year	43,552	89,250	167,427
Effects of exchange rate changes on cash and cash equivalents	<u>(4)</u>	<u>209</u>	<u>(410)</u>
Cash and cash equivalents at end of year	<u>89,250</u>	<u>167,427</u>	<u>268,657</u>

KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios of our Group for the years or as of the dates indicated:

	For the Year ended/As of December 31,		
	2023	2024	2025
Current ratio ⁽¹⁾	1.1	2.5	2.2
Quick ratio ⁽²⁾	0.9	2.0	1.8
Adjusted net profit margin (non-IFRS measure) ⁽³⁾	19.4%	15.4%	15.2%
Adjusted EBITDA margin (non-IFRS measure) ⁽⁴⁾	33.5%	31.4%	31.3%
Adjusted return on assets (non-IFRS measure) ⁽⁵⁾	12.5%	7.1%	7.2%

Notes:

- (1) Current ratio represents current assets divided by current liabilities as of the same date.
- (2) Quick ratio represents current assets less inventories, divided by current liabilities as of the same date.
- (3) Adjusted net profit margin (non-IFRS measure) is calculated using the adjusted net profit (non-IFRS measure) divided by revenue for a given year. Please see “Financial Information — Non-IFRS Measure” for details of adjusted net profit (non-IFRS measure).
- (4) Adjusted EBITDA margin (non-IFRS measure) is calculated using the adjusted EBITDA (non-IFRS measure) divided by revenue for a given year and multiplied by 100%. Please see “Financial Information — Non-IFRS Measure” for details.
- (5) Adjusted return on assets (non-IFRS measure) equals adjusted net profit (non-IFRS measure) for the year divided by the average of the opening and ending balances of total assets for the same year and multiplied by 100%. Please see “Financial Information — Non-IFRS Measure” for details of adjusted net profit (non-IFRS measure).

SUMMARY

COMPETITION

Driven by rising consumer health awareness, the continuous expansion of end-use application scenarios and supportive industry policies, the global probiotic raw powder market is expected to maintain robust growth. In particular, the China market is expected to record a growth rate exceeding the global average, underpinned by advantages such as a large downstream application base, a rapidly evolving health and nutrition industry and a supportive regulatory and policy environment. In addition, market participants compete across factors including brand recognition, product quality, sales and distribution networks and supply chain systems.

According to Frost & Sullivan, we ranked third globally and first in Asia and China in 2025 by the production volume of probiotic raw powder. Building on our leading market position, we believe that we are well positioned to compete effectively, supported by our established competitive strengths and development strategies. For more information on our industry and the competitive landscape, see “Industry Overview.”

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Fang, our founder, the chairman of our Board, the chief scientist, an executive Director of our Company, controlled the voting rights of approximately 33.60% of the issued share capital of our Company, comprising (a) 18.03% held directly by Dr. Fang; and (b) 15.57% held indirectly through his Controlled Entities. For details, please see the section headed “Relationship with our Single Largest Group of Shareholders” in this Document. Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Fang, directly and indirectly through the Controlled Entities, together with Ms. Chen, indirectly through Shanghai Chenkang and Suzhou Chenkang, will control an aggregate of approximately [REDACTED]% of the voting rights in our Company. Accordingly, Dr. Fang, Ms. Chen and the Controlled Entities will constitute our Single Largest Group of Shareholders after the [REDACTED].

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK\$[REDACTED] (based on an [REDACTED] of HK\$[REDACTED] per H Share), representing approximately [REDACTED]% of the estimated gross [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] expenses consist of (i) [REDACTED] expenses, including [REDACTED], of approximately HK\$[REDACTED], and (ii) non-[REDACTED] expenses of approximately HK\$[REDACTED], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK\$[REDACTED], and (b) other fees and expenses of approximately HK\$[REDACTED]. During the Track Record Period, we incurred [REDACTED] expenses of RMB[REDACTED], of which (i) RMB[REDACTED] was charged to the consolidated statements of profit or loss, and (ii) RMB[REDACTED] was directly attributable to the [REDACTED] of our H Shares to the public and is expected to be deducted from equity upon the [REDACTED]. Subsequent to the Track Record Period, approximately HK\$[REDACTED] of the [REDACTED] expenses is expected to be charged to profit or loss, and approximately HK\$[REDACTED] directly attributable to the [REDACTED] of the H Shares is expected to be deducted from equity upon the completion of the [REDACTED]. We do not believe any of the above fees or expenses are material or are unusually high for our Group. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

SUMMARY

DIVIDENDS

During the Track Record Period, our Company declared dividends of RMB15.0 million and RMB15.4 million in 2024 and 2025, respectively. As of the Latest Practicable Date, all such dividends declared during the Track Record Period had been settled in full. See “Financial Information — Dividends”.

[REDACTED]

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the [REDACTED] range of HK\$[REDACTED] and HK\$[REDACTED] per H Share), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts: (i) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to the expansion of our production capacity, primarily through the expansion of our Suzhou Production Base over the next three years; (ii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen our R&D capabilities over the next three years, including upgrading of high-end laboratory facilities, optimizing pilot-scale production and process validation facilities, expansion of our strain bank, and development of new agricultural beneficial microbial products; (iii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used over the next three years to enhance our international brand recognition and expand our global marketing network in support of our overseas business development; (iv) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used over the next three years to expand diversified application of probiotics in dairy products, live biotherapeutic products and other fields and enhance our technical service capabilities; and (v) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to working capital and general corporate purposes.

SUMMARY

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this Document, there had been no material adverse change in our financial or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the latest reporting date of our historical financial information in the Accountants’ Report, and there has been no event since such date that would materially affect the information shown in the Accountant’s Report set out in Appendix I to this Document.

RISK FACTORS

Our business and the [REDACTED] involve certain risks, including, but not limited to: (i) our business is subject to economic conditions and the level of consumer acceptance and spending in our key markets; (ii) we may experience intense competition and fail to compete effectively; (iii) resources devoted to research and development may not yield new products that achieve commercial success; (iv) our continuing success depends in significant part on our ability to meet evolving customer demands and expectations; and (v) failure to successfully implement our business strategies may cause our future financial results and growth prospects to suffer.