
FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with our consolidated financial statements included in the Accountant’s Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this Document, including but not limited to the sections headed “Risk Factors” and “Business.”

For the purposes of this section, unless the context otherwise requires, references to the years of 2023, 2024 and 2025 refer to the years ended December 31 of such years.

OVERVIEW

We are the world’s largest caviar company. According to CIC, we ranked first in the global caviar market by sales volume for 11 consecutive years since 2015. In 2023, 2024 and 2025, our caviar sales volume amounted to 219.9 tons, 258.3 tons and 291.5 tons, respectively. Our caviar sales volume accounted for over 30% of the global caviar market from 2021 to 2025, with our market share in 2025 exceeding that of the second largest player by more than four times. Leveraging over 20 years of industry experience and development, we have built an integrated sturgeon and caviar value chain encompassing sturgeon breeding and aquaculture, caviar processing, and sales and marketing. We have established an international caviar brand *KALUGA QUEEN* (卡露伽).

We have achieved robust revenue growth, sustained profitability and a healthy cash flow position during the Track Record Period, with industry-leading performance in both revenue growth and profitability. Our revenue increased from RMB577.2 million in 2023 to RMB769.0 million in 2025, representing a CAGR of 15.4%. We have also recorded ongoing improvements in profitability and operational efficiency. Our net profit increased from RMB272.9 million in 2023 to RMB365.0 million in 2025, representing a CAGR of 15.7%. Meanwhile, our net profit margin remained relatively stable at 47.3%, 48.4% and 47.5% in 2023, 2024 and 2025, respectively. Our net cash generated from operating activities increased from RMB259.8 million in 2023 to RMB270.3 million in 2025. Our EBITDA (non-IFRS measure) increased from RMB393.8 million in 2023 to RMB515.2 million in 2025, representing a CAGR of 14.4%. We value the long-term trust of our shareholders and are committed to consistently creating value for them. During the Track Record Period, we paid an aggregate of RMB217.0 million in dividends, representing 22.6% of our aggregate net profit for the same period.

BASIS OF PREPARATION

The historical financial information of our Group has been prepared in accordance with IFRS. The preparation of the historical financial information in conformity with IFRS requires the use of certain material accounting policy information. For details of the basis of preparation, see Note 2 to the Accountant’s Report included in Appendix I to this Document. It also requires management to make judgements, estimates and assumptions in the process of applying our Group’s accounting policies.

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Judgements made by management in the application of IFRS that have significant effect on the historical financial information and major sources of estimation uncertainty are discussed in Note 4 to the Accountant’s Report included in Appendix I to this Document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial condition have been and will continue to be, materially affected by a number of factors, some of which are outside our control, including:

Consumer Demand for Caviar Products

Our results of operations are significantly influenced by the market demand for caviar, our core product. Supply security, demand expansion, channel diversification, product innovation, and policy support have been driving and are expected to continue driving the growth of the global caviar industry. According to CIC, the global caviar market by sales volume reached 808.4 tons in 2025 and is expected to grow at a CAGR of 10.7% to 1,343.9 tons by 2030.

As the world’s largest caviar company in terms of production and sales for 11 consecutive years, we are well-positioned to capture this growth opportunity. Our strong reserve of sturgeon broodstock and juveniles ensures a stable and sustainable long-term supply while enabling swift responses to market demand fluctuations, thereby maintaining production continuity and supply flexibility. By continuously delivering premium products and promoting caviar culture, we seek to further enhance our brand reputation, deepen customer loyalty, and reinforce our leadership in the global caviar market.

Branding and Marketing Capability

We have established an international caviar brand *KALUGA QUEEN* (卡露伽), and we have consistently invested in branding and marketing to further enhance brand awareness, drive product sales and increase customer loyalty, supporting our long-term growth, and profitability. We adopt a comprehensive marketing strategy integrating product innovation, online engagement, offline experiences, overseas expansion and brand building, with the aim of broadening the consumer base for caviar, promoting caviar culture and strengthening our market position. See “Business — Sales and Marketing — Sales and Marketing Strategies” for details.

In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB34.6 million, RMB48.8 million and RMB53.9 million, respectively, representing 6.0%, 7.3% and 7.0% of our revenue for the corresponding year. With our continuous efforts in brand building, we expect our selling and marketing expenses will rise in step with our business expansion.

Sales Network Expansion and Management

We rely on an extensive and effective sales network to deliver our caviar products worldwide, which is critical to expanding our geographic coverage, enhancing brand visibility and driving sales. For overseas sales, we have established long-term and in-depth partnerships with customers including overseas caviar houses and fine food companies, which market our products under third-party brands or our flagship brand *KALUGA QUEEN* (卡露伽). Such partnerships provide us stable and recurring sales channels while enabling our products to penetrate premium dining, top-tier airline catering and boutique retail sectors in key international markets. The breadth and stability of these overseas relationships have been a major factor in sustaining our revenue base and reinforcing our leadership position in the global caviar industry. For domestic sales, we have developed an integrated network that spans both online and offline channels. Online, we actively leverage e-commerce platforms and social media channels to

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expand our market reach. Offline, we collaborated with premium restaurants, boutique hotels and high-end supermarkets. The combination of online engagement and offline immersion broadens consumer touchpoints and enhances brand stickiness.

Looking ahead, the scale, stability and diversification of our sales network will remain a key factor affecting our results of operations. Continuous expansion into emerging overseas markets, coupled with deeper penetration into the domestic consumer base, is expected to support our revenue growth and strengthen our ability to capture opportunities arising from the rising global demand for fine food products.

Our Ability to Adapt to the International Trade Environment

During the Track Record Period, sales in the overseas market accounted for a substantial portion of our revenue, amounting to RMB442.6 million, RMB536.0 million and RMB644.5 million in 2023, 2024 and 2025, respectively, representing 76.7%, 80.1% and 83.8% of our total revenue for the corresponding year. Given this reliance on overseas markets, our business and operating results are influenced to some extent by international trade policies, geopolitical developments, protection measures, export controls, and macroeconomic conditions in the jurisdictions where we and our business partners operate.

In response, we have proactively expanded into growing markets such as Southeast Asia by enhancing our brand influence, aiming to establish strong global competitive advantages and position our caviar as a leading representative of Chinese fine foods in the international market. Through diversified market presence and enhanced brand recognition, we aim to strengthen resilience to external changes and capture growth opportunities worldwide. Accordingly, our ability to adapt to the international trade environment is an important factor shaping our operational performance and long-term development.

Sustainability of Caviar Supply

Our results of operations depend largely on our ability to secure a stable, sustainable supply of caviar products. Given the long growth cycle of sturgeon and the seasonal nature of roe maturity, whether we can establish a sustainable reserve stock of sturgeons could directly affect our production volume and profitability. To mitigate such risks, we maintain one of the industry’s largest broodstock reserves and sturgeon germplasm resource bank, which anchor the security of raw-material supply for caviar production.

Leveraging this supply base, we execute year-round production planning through diversified aquaculture models, including eco-net cage aquaculture model, land-based flow-through aquaculture model, and industrialized recirculating aquaculture system model, enabling staggered scheduling and resilience against seasonal and environmental fluctuations. On the technology front, our proprietary aquaculture know-how supports high roe-bearing rates and stable yields, while precise processing-window management allows us to identify the optimal maturity period for roe, ensuring consistent quality and conversion rates. See “Business — Our Production — Aquaculture System” for details. Collectively, these operational and technological advantages underpin the sustainability of our caviar supply and support stable revenue generation.

Quality Control Capability

The quality and consistency of our caviar products have a direct impact on our pricing power, brand recognition and gross profit margins. We have implemented strict quality management measures across the production chain, including broodstock selection, aquaculture management, harvesting,

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processing, storage and sales. This minimizes the risk of product defects, recalls or reputational damage that could otherwise increase costs and reduce profitability. Our traceability and inspection mechanisms allow us to monitor key factors such as feed, water quality and disease prevention, thereby reducing wastage and improving yield rates. See “Business — Our Production — Quality Control System” for details. By consistently delivering premium-quality products that meet international standards, we maintain strong customer loyalty through reliable quality and brand trust, which in turn supports the stability of our gross margins and operating results.

Cost Control and Management

The profitability of our business depends largely on our ability to effectively control costs. Our cost of sales before fair value adjustments on biological assets primarily consists of (i) raw materials and consumables used at cost, mainly representing feed consumed during aquaculture and externally sourced sturgeons, (ii) employee benefits expenses, mainly representing salaries, bonuses, share-based payments and welfare expenses of our personnel responsible for aquaculture and processing, (iii) transportation expenses, mainly representing logistics expenses for delivery of our products and raw materials, (iv) changes in inventories of finished goods at cost, mainly representing our caviar products and sturgeon products, (v) depreciation and amortization, and (vi) others. In 2023, 2024 and 2025, our cost of sales before fair value adjustments on biological assets amounted to RMB172.6 million, RMB225.8 million and RMB248.1 million, respectively, representing 29.9%, 33.7% and 32.3% of our total revenue for the corresponding year.

We closely monitor price trends of raw materials and proactively manage our procurement costs by maintaining long-term and stable relationships with qualified suppliers, which helps mitigate the impact of raw material price fluctuations. Leveraging our brand influence and scale advantages, we are able to secure raw materials at competitive prices, further enhancing our bargaining power. See “Business — Our Procurement System” for details. In addition, our high survival rates of sturgeons, consistently above international benchmarks, enable us to improve yield rates and reduce the unit cost of caviar production. We also continuously improve production efficiency through process optimization, digitalized management and technology upgrades, which helps reduce unit costs and stabilize margins.

Changes in Fair Value of Biological Assets

During the Track Record Period, we recorded biological assets of RMB1,389.2 million, RMB1,553.5 million and RMB1,748.7 million as of December 31, 2023, 2024 and 2025, respectively.

Our biological assets consist of fish fry, female immature sturgeon, female mature sturgeon, and male sturgeon. Biological assets are measured at fair value less costs to sell. Neither active market nor observable market rate and price of each sturgeon species are available for the market participants. Therefore, the fair value of biological assets is measured according to level 3 of the fair value hierarchy, based on discounted cashflow technique using significant unobservable inputs. Under IFRS, changes in value are recognized and classified under “fair value adjustments related to biological assets” in consolidated statement of comprehensive income. Valuation is based on a variety of premises, many of which are unobservable. For example, for sturgeons, the unit fair value of different sturgeon broodstock is calculated by applying income approach, which is based on the present value of future cashflows derived from the expected selling price of the caviar or sturgeon products produced upon harvest, less the expected costs required to feed and raise to harvest date and subsequent costs to sell, adjusting with estimated normal mortality. Our Valuer and management periodically review these assumptions and valuation parameters to identify any significant changes in the fair value of our biological assets. See “— Biological Assets and Valuation” for details. Our Directors expect that our financial results will continue to be affected by the changes in the fair value of our biological assets.

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MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS

We have identified certain accounting policies that are significant to the preparation of our financial statements. Material accounting policies that are significant for understanding our financial condition and results of operations are set forth in detail in Note 4 of the Accountant’s Report in Appendix I to this Document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Actual results could differ from those estimates. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and other factors that we believe to be relevant under the circumstances. Our management has discussed the development, selection and disclosure of these estimates with our Board of Directors. Since our financial reporting process inherently relies on the use of estimates and assumptions, actual results may differ from these estimates under different assumptions or conditions. When reviewing our financial statements, you should consider (i) our selection of key accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. We believe that the material accounting policy information and estimates such as fair value estimate and recognized fair value adjustment to the biological assets, estimated useful lives and residual value of property, plant and equipment, and current and deferred income tax as detailed in Note 4 of the Accountant’s Report in Appendix I to this Document are critical and involve the most important estimates and judgments we used in preparing our financial statements.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years indicated.

	Year ended December 31,								
	2023			2024			2025		
	Results before fair value		Total	Results before fair value		Total	Results before fair value		Total
	adjustments on biological assets	Fair value adjustments on biological assets		adjustments on biological assets	Fair value adjustments on biological assets		adjustments on biological assets	Fair value adjustments on biological assets	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	577,241	—	577,241	669,293	—	669,293	769,006	—	769,006
Cost of sales	(172,620)	(396,867)	(569,487)	(225,760)	(463,203)	(688,963)	(248,064)	(512,373)	(760,437)
Gross profit	<u>404,621</u>	<u>(396,867)</u>	<u>7,754</u>	<u>443,533</u>	<u>(463,203)</u>	<u>(19,670)</u>	<u>520,942</u>	<u>(512,373)</u>	<u>8,569</u>
Selling and marketing expenses . . .	(34,617)	—	(34,617)	(48,826)	—	(48,826)	(53,858)	—	(53,858)
General and administrative expenses .	(71,913)	—	(71,913)	(39,160)	—	(39,160)	(69,612)	—	(69,612)
Research and development expenses .	(22,710)	—	(22,710)	(24,231)	—	(24,231)	(28,200)	—	(28,200)
Other income	6,561	—	6,561	11,993	—	11,993	25,838	—	25,838
Other (losses)/gains — net	(4,031)	—	(4,031)	7,239	—	7,239	(11,049)	—	(11,049)
Net impairment (losses)/gains on financial assets	(569)	—	(569)	(1,878)	—	(1,878)	1,828	—	1,828
Fair value changes on biological assets	—	455,372	455,372	—	509,799	509,799	—	554,119	554,119
Operating profit	<u>277,342</u>	<u>58,505</u>	<u>335,847</u>	<u>348,670</u>	<u>46,596</u>	<u>395,266</u>	<u>385,889</u>	<u>41,746</u>	<u>427,635</u>
Finance income	1,466	—	1,466	6,288	—	6,288	11,897	—	11,897
Finance costs	(5,479)	—	(5,479)	(3,955)	—	(3,955)	(5,102)	—	(5,102)
Finance (costs)/income — net	<u>(4,013)</u>	<u>—</u>	<u>(4,013)</u>	<u>2,333</u>	<u>—</u>	<u>2,333</u>	<u>6,795</u>	<u>—</u>	<u>6,795</u>
Profit before income tax	<u>273,329</u>	<u>58,505</u>	<u>331,834</u>	<u>351,003</u>	<u>46,596</u>	<u>397,599</u>	<u>392,684</u>	<u>41,746</u>	<u>434,430</u>
Income tax expenses	(58,935)	—	(58,935)	(73,475)	—	(73,475)	(69,401)	—	(69,401)
Profit for the year	<u>214,394</u>	<u>58,505</u>	<u>272,899</u>	<u>277,528</u>	<u>46,596</u>	<u>324,124</u>	<u>323,283</u>	<u>41,746</u>	<u>365,029</u>
Profit for the year attributable to:									
— Owners of the Company			270,117			308,417			363,397
— Non-controlling interests			<u>2,782</u>			<u>15,707</u>			<u>1,632</u>
			<u>272,899</u>			<u>324,124</u>			<u>365,029</u>
Total comprehensive income for the year			<u>272,899</u>			<u>324,124</u>			<u>365,029</u>

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Fair value adjustments on biological assets under costs of sales represent the accumulative fair value changes of the biological assets before the point of harvest. In accordance with IAS 41, our biological assets are continuously measured at fair value less costs to sell up to the point of harvest, with changes in fair value recognized as “fair value changes on biological assets” under the operating expenses in consolidated statement of comprehensive income. As our sturgeons grow and mature, their value changes, and accounting standards require such changes in value to be recognized before the sturgeons are harvested. At the point of harvest, fair value of the biological assets becomes the inventory cost of caviar and sturgeon products harvested. When the inventory is subsequently sold, its carrying amount is recognized as cost of sales. Such carrying amount comprises both the historical expenditure incurred in purchasing or breeding the sturgeons and the cumulative fair value changes recognized before harvest. Therefore, the fair value adjustment on biological assets under cost of sales is not a new cash cost or a fair value loss at the time of sale. Rather, it is the cumulative fair value uplift recognized before harvest, which is included in inventory cost upon harvest and subsequently recognized as cost of sales when the products are sold.

Fair value gains on biological assets under the operating expenses represent the fair value changes of biological assets arising from the changes in volume and selling prices of biological assets during the current period. Accounting standards require us to remeasure such sturgeons at fair value less costs to sell at each reporting date before harvest. Any increase in such fair value before harvest is recognized as fair value gains on biological assets under operating expenses. Fair value gains on biological assets under operating expenses are therefore non-cash and unrealized accounting gains recognized during the cultivation period. They do not represent revenue from sale of caviar or sturgeon products, nor do they represent cash received from customers. Rather, they reflect the increase in the estimated fair value of the biological assets before harvest, based on their biological growth and maturation and the applicable valuation assumptions as at the relevant reporting date. Such fair value gains are recognized in the period in which the biological assets increase in value before harvest.

In simple terms, fair value gains on biological assets under the operating expenses are the accounting recognition of the increase in value of our sturgeons while they are still being cultivated, whereas fair value adjustments on biological assets under cost of sales are the subsequent release of such previously recognized fair value uplift into cost of sales when the harvested products are sold.

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use certain non-IFRS measures, namely, adjusted net profit (non-IFRS measure) and EBITDA (non-IFRS measure), as additional financial metrics. These non-IFRS measures are not required by or presented in accordance with IFRS. We believe that non-IFRS measures facilitate comparisons of our operating performance by eliminating potential impacts of certain items, and present useful information in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of such non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS. The following table reconciles our adjusted net profit (non-IFRS measure) and EBITDA (non-IFRS measure) to our profit for the years presented in accordance with IFRS, for the years indicated.

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	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Reconciliation of profit for the year, adjusted net profit (non-IFRS measure) and EBITDA (non-IFRS measure)			
Profit for the year	272,899	324,124	365,029
Add:			
Share-based compensation expenses ⁽¹⁾	40,285	10,071	17,943
[REDACTED] ⁽²⁾	—	—	[REDACTED]
Adjusted net profit (non-IFRS measure)	313,184	334,195	401,292
Add:			
Depreciation and amortization ⁽³⁾	25,682	31,328	37,736
Income tax expense	58,935	73,475	69,401
Finance (costs)/income — net	(4,013)	2,333	6,795
EBITDA (non-IFRS measure)	393,788	441,331	515,224

Notes:

- (1) Share-based compensation expenses represent the fair value of the employee services received in exchange for the grant of equity instruments. See Note 24 to the Accountant’s Report included in Appendix I to this Document for details.
- (2) [REDACTED] related to the [REDACTED].
- (3) Depreciation and amortization equals the sum of depreciation of property, plant and equipment, amortization of intangible assets and amortization of right-of-use assets.

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DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Product Category

During the Track Record Period, we generated revenue primarily from sales of caviar and sturgeon products. For details, see “Business — Our Brands and Products.” The following table sets forth a breakdown of our revenue by product category, in an absolute amount and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Caviar	523,116	90.6	614,423	91.8	698,442	90.8
Hybrid sturgeon caviar	160,160	27.7	191,871	28.7	218,397	28.4
Russian sturgeon caviar	272,619	47.2	338,715	50.6	413,331	53.7
Kaluga caviar	51,384	8.9	49,108	7.3	32,976	4.3
Beluga caviar	17,608	3.1	15,499	2.3	22,309	2.9
Amur sturgeon caviar	12,483	2.2	13,193	2.0	8,874	1.2
Siberian sturgeon caviar	5,184	0.9	3,811	0.6	2,194	0.3
Others caviar ⁽¹⁾	3,678	0.6	2,226	0.3	361	0.0
Sturgeon products	47,351	8.2	51,549	7.7	65,623	8.5
Sturgeon meat	34,135	5.9	38,368	5.7	51,543	6.7
Processed sturgeon products	13,216	2.3	13,181	2.0	14,080	1.8
Others ⁽²⁾	6,774	1.2	3,321	0.5	4,941	0.7
Total	577,241	100.0	669,293	100.0	769,006	100.0

Notes:

- (1) “Other caviar” consists of caviar of several additional sturgeon species.
- (2) “Others” mainly represents (i) sales of live sturgeons to domestic sturgeon farming enterprises and individual buyers, and (ii) sales of other caviar-based products.

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Revenue by Sales Channel

During the Track Record Period, we sold our products under our own brand name *KALUGA QUEEN* (卡露伽) in the domestic market, while for overseas sales, our products were sold to customers who either marketed them under third-party brands or under our *KALUGA QUEEN* (卡露伽) brand. The following table sets forth a breakdown of our total revenue by sales channel, in an absolute amount and as a percentage of our revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Overseas sales⁽¹⁾:	442,596	76.7	535,964	80.1	644,497	83.8
Third-party brand ⁽²⁾	354,154	61.4	428,307	64.0	527,229	68.6
Own brand ⁽³⁾	88,442	15.3	107,657	16.1	117,268	15.2
Domestic sales — Own brand	134,645	23.3	133,329	19.9	124,509	16.2
Offline ⁽⁴⁾	124,412	21.5	123,456	18.4	113,409	14.8
Online ⁽⁵⁾	10,233	1.8	9,873	1.5	11,100	1.4
Total	577,241	100.0	669,293	100.0	769,006	100.0

Notes:

- (1) During the Track Record Period, our overseas sales were all offline sales.
- (2) Customers primarily comprise overseas caviar houses and fine food companies.
- (3) Customers primarily comprise overseas caviar houses and fine food companies, and international airlines.
- (4) Customers primarily comprise restaurants, hotels and supermarkets in China.
- (5) Customers primarily comprise consumers purchasing our products through our self-operated stores on major e-commerce platforms in China.

Revenue by Sales Region

The following table sets forth a breakdown of our revenue by sales region, in an absolute amount and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Overseas sales:	442,596	76.7	535,964	80.1	644,497	83.8
Europe ⁽¹⁾	218,719	37.9	272,644	40.8	333,796	43.4
America ⁽²⁾	154,753	26.8	189,009	28.2	221,720	28.8
Asia Pacific ⁽³⁾	69,124	12.0	74,311	11.1	88,981	11.6
Domestic sales	134,645	23.3	133,329	19.9	124,509	16.2
Total	577,241	100.0	669,293	100.0	769,006	100.0

Notes:

- (1) Mainly include Germany and France.
- (2) Mainly include the U.S.
- (3) Mainly include Japan and Singapore.

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Cost of Sales before Fair Value Adjustments on Biological Assets

During the Track Record Period, our cost of sales before fair value adjustments on biological assets consisted of (i) raw materials and consumables used at cost, mainly representing feed consumed during aquaculture and externally sourced sturgeons, (ii) employee benefits expenses, mainly representing salaries, bonuses, share-based payments and welfare expenses of our personnel responsible for aquaculture and processing, (iii) transportation expenses, mainly representing logistics expenses for delivery of our products, (iv) changes in inventories of finished goods at cost, mainly representing changes in our caviar products and sturgeon products, (v) depreciation and amortization, and (vi) others.

Our cost of sales increased during the Track Record Period, primarily driven by the increases in raw materials and consumables used at cost and, to a lesser extent, transportation expenses, both of which were generally in line with the growth in sales volumes. The following table sets forth a breakdown of our cost of sales before fair value adjustments on biological assets by nature, in an absolute amount and as a percentage of our total cost of sales before fair value adjustments on biological assets for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Raw materials and consumables used						
at cost	83,386	48.3	117,467	52.0	150,576	60.7
Employee benefits expenses	36,133	20.9	42,302	18.7	41,952	16.9
Transportation expenses	29,457	17.1	31,342	13.9	35,541	14.3
Changes in inventories of finished						
goods at cost	3,720	2.2	7,356	3.3	(13,466)	(5.4)
Depreciation and amortization	18,032	10.4	23,206	10.3	27,313	11.0
Others	1,892	1.1	4,087	1.8	6,148	2.5
Total	172,620	100.0	225,760	100.0	248,064	100.0

Gross Profit and Gross Profit Margin before Fair Value Adjustments on Biological Assets

As a result of the foregoing, we recorded gross profit before fair value adjustments on biological assets of RMB404.6 million, RMB443.5 million and RMB520.9 million in 2023, 2024 and 2025, respectively, representing gross profit margin before fair value adjustments on biological assets of 70.1%, 66.3% and 67.7%, respectively, during the same years.

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The following table sets forth a breakdown of our gross profit before fair value adjustments on biological assets and gross profit margin before fair value adjustments on biological assets by product category for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit		Gross Profit		Gross Profit	
	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin
	RMB	%	RMB	%	RMB	%
(in thousands, except percentages)						
Caviar	392,921	75.1	434,337	70.7	505,943	72.4
Sturgeon products	11,362	24.0	9,962	19.3	17,229	26.3
Others ⁽¹⁾	338	5.0	(766)	(23.1)	(2,230)	(45.1)
Total/Overall	404,621	70.1	443,533	66.3	520,942	67.7

Note:

(1) Others mainly represent (i) sales of live sturgeons and (ii) sales of other caviar-based products.

The increases in our gross profit before fair value adjustments on biological assets from caviar products throughout the Track Record Period were primarily driven by the growth in sales volumes of caviar, despite the fluctuations in before fair value adjustments on biological assets. For details on the growth in sales volume, see “— Period-to-Period Comparison of Results of Operations” in this section.

The gross profit margin before fair value adjustments on biological assets decreased from 70.1% in 2023 to 66.3% in 2024, and rebound to 67.7% in 2025, reflecting (i) an increase in per unit cost of sales before fair value adjustments in 2024, and (ii) a rise in prevailing market price of caviar in 2025, resulting from excess demand on the market. For details, see “— Period-to-Period Comparison of Results of Operations” in this section.

The increase in the gross loss before fair value adjustments on biological assets and gross loss margin before fair value adjustments on biological assets for other products during the Track Record Period was mainly attributable to the characteristics of these products. The live sturgeons we sold are primarily male immature sturgeons identified through sex identification which, due to their lower body weight, do not meet the specifications for processing into export-grade sturgeon meat products. As male sturgeons do not produce roe and have limited commercial value for further grow-out, the sale of such fish primarily represents post-identification disposal to save aquaculture space rather than profit-driven transactions, resulting in low or negative gross margins. In addition, most of our creative caviar-based products are newly developed products with limited production and sales volumes and have not yet achieved economies of scale. Among them, certain products such as caviar ice cream, mooncakes and chocolates, rely on external processing with relatively high unit costs, contributing to gross losses during the Track Record Period.

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Despite the current gross losses, we continue to develop and promote our creative caviar-based products for strategic commercial reasons. As caviar remains a niche product with relatively low consumer penetration in the domestic market, we seek to use such products to break traditional consumption barriers and expand market potential by developing innovative crossover products that resonate with younger consumers and diversify consumption scenarios. These products, with more accessible formats and diversified consumption scenarios, help cultivate consumer awareness and usage habits. We believe that, driven by ongoing product innovation and demographic shifts, our creative caviar-based products will support the long-term expansion of the caviar market and contribute to the future growth of our overall business.

Fair Value Adjustments on Biological Assets

During the Track Record Period, our fair value adjustments on biological assets mainly represented the accumulated fair value changes from the measurement of live sturgeons that are transferred to cost of sales upon sales of our products. We recorded net losses from fair value adjustments on biological assets of RMB396.9 million, RMB463.2 million and RMB512.4 million in 2023, 2024 and 2025, respectively.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded gross profit of RMB7.8 million and RMB8.6 million in 2023 and 2025, respectively, representing gross profit margin of 1.3% and 1.1%, respectively, during the same years. We recorded a gross loss of RMB19.7 million in 2024, representing gross loss margin of 2.9% during the same year.

Our thin gross profit margins after fair value adjustment on biological assets during the Track Record Period were primarily attributable to the accounting treatment of biological assets under IAS 41 and the operational characteristics of our business. Under IAS 41, our biological assets are measured at fair value less costs to sell up to the point of harvest, and the relevant fair value changes are recognized before harvest. Upon harvest, the fair value of biological assets becomes the inventory cost of harvested caviar and sturgeon products under IAS 2. When such inventory is subsequently sold, this inventory cost, which includes both the historical purchase or breeding costs and the cumulative fair value uplift recognized before harvest, is charged to cost of sales. To put it another way, part of the economic benefit from the growth and maturation of our sturgeons is recognized before sale as fair value gains on biological assets. Upon sale, such previously recognized fair value uplift is included in cost of sales, which reduces the gross profit margin after fair value adjustments. One key factor in determining the fair value of biological assets at the point of harvest is the expected selling price of caviar or sturgeon products at that time. The inventory turnover of such products is generally within one month after harvest, and historically, selling prices of caviar and sturgeon products rarely fluctuate over such a short period. As such, the inventory cost of our caviar and sturgeon products recognized upon harvest generally closely approximated the actual selling prices achieved shortly thereafter, leading to relatively thin gross profit margins during the Track Record Period. Accordingly, such thin gross profit margins after fair value adjustments primarily reflect the applicable accounting treatment and do not indicate weakened operating performance or pricing pressure, and gross profit margins before fair value adjustments may more meaningfully reflect our underlying operations.

Looking forward, we expect to continue to record relatively thin gross profit margins after fair value adjustment on biological assets due to the reasons described above.

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Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses consisted of (i) business development expenses, mainly representing costs associated with sales network expansion, (ii) employee benefits expenses, mainly representing salaries, bonuses, share-based payments and welfare expenses of our sales and marketing personnel, (iii) office expense, travel and transportation, (iv) marketing and advertising costs, mainly relating to our brand promotion and marketing campaigns, (v) depreciation and amortization, and (vi) others. The following table sets forth a breakdown of our selling and marketing expenses, in an absolute amount and as a percentage of our selling and marketing expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Business development expenses	15,626	45.1	26,068	53.4	29,018	53.9
Employee benefits expenses	12,156	35.1	15,234	31.2	15,900	29.5
Office expense, travel and transportation	3,709	10.7	3,338	6.8	3,676	6.8
Marketing and advertising costs	655	1.9	1,092	2.2	2,108	3.9
Depreciation and amortization	1,069	3.1	1,515	3.1	1,306	2.4
Others	1,402	4.1	1,579	3.3	1,850	3.5
Total	34,617	100.0	48,826	100.0	53,858	100.0

General and Administrative Expenses

During the Track Record Period, our general and administrative expenses consisted of (i) employee benefits expenses, mainly representing salaries, bonuses, share-based payments and welfare expenses of our administrative personnel, (ii) [REDACTED], (iii) professional services fee, mainly representing audit, consulting, legal, tax, valuation and other advisory service fees incurred in our ordinary course of business, (iv) depreciation and amortization, (v) office expense, travel and transportation and (vi) others. The following table sets forth a breakdown of our general and administrative expenses, in an absolute amount and as a percentage of our general and administrative expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Employee benefits expenses	58,938	82.0	26,819	68.5	35,136	50.5
[REDACTED]	—	—	—	—	[REDACTED]	[REDACTED]
Depreciation and amortization	2,928	4.1	3,398	8.7	4,761	6.8
Professional services fee	3,901	5.4	2,707	6.9	4,702	6.8
Office expense, travel and transportation	3,064	4.3	2,613	6.7	3,876	5.6
Others	3,082	4.2	3,623	9.2	2,817	4.0
Total	71,913	100.0	39,160	100.0	69,612	100.0

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Research and Development Expenses

During the Track Record Period, our research and development expenses consisted of (i) testing expense, mainly representing fees incurred for experimental testing, sample analysis, feed formulation trials and product quality assessments, (ii) employee benefits expenses, mainly representing salaries, bonuses, share-based payments and welfare expenses of our R&D personnel, (iii) depreciation and amortization, (iv) office expense, travel and transportation, and (v) others. The following table sets forth a breakdown of our research and development expenses, in an absolute amount and as a percentage of our research and development expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Testing expense	9,070	39.9	10,986	45.3	11,986	42.6
Employee benefits expenses	7,418	32.7	8,273	34.1	9,456	33.5
Depreciation and Amortisation	3,653	16.1	3,209	13.2	4,356	15.4
Office expense, travel and transportation	424	1.9	410	1.7	462	1.6
Expenses relating to low-value leases and short-term leases	627	2.8	389	1.6	395	1.4
Others	1,518	6.6	964	4.1	1,545	5.5
Total	22,710	100.0	24,231	100.0	28,200	100.0

Other Income

During the Track Record Period, our other income consisted of (i) government grants, mainly representing subsidies received from local governments in China, (ii) additional deduction of value-added tax, and (iii) others. The following table sets forth a breakdown of our other income for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Government grants	6,401	11,785	21,956
Additional deduction of value-added tax	—	—	3,722
Others	160	208	160
Total	6,561	11,993	25,838

Other (losses)/gains — net

During the Track Record Period, our net other (losses)/gains consisted of (i) fair value losses from derivative financial instruments, which were purchased mainly to hedge foreign exchange risks, (ii) net foreign exchange gains, (iii) losses on disposal of property, plant and equipment and intangible assets, and (iv) others. We recorded net other losses of RMB4.0 million and RMB11.0 million in 2023 and 2025, respectively, and net other gains of RMB7.2 million in 2024.

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Net impairment (losses)/gains on financial assets

During the Track Record Period, our net impairment (losses)/gains on financial assets consisted of (i) impairment losses recognized or reversed on trade receivables, mainly relating to provision we made for outstanding amounts due from certain of our customers, and (ii) impairment losses recognized or gains resulted from reversal of provision we made on other receivables, mainly deposits. We recorded net impairment losses on financial assets of RMB0.6 million and RMB1.9 million in 2023 and 2024, respectively, and net impairment gains on financial assets of RMB1.8 million in 2025.

Fair Value Changes on Biological Assets

During the Track Record Period, our fair value changes on biological assets represented the net changes in the fair value of our sturgeons under aquaculture, which were attributable to changes in biomass and selling prices. Such adjustments consisted of (i) realized fair value changes in respect of biological assets held at the beginning of each reporting period and disposed of during the period, and (ii) unrealized fair value changes in respect of biological assets measured at fair value at the end of each reporting period. We recorded fair value changes on biological assets of RMB455.4 million, RMB509.8 million and RMB554.1 million in 2023, 2024 and 2025, respectively. For more information about the valuation method adopted by the Valuer, see “— Biological Assets and Valuation.”

Finance Income

During the Track Record Period, our finance income represented interest income on cash and cash equivalents and restricted cash. We recorded finance income of RMB1.5 million, RMB6.3 million and RMB11.9 million in 2023, 2024 and 2025, respectively.

Finance Costs

During the Track Record Period, our finance costs consisted of (i) interest expense on bank and other borrowings, and (ii) interest expenses on lease liabilities. We recorded finance costs of RMB5.5 million, RMB4.0 million and RMB5.1 million in 2023, 2024 and 2025, respectively.

Income Tax Expense

We recorded income tax expense of RMB58.9 million, RMB73.5 million and RMB69.4 million in 2023, 2024 and 2025, respectively. During the Track Record Period and as of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes. The following sets forth our principal applicable income taxes and income tax rates.

PRC

Under the EIT Law and its Implementation Regulation, our Company and our PRC subsidiaries were generally subject to the statutory EIT rate of 25% during the Track Record Period, unless they qualified for specific tax exemptions or preferential treatments as set out in Note 11(b) to the Accountant’s Report included in Appendix I to this Document.

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PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 14.9% from RMB669.3 million in 2024 to RMB769.0 million in 2025, primarily attributable to the increase in revenue generated from our caviar products.

- Revenue generated from our caviar products increased by 13.7% from RMB614.4 million in 2024 to RMB698.4 million in 2025, primarily driven by higher sales volumes resulting from (i) an increase in purchase volumes from key customers in our overseas markets, where we deepened relationships and enhanced customer stickiness, leveraging our strong market insights and premium product quality, (ii) the continued expansion of overseas sales network, growing our overseas customers base from 108 in 2024 to 129 in 2025, as well as (iii) the enhanced efforts to promote our own brand, KALUGA QUEEN (卡露伽); for details, see “Business — Sales and Marketing.” In addition, the average selling price of caviar increased in 2025, resulting from excess demand on the market. In particular, we prioritized hybrid sturgeon caviar and Russian sturgeon caviar as core products, both of which were positioned in the mid-to-high-end segment and enjoyed stable quality and strong market acceptance. Hybrid sturgeon caviar is currently only produced and supplied by PRC producers with no overseas supply, resulting in a relatively tight supply-demand balance. Against this backdrop, we have implemented several price adjustments for hybrid sturgeon caviar in recent years, contributing to a steady increase in its average selling price. Last but not least, our principal sales markets included the United States, Germany, France and other major international markets, and while our sales to China slightly decreased in 2025, our overall sales in major international markets recorded a stable increase during the same period.
- Revenue generated from our sturgeon products increased by 27.3% from RMB51.5 million in 2024 to RMB65.6 million in 2025, primarily due to the increase in sales volume of sturgeon meat driven by market demand.
- Our other revenue significantly increased by 48.8% from RMB3.3 million in 2024 to RMB4.9 million in 2025, primarily due to the increase in domestic sales of live sturgeons driven by rising demand.

Cost of Sales before Fair Value Adjustments on Biological Assets

Our cost of sales before fair value adjustments on biological assets increased by 9.9% from RMB225.8 million in 2024 to RMB248.1 million in 2025, primarily due to the increase in raw materials and consumables used at cost of RMB33.1 million, mainly attributable to the increased production volume driven by higher sales demand; partially offset by the decrease in changes in inventories of finished goods at cost of RMB20.8 million, mainly attributable to the increase in inventories of caviar in 2025. The cost of sales before fair value adjustments on biological assets, expressed as a percentage of our revenue, decreased from 33.7% in 2024 to 32.3% in 2025, primarily due to the relatively elevated comparison base in 2024 arising from multiple factors. For details, see “— Year Ended December 31, 2024 Compared to Year Ended December 31, 2023 — Gross Profit and Gross Profit Margin before Fair Value Adjustments on Biological Assets.”

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Gross Profit and Gross Profit Margin before Fair Value Adjustments on Biological Assets

As a result of the above, our gross profit before fair value adjustments on biological assets increased by 17.5% from RMB443.5 million in 2024 to RMB520.9 million in 2025. Our gross profit margin before fair value adjustments on biological assets rebounded from 66.3% in 2024 to 67.7% in 2025, mainly driven by the decrease in per unit cost of sales before fair value adjustments on biological assets for caviar, as well as the rise in the average selling price of caviar due to excess demand on the market.

Fair Value Adjustments on Biological Assets

The fair value adjustments on biological assets increased by 10.6% from RMB463.2 million in 2024 to RMB512.4 million in 2025, primarily due to the increase in sales volume for the same year. For details of our biological assets valuation, see “— Biological Assets and Valuation” and Note 20 to the Accountant’s Report included in Appendix I to this Document.

Gross Profit and Gross Profit Margin

As a result of the above, we recorded gross profit of RMB8.6 million in 2025, as compared to gross loss of RMB19.7 million in 2024. Our gross loss margin was 2.9% in 2024 and our gross profit margin was 1.1% in 2025.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 10.3% from RMB48.8 million in 2024 to RMB53.9 million in 2025, primarily attributable to (i) our enhanced branding efforts overseas and e-commerce promotion strategy in 2025, resulting in higher business development expenses compared to the prior year, and (ii) share-based payments recognized pursuant to our equity incentive plan, driving up our employee benefits expenses. Our selling and marketing expenses remained relatively stable as a percentage of revenue, at 7.3% and 7.0% in 2024 and 2025, respectively.

General and Administrative Expenses

Our general and administrative expenses increased by 77.8% from RMB39.2 million in 2024 to RMB69.6 million in 2025, primarily driven by an increase in [REDACTED] of [REDACTED] and, to a lesser extent, an increase in employee benefits expenses of RMB8.3 million, mainly in relation to the share-based payments recognized pursuant to our equity incentive plan. Our general and administrative expenses, expressed as a percentage of our revenue, increased from 5.9% in 2024 to 9.1% in 2025, primarily due to the increase in professional service fees in relation to [REDACTED].

Research and Development Expenses

Our research and development expenses increased by 16.4% from RMB24.2 million in 2024 to RMB28.2 million in 2025, primarily due to the expansion of our research and development activities focusing on areas of interests including large-scale breeding technology, breed selection, disease prevention and control, ecological and environmental protection, and product development. Our research and development expenses remained relatively stable as a percentage of revenue at 3.6% and 3.7% in 2024 and 2025, respectively.

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Other Income

Our other income significantly increased from RMB12.0 million in 2024 to RMB25.8 million in 2025, primarily due to the increase in government grants of RMB10.2 million, mainly in connection with the partial relocation of our Quzhou Aquaculture Base arising from local infrastructure development projects, as well as the amortization of government grants from the national digital fishery development program.

Net impairment (losses)/gains on financial assets

We recorded net impairment gains on financial assets of RMB1.8 million in 2025, as compared to net impairment losses on financial assets of RMB1.9 million in 2024, primarily attributable to the reversal of loss allowance following the year-on-year decrease in our carrying amount of trade receivables as of December 31, 2025.

Fair Value Adjustments on Biological Assets

Our fair value changes on biological assets increased by 8.7% from RMB509.8 million in 2024 to RMB554.1 million in 2025, primarily due to the growth in live sturgeon quantities resulting from further scaling of our operations.

Finance Income

Our finance income, representing our interest income on cash and cash equivalents and restricted cash, increased by 89.2% from RMB6.3 million in 2024 to RMB11.9 million in 2025, primarily due to the increase in interest income from U.S. dollar-denominated demand deposits.

Finance Costs

Our finance costs increased by 29.0% from RMB4.0 million in 2024 to RMB5.1 million in 2025, primarily due to an increase in interest expense on bank and other borrowings of RMB0.5 million, as we maintained relatively higher levels of bank borrowings throughout 2025, taking into account the prevailing exchange rate and interest rate conditions during the year.

Income Tax Expense

Our income tax expense decreased by 5.5% from RMB73.5 million in 2024 to RMB69.4 million in 2025, resulting in the decrease in effective tax rate from 18% in 2024 to 16% in 2025. The moderate decrease in effective tax rate mainly resulted from the effects of preferential tax policies.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 12.6% from RMB324.1 million in 2024 to RMB365.0 million in 2025.

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Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 15.9% from RMB577.2 million in 2023 to RMB669.3 million in 2024, primarily attributable to the increase in revenue generated from our caviar products.

- Revenue generated from our caviar products increased by 17.5% from RMB523.1 million in 2023 to RMB614.4 million in 2024, primarily driven by higher sales volumes resulting from (i) an increase in purchase volumes from key customers in our overseas markets, driven by our enhanced marketing efforts, (ii) the expansion of overseas customer base from 104 in 2023 to 108 in 2024, and (iii) the enhanced efforts to promote our own brand, KALUGA QUEEN (卡露伽). In addition, the average selling price of caviar remained stable in 2024. While there was a steady increase in average selling price of hybrid sturgeon caviar as a result of several price adjustments, the average selling price of caviar was partially offset by a decrease in average selling price of Russian sturgeon caviar, primarily due to changes in customer mix, as larger overseas customers generally purchased in higher volumes and benefited from more favorable pricing. Last but not least, our principal sales markets included the United States, Germany, France and other major international markets, and while our sales to China slightly decreased in 2024, our overall sales in major international markets, such as the United States, Germany and France, showed an upward trend.
- Revenue generated from our sturgeon products increased by 8.9% from RMB47.4 million in 2023 to RMB51.5 million in 2024, primarily due to the increase in export sales driven by rising overseas demand.
- Our other revenue decreased from RMB6.8 million in 2023 to RMB3.3 million in 2024, primarily due to the decrease in sales of live sturgeons.

Cost of Sales Before Fair Value Adjustments on Biological Assets

Our cost of sales before fair value adjustments on biological assets increased by 30.8% from RMB172.6 million in 2023 to RMB225.8 million in 2024, primarily due to the increase in raw materials and consumables used at cost of RMB34.1 million, mainly attributable to the increased production volume driven by higher sales demand. Our cost of sales before fair value adjustments on biological assets accounted for 29.9% and 33.7% of our total revenue in 2023 and 2024, respectively.

Gross Profit and Gross Profit Margin before Fair Value Adjustments on Biological Assets

As a result of the above, our gross profit before fair value adjustments on biological assets increased by 9.6% from RMB404.6 million in 2023 to RMB443.5 million in 2024. Our gross profit margin before fair value adjustments on biological assets decreased from 70.1% in 2023 to 66.3% in 2024, primarily attributable to the following:

- The gross profit margin before fair value adjustments on biological assets for Russia sturgeon caviar declined in 2024. Due to the unique biological characteristics of Russia sturgeons, in 2024, we recorded higher cultivation costs when a greater proportion of high-age sturgeons were processed, resulting in an occasional increase in the per unit cost of sales before fair value adjustments on biological assets for Russia sturgeon caviar. Further, Qingshan Lake Aquaculture Base, which mainly reared Russia sturgeons, experienced an abnormal mortality of Russia sturgeons due to the summer flooding in July 2024 (the “**2024 Flooding**”), further

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driving up the per unit cost of sales before fair value adjustments on biological assets for Russia sturgeons. The 2024 Flooding was caused by extreme rainfall associated with Typhoon “Gaemi” and upstream flood discharge in the Yalu River basin, and exceeded the design flood-control standards of our Qingshan Lake Aquaculture Base. Despite advance relocation of most sturgeons, approximately 2,000 sturgeons were lost, representing approximately 0.18% of our total sturgeon inventory at the time. The affected sturgeons were production-stage sturgeons that had not entered the roe development stage. The 2024 Flooding did not have a material adverse impact on our production capacity, order fulfillment or financial performance, and no customer orders were canceled or postponed as a result. Following the 2024 Flooding, we implemented remedial and risk-mitigation measures, including harmless disposal of affected fish, disinfection and disease prevention, reinforcement and upgrading of farming facilities, enhancement of early-warning and emergency response mechanisms, and optimization of species mix and stocking density at the affected base. For details of our flood control measures, see “Business — Our Production — Aquaculture System — Scientific site selection and response mechanisms for natural disasters”. These measures were implemented on a voluntary basis to strengthen disaster resilience.

While we had not experienced flooding-related losses prior to the 2024 Flooding, extreme weather events, including typhoon-induced rainfall and beyond-standard flooding, have on occasion led to losses within the sturgeon aquaculture industry historically.

- The gross profit margin before fair value adjustments on biological assets for hybrid sturgeon caviar also declined in 2024. Given the supply-constrained market condition then subsisting, we increased the proportion of externally procured hybrid sturgeon for processing. As the cost of externally sourced sturgeon was higher than that of self-cultivated sturgeon, the per-unit production cost rose accordingly, exerting a downward impact on the margin.

Fair Value Adjustments on Biological Assets

Our net losses from fair value adjustments on biological assets increased by 16.7% from RMB396.9 million in 2023 to RMB463.2 million in 2024, primarily due to the increase in sales volume for the same year. For details of our biological assets valuation, see “— Biological Assets and Valuation” and Note 20 to the Accountant’s Report included in Appendix I to this Document.

Gross Profit and Gross Profit Margin

As a result of the above, we recorded gross-profit of RMB7.8 million in 2023 and gross loss of RMB19.7 million in 2024. Our gross profit margin was 1.3% in 2023, and our gross loss margin was 2.9% in 2024. Our gross loss in 2024 was primarily due to the increases in our cost of sales before fair value changes on biological assets and net losses from fair value adjustments on biological assets, mainly attributable to the 2024 Flooding experienced by Liaoning Xunlong Technology Development Co., Ltd., one of our subsidiaries. For details, see Note 20(b) to the Accountant’s Report included in Appendix I to this Document.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 41.0% from RMB34.6 million in 2023 to RMB48.8 million in 2024, primarily due to the increase in business development expenses of RMB10.4 million, mainly attributable to our continuous efforts in sales network expansion. Our selling and marketing expenses accounted for 6.0% and 7.3% of our total revenue in 2023 and 2024, respectively.

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General and Administrative Expenses

Our general and administrative expenses decreased by 45.5% from RMB71.9 million in 2023 to RMB39.2 million in 2024, primarily due to the decrease in employee benefits expenses of RMB32.1 million, resulting from our share-based payments in 2023 under the 2023 Restricted Share Incentive Plan. For details, see Note 24 to the Accountant’s Report included in Appendix I to this Document. Our general and administrative expenses accounted for 12.5% and 5.9% of our total revenue in 2023 and 2024, respectively.

Research and Development Expenses

Our research and development expenses increased by 6.7% from RMB22.7 million in 2023 to RMB24.2 million in 2024, primarily due to the increase in testing expense of RMB1.9 million, mainly attributable to our increased investment in R&D projects in line with our continued innovation efforts. Our research and development expenses accounted for 3.9% and 3.6% of our total revenue in 2023 and 2024, respectively.

Other Income

Our other income increased by 82.8% from RMB6.6 million in 2023 to RMB12.0 million in 2024, primarily due to the increase in government grants of RMB5.4 million, including policy support for trade development and project funding for sturgeon breeding R&D.

Other (losses)/gains — net

We recorded net other gains of RMB7.2 million in 2024, as compared to net other losses of RMB4.0 million in 2023, primarily due to the increase in net foreign exchange gains of RMB7.0 million, mainly attributable to fluctuations in exchange rates.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets significantly increased by 230.1% from RMB0.6 million in 2023 to RMB1.9 million in 2024, primarily due to the increase in net impairment losses under expected credit loss model on trade receivables of RMB0.9 million, mainly attributable to the increased balance of trade receivables in line with our business growth.

Fair Value Changes on Biological Assets

Our fair value changes on biological assets increased by 12.0% from RMB455.4 million in 2023 to RMB509.8 million in 2024, primarily due to the expansion of our sturgeon aquaculture scale.

Finance Income

Our finance income significantly increased by 328.9% from RMB1.5 million in 2023 to RMB6.3 million in 2024, primarily due to the increased interest rate on our demand deposit.

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Finance Costs

Our finance costs decreased by 27.8% from RMB5.5 million in 2023 to RMB4.0 million in 2024, primarily due to the decrease in interest expense on bank and other borrowings of RMB1.6 million, mainly attributable to a lower average loan balance as a result of partial prepayment of certain bank borrowings, as well as a decline in borrowing rates.

Income Tax Expense

Our income tax expense increased by 24.7% from RMB58.9 million in 2023 to RMB73.5 million in 2024, primarily due to the increase in our taxable income in line with our business growth. Our effective tax rate remained stable at 18% in 2023 and 2024.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 18.8% from RMB272.9 million in 2023 to RMB324.1 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our audited consolidated financial statements included in Appendix I to this Document.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	290,932	343,050	382,634
Total current assets	1,739,615	2,001,444	2,655,807
Total assets	2,030,547	2,344,494	3,038,441
Total non-current liabilities	250,502	242,427	469,434
Total current liabilities	277,493	265,320	465,399
Total liabilities	527,995	507,747	934,833
Net current assets	1,462,122	1,736,124	2,190,408
Net assets	1,502,552	1,836,747	2,103,608
Share capital	90,243	90,243	92,553
Reserves	320,908	330,979	373,863
Shares held for restricted share schemes	—	—	(2,310)
Retained earnings	1,031,009	1,339,426	1,558,341
Equity attributable to owners of the Company	1,442,160	1,760,648	2,022,447
Non-controlling interests	60,392	76,099	81,161
Total equity	1,502,552	1,836,747	2,103,608

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The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	April 30, 2026
	(unaudited)			
	(RMB in thousands)			
Current assets:				
Inventories	50,759	43,872	58,891	57,488
Biological assets	1,389,247	1,553,493	1,748,746	1,916,227
Prepayments, other receivables and other current assets	23,995	26,563	24,605	42,084
Trade receivables	48,970	57,414	33,903	50,577
Restricted cash	18,654	16,469	6,049	5,908
Cash and cash equivalents	207,990	303,633	783,613	490,580
Financial assets at fair value through profit or loss	—	—	—	3,094
Total current assets	1,739,615	2,001,444	2,655,807	2,565,958
Current liabilities:				
Trade and notes payables	89,512	107,779	133,333	141,235
Accruals and other payables	99,115	78,826	109,223	90,801
Dividend payable	7,241	—	—	—
Contract liabilities	10,273	18,686	18,091	26,877
Borrowings	39,137	10,340	151,157	136,623
Lease liabilities	1,816	1,462	5,568	4,812
Income tax payables	30,399	48,227	48,027	35,171
Total current liabilities	277,493	265,320	465,399	435,519
Net current assets	1,462,122	1,736,124	2,190,408	2,130,439

Our net current assets remained relatively stable at RMB2,190.4 million and RMB2,130.4 million as of December 31, 2025 and April 30, 2026.

Our net current assets increased from RMB1,736.1 million as of December 31, 2024 to RMB2,190.4 million as of December 31, 2025, primarily due to (i) the increase in cash and cash equivalents of RMB480.0 million, mainly attributable to our improved cash position in line with our business growth, and (ii) the increase in biological assets of RMB195.3 million, mainly attributable to the expansion of our sturgeon aquaculture scale. The increase in our net current assets was partially offset by the increase in borrowings of RMB140.8 million, primarily due to our funding arrangements made to optimize overall capital efficiency, taking into account the prevailing exchange rate and interest rate conditions during the year.

Our net current assets increased from RMB1,462.1 million as of December 31, 2023 to RMB1,736.1 million as of December 31, 2024, primarily due to (i) the increase in biological assets of RMB164.2 million, mainly attributable to the expansion of our sturgeon aquaculture scale, (ii) the increase in cash and cash equivalents of RMB95.6 million, mainly attributable to our improved cash position in line with our business growth, and (iii) the decrease in borrowings of RMB28.8 million, mainly attributable to repayment of bank borrowings upon maturity and partial prepayment of certain bank borrowings due to our sound cash flow. The increase in our net current assets was partially offset by (i) the increase in income tax payables of RMB17.8 million, primarily due to the increase in our taxable income in line with our business growth, and (ii) the increase in trade and notes payables of RMB18.3 million, primarily due to higher payables arising from the procurement of sturgeons.

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Trade Receivables

Our trade receivables consist of (i) trade receivables from contracts with customers, mainly representing outstanding amounts due from certain of our customers, and (ii) amount due from related parties, mainly representing outstanding amounts due from a small number of related party customers arising from the purchase of our products on an arm’s length basis and under normal credit terms; see Note 34(c)(i) to the Accountant’s Report included in Appendix I to this Document for details. The following table sets forth the details of our trade receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade receivables from contracts with customers	55,327	65,173	38,506
Amount due from related parties	—	107	—
Less: loss allowance	(6,357)	(7,866)	(4,603)
Total	48,970	57,414	33,903

Our trade receivables increased from RMB49.0 million as of December 31, 2023 to RMB57.4 million as of December 31, 2024, primarily due to the increase in trade receivables from contracts with customers of RMB9.8 million in 2024, mainly attributable to the increase in sales in line with our business growth. Our trade receivables decreased to RMB33.9 million as of December 31, 2025, primarily due to a decrease in our trade receivables from contracts with customers of RMB26.7 million driven by enhanced collection efforts in 2025.

The following table sets forth an aging analysis of trade receivables based on the dates of when the trade receivables are recognized as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 6 months	46,809	54,708	29,983
6 months to 1 year	2,834	2,587	2,274
Over 1 year	5,684	7,985	6,249
Total	55,327	65,280	38,506

The following table sets forth the turnover days of our trade receivables for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(days)		
Trade receivables turnover days ⁽¹⁾	26.7	29.0	21.7

Note:

- (1) Trade receivables turnover days are based on the average balance of trade receivables divided by total revenue for the relevant year and multiplied by the number of days in the relevant year. Average balance is calculated as the average of the beginning balance and ending balance of a given year. The number of days for the years ended December 31 is 365 days.

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Our trade receivables turnover days increased from 26.7 days in 2023 to 29.0 days in 2024, primarily due to the increased sales to domestic customers with credit terms as part of our domestic market penetration strategy. Our trade receivables turnover days subsequently decreased to 21.7 days in 2025, primarily driven by enhanced collection efforts in 2025. We have assessed the recoverability of our trade receivables and believe that there are no material recoverability issues. For credit risk of our trade receivable, see Note 3.1(b) to the Accountant’s Report included in Appendix I to this Document.

As of April 30, 2026, RMB29.2 million, or 75.8% of our trade receivables outstanding as of December 31, 2025 had been subsequently collected.

Inventories

Our inventories consist of (i) finished goods, consisting of our caviar products and sturgeon products, and (ii) raw materials, consisting of feeds and packaging materials.

The following table sets forth a summary of our inventory balances as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Finished goods	38,782	31,426	44,892
Raw materials	14,296	14,766	16,479
Less: provisions for impairment	(2,319)	(2,320)	(2,480)
Total	50,759	43,872	58,891

Our inventories decreased from RMB50.8 million in 2023 to RMB 43.9 million in 2024, primarily due to the decrease in finished goods of RMB7.4 million, mainly attributable to the increased sales of our products in line with our business growth. Our inventories subsequently increased to RMB58.9 million in 2025, as we optimized stock levels to fulfill an anticipated increase in demand, and accordingly sales volume, towards the end of the year. During the Track Record Period, no material impairment of inventories was identified, and sufficient provision for impairment of inventories had been made.

We believe maintaining appropriate levels of inventories dynamically can help us fully address our consumers’ demand and achieve consumer satisfaction without adversely affecting our liquidity. We have a strict and effective inventory management system in place to manage our inventories. For details, see “Business — Our Supply Chain.”

During the Track Record Period, the aging of our inventories was all within one year.

The following table sets forth inventories turnover days for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(days)		
Inventories turnover days ⁽¹⁾	32.3	25.1	24.7

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Note:

- (1) Inventories turnover days are based on the average balance of inventories divided by cost of sales before fair value adjustments on biological assets plus fair value adjustments on biological assets for the relevant year and multiplied by the number of days in the relevant year. Average balance is calculated as the average of the beginning balance and ending balance of a given year. The number of days for the years ended December 31 is 365 days.

Our inventories turnover days decreased from 32.3 days in 2023 to 25.1 days in 2024, primarily due to our higher sales volume. Our inventories turnover days remained relatively stable at 24.7 days in 2025.

As of April 30, 2026, RMB58.9 million, or 100.0% of our inventories outstanding as of December 31, 2025 had been subsequently sold or utilized.

Biological Assets

Our biological assets consist of fish fry, female immature sturgeon, female mature sturgeon, and male sturgeon. Our biological assets are measured at fair value less costs to sell. Neither active market nor observable market rate and price of each sturgeon species are available for the market participants. Therefore, the fair value of biological assets is measured according to level 3 of the fair value hierarchy, based on discounted cashflow technique using significant unobservable inputs. Changes in value are recognized and classified under “fair value change on biological assets” in consolidated statement of comprehensive income.

The biological assets of the Group are farm-raised sturgeons, which are primarily consumable biological assets that only have one harvest during the life cycle. These sturgeons have a long gonadal maturation cycle before archiving biological optimal maturity for harvest, normally ranging from 7 to 15 years depending on different broodstock. Considering the consumable nature of the biological assets which are typically an integrated part of the normal operating cycle, the Group classifies the biological assets as current assets in the consolidated balance sheets.

The following table sets forth the carrying value of our biological assets as of the dates indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Fish fry	142	621	778
Female immature sturgeon	850,755	868,732	1,111,948
Female mature sturgeon	535,561	676,421	626,308
Male sturgeon	2,789	7,719	9,712
Total	1,389,247	1,553,493	1,748,746

The carrying value of our biological assets increased from RMB1,389.2 million as of December 31, 2023 to RMB1,553.5 million as of December 31, 2024, and further to RMB1,748.7 million as of December 31, 2025, primarily due to the increase in the total number of sturgeons over the years.

For valuation of our biological assets, please see “— Biological Assets and Valuation” and Note 20 to the Accountant’s Report included in Appendix I to this Document.

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Cash and Cash Equivalents

We had cash and cash equivalents of RMB208.0 million, RMB303.6 million and RMB783.6 million as of December 31, 2023, 2024 and 2025, respectively. For a detailed analysis of our cash flow during the Track Record Period, see “— Liquidity and Capital Resources — Cash Flow Analysis.”

Property, Plant and Equipment

Our property, plant and equipment consist of (i) buildings and structures, (ii) machinery and equipment, (iii) vehicles, (iv) leasehold improvement, and (v) construction in progress.

The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Buildings and structures	154,674	203,813	189,998
Machinery and equipment	49,917	77,923	81,142
Vehicles	1,339	2,048	1,979
Leasehold improvement	523	419	742
Construction in progress	40,683	8,973	38,316
Total	247,136	293,176	312,177

Our property, plant and equipment increased from RMB247.1 million as of December 31, 2023 to RMB293.2 million as of December 31, 2024 and further to RMB312.2 million as of December 31, 2025, primarily due to the increases in buildings and structures mainly resulting from the capitalization of assets under construction and facility upgrades at our aquaculture bases and processing facilities.

Trade and Notes Payables

Our trade and notes payables consist of (i) trade payables, mainly representing amounts due to suppliers of biological raw materials and logistics services, and (ii) notes payables.

The following table sets forth a breakdown of our trade and notes payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade payables:			
Payables for biological assets	5,576	20,067	26,600
Payables for logistic expenses	9,998	12,722	11,698
Payables for inventories	4,602	3,369	3,773
Others	1,332	1,421	954
Notes payables	68,004	70,200	90,308
Total	89,512	107,779	133,333

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Our trade and notes payables increased from RMB89.5 million as of December 31, 2023 to RMB107.8 million as of December 31, 2024 primarily attributable to the increases in payables for biological assets, reflecting the increased procurement of sturgeons. Trade and notes payables further increased to RMB133.3 million as of December 31, 2025, primarily attributable to the increase in notes payables resulting from procurement of fish feed.

The following table sets forth the aging analysis of our trade and notes payables based on the dates of when the trade and notes payables are recognized as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	88,225	107,259	125,172
Over 1 year	1,287	520	8,161
Total	89,512	107,779	133,333

The following table sets forth our trade and notes payables turnover days for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(days)		
Trade and notes payables turnover days ⁽¹⁾	169.9	159.5	177.4

Note:

- (1) Trade and notes payables turnover days are based on the average balance of trade and notes payables divided by cost of sales before fair value adjustments on biological assets for the relevant year and multiplied by the number of days in the relevant year. Average balance is calculated as the average of the beginning balance and ending balance of a given year. The number of days for the years ended December 31 is 365 days.

Our trade and notes payables turnover days remained relatively stable at 169.9 days and 159.5 days in 2023 and 2024, respectively. Our trade and notes payables turnover days subsequently increased to 177.4 days in 2025, primarily driven by an increase in payables related to biological assets, reflecting expanded sturgeon procurement activities.

As of April 30, 2026, RMB76.3 million, or 57.2% of our trade and notes payables outstanding as of December 31, 2025 had been subsequently settled.

Contract Liabilities

Our contract liabilities represent advance payment received from our customers related to our sales of products. Our contract liabilities increased from RMB10.3 million as of December 31, 2023 to RMB18.7 million as of December 31, 2024, primarily due to the increased order volume in line with our business growth. Our contract liabilities remained relatively stable at RMB18.1 million as of December 25, 2025.

As of April 30, 2026, 50.4% of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

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Borrowings

Our borrowings, comprising both current and non-current portions, represent long-term and short-term bank borrowings, which are either secured or guaranteed. During the Track Record Period, these borrowings were mainly used for sturgeon procurement and other operating expenditure.

The following table sets forth a breakdown of our borrowings as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Borrowings included in non-current liabilities:			
Secured			
Long-term bank borrowings	10,000	5,000	—
Guaranteed			
Long-term bank borrowings	45,250	20,000	87,515
Less: current portion	(1,001)	(10,340)	(6,055)
Subtotal	44,249	9,660	81,460
Non-current portion	54,249	14,660	81,460
Borrowings included in current liabilities:			
Secured			
Short-term bank borrowings	—	—	120,084
Subtotal	—	—	120,084
Guaranteed			
Short-term borrowings	38,136	—	25,018
Current portion of long-term bank borrowings	1,001	10,340	6,055
Subtotal	39,137	10,340	31,073
Current portion	39,137	10,340	151,157
Total	93,386	25,000	232,617

Our borrowings decreased from RMB93.4 million as of December 31, 2023 to RMB25.0 million as of December 31, 2024, primarily due to repayment of bank borrowings upon maturity and partial prepayment of certain bank borrowings due to our sound cash flow. Our borrowings then increased to RMB232.6 million as of December 31, 2025, reflecting the funding arrangements made to optimize overall capital efficiency, taking into account the prevailing exchange rate and interest rate conditions during the year.

Lease Liabilities

Our lease liabilities represent the payment obligations on our leases in relation to our leased properties that are mainly used as our aquaculture bases and office premises. The carrying amount of our lease liabilities increased from RMB27.5 million as of December 31, 2023 to RMB29.0 million as of December 31, 2024, and further increased to RMB32.4 million as of December 31, 2025, primarily driven by the increase in our right-of-use assets.

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LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements mainly with cash from operating activities, investing activities and financing activities in a balanced manner. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations, the [REDACTED] from the [REDACTED], and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB208.0 million, RMB303.6 million and RMB783.6 million as of December 31, 2023, 2024 and 2025, respectively.

Cash Flow Analysis

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Operating cash flows before changes in working capital . .	347,540	385,482	433,303
Changes in working capital	(48,852)	(90,072)	(101,439)
Income taxes paid	(38,884)	(42,016)	(61,523)
Net cash generated from operating activities	259,804	253,394	270,341
Net cash used in investing activities	(75,932)	(55,345)	(25,601)
Net cash (used in)/generated from financing activities . .	(98,323)	(108,796)	230,082
Net increase in cash and cash equivalents	85,549	89,253	474,822
Cash and cash equivalents at the beginning of the year	122,067	207,990	303,633
Effects of exchange rate changes on cash and cash equivalents	374	6,390	5,158
Cash and cash equivalents at the end of the year	<u>207,990</u>	<u>303,633</u>	<u>783,613</u>

Net Cash Generated from Operating Activities

Net cash generated from operating activities in 2025 was RMB270.3 million, which primarily consisted of profit before tax of RMB434.4 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) fair value changes of biological assets of RMB554.1 million, and (ii) fair value effect transferred to cost of sales of RMB512.4 million, primarily due to our higher sales volume. The amount was further adjusted by changes in working capital, primarily including (i) the increase in biological assets of RMB153.5 million, primarily due to the increase in the total number of sturgeons, and (ii) the increase in inventories of RMB15.2 million, as we optimized stock levels to fulfill an anticipated seasonal increase in demand towards the end of the year.

Net cash generated from operating activities in 2024 was RMB253.4 million, which primarily consisted of profit before tax of RMB397.6 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) fair value changes of biological assets of RMB509.8 million, and (ii) fair value effect transferred to cost of sales of RMB463.2 million, primarily due to our higher sales volume. The amount was further adjusted by

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changes in working capital, primarily including (i) the increase in biological assets of RMB117.7 million, primarily due to the increase in the total number of sturgeons, and (ii) the increase in trade receivables of RMB10.4 million, primarily due to the increase in sales in line with our business growth.

Net cash generated from operating activities in 2023 was RMB259.8 million, which primarily consisted of profit before tax of RMB331.8 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) fair value changes of biological assets of RMB455.4 million, and (ii) fair value effect transferred to cost of sales of RMB396.9 million, primarily due to our higher sales volume. The amount was further adjusted by changes in working capital, primarily including (i) the increase in biological assets of RMB47.4 million, primarily due to the increase in the total number of sturgeons, (ii) the increase in trade and notes payables of RMB18.3 million, mainly relating to our increased purchases from feed suppliers who settled transactions with us through notes, and (iii) the increase in trade receivables of RMB14.5 million, primarily due to the increase in sales in line with our business growth.

Net Cash Used in Investing Activities

Net cash used in investing activities in 2025 was RMB25.6 million, which primarily consisted of (i) purchase of wealth management products RMB114.5 million to enhance capital efficiency, and (ii) purchases of and prepayment for property, plant and equipment and other long-term assets of RMB58.2 million, primarily due to our increased investment in our aquaculture and processing bases; partially offset by proceeds from disposal of wealth management products of RMB116.0 million.

Net cash used in investing activities in 2024 was RMB55.3 million, which primarily consisted of (i) purchases of and prepayment for property, plant and equipment and other long-term assets of RMB81.6 million, primarily due to our increased investment in our aquaculture and processing bases, and (ii) purchase of wealth management products of RMB23.5 million to enhance capital efficiency; partially offset by proceeds from disposal of wealth management products of RMB23.8 million.

Net cash used in investing activities in 2023 was RMB75.9 million, which primarily consisted of (i) purchase of derivative financial instrument of RMB157.3 million, and (ii) purchases of and prepayment for property, plant and equipment and other long-term assets of RMB72.1 million, primarily due to our increased investment in our aquaculture and processing bases; partially offset by proceeds from disposal of derivative financial instrument of RMB146.6 million.

Net Cash (Used in)/Generated from Financing Activities

Net cash generated from financing activities in 2025 was RMB230.1 million, which primarily consisted of (i) proceeds from borrowings of RMB384.5 million and (ii) borrowings from third parties of RMB150.0 million; partially offset by (i) repayments of borrowings of RMB177.0 million upon maturity and due to our sound cash flow, and (ii) dividend paid of RMB137.8 million.

Net cash used in financing activities in 2024 was RMB108.8 million, which primarily consisted of (i) repayments of borrowings of RMB147.4 million upon maturity and due to our sound cash flow, and (ii) acquisition of non-controlling interests of RMB28.0 million; partially offset by proceeds from borrowings of RMB79.0 million.

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Net cash used in financing activities in 2023 was RMB98.3 million, which primarily consisted of (i) repayments of borrowings of RMB154.9 million upon maturity and due to our sound cash flow, (ii) dividend paid of RMB97.9 million, and (iii) acquisition of non-controlling interests of RMB33.0 million; partially offset by (i) proceeds from borrowings of RMB114.5 million, and (ii) redemption of deposits pledged for borrowings of RMB41.8 million.

INDEBTEDNESS

The following table sets forth our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Current liabilities				
Borrowings	39,137	10,340	151,157	136,623
Lease liabilities	1,816	1,462	5,568	4,812
Non-current liabilities				
Borrowings	54,249	14,660	81,460	71,337
Other payables	—	—	150,617	151,114
Lease liabilities	25,636	27,538	26,851	24,695
Total	120,838	54,000	415,653	388,581

Borrowings

For details of our borrowings during the Track Record Period, see “— Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Borrowings.” As of April 30, 2026, the carrying amount of our borrowings amounted to RMB208.0 million.

Other Payables

Our other payables represent payables for purchase of property, plant and equipment employee benefits expense, and borrowings from a third party to be repaid at each reporting date. As of April 30, 2026, the carrying amount of our other payables amounted to RMB151.1 million.

Lease Liabilities

For details of our lease liabilities during the Track Record Period, see “— Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Lease Liabilities.” As of April 30, 2026, the carrying amount of our lease liabilities amounted to RMB29.5 million.

Our Directors confirm that as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in bank borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. As of April 30, 2026, our unutilized bank facilities amounted to RMB570.8 million. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in obtaining credit

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facilities, or withdrawal of facilities or requests for early repayment. Our Directors confirm that there has not been any material change in our indebtedness since April 30, 2026 and up to the date of this Document.

Saved as otherwise disclosed under sections headed “— Indebtedness” and “— Contractual Obligations,” as of April 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any other loan issued and outstanding or any loan agreed to be issued, bank overdrafts, loans and other similar indebtedness, liabilities under acceptances or acceptance credits or hire purchase commitments, debentures, mortgages, charges, guarantees or other material contingent liabilities.

CONTINGENT LIABILITIES

During the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

Our historical capital expenditures primarily included purchases of and prepayment for property, plant and equipment and other long-term assets. The following table sets forth our capital expenditures for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Purchases of and prepayment for property, plant and equipment and other long-term assets . . .	72,087	81,586	58,189

We will continue to make capital expenditures to meet the expected growth of our business and our expansion plan. See “Future Plans and [REDACTED] — [REDACTED].” We intend to fund our future capital expenditures with financial resources available to us, including our existing cash balance, cash generated from our operation activities, and [REDACTED] from the [REDACTED].

CONTRACTUAL OBLIGATIONS

Capital Commitments

Our capital commitments mainly represent capital expenditure in respect of the acquisition of property, plant and equipment as well as intangible assets contracted for but not recognized as liabilities in the historical financial information. The following table sets forth our capital commitments for the years indicated.

	For the year ended December 31		
	2023	2024	2025
	(RMB in thousands)		
Property, plant and equipment	24,548	4,985	37,855
Intangible assets	370	—	507
Total	24,918	4,985	38,362

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Non-cancelable operating lease

Our non-cancelable operating lease primarily relates to office premises. The following table sets forth our non-cancelable operating lease for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	500	—	162

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
Current ratio ⁽¹⁾	6.3	7.5	5.7
Quick ratio ⁽²⁾	6.1	7.4	5.6
Net profit margin	47.3%	48.4%	47.5%
Return on total asset ⁽³⁾	14.3%	14.8%	13.6%
Return on equity ⁽⁴⁾	19.5%	19.4%	18.5%

Note:

- (1) Calculated by current assets as of the end of the year divided by current liabilities as of the end of the same year. Our biological assets are farm-raised sturgeons, which have a long gonadal maturation cycle of approximately seven to fifteen years, depending on the broodstock, before reaching biological optimal maturity for harvest. These sturgeons are consumable biological assets that only have one harvest during their life cycle. Considering their consumable nature which are typically an integrated part of the normal operating cycle, they are classified as current assets.
- (2) Calculated by current assets as of the end of the year less inventories as of the end of the same year divided by current liabilities as of the end of the same year.
- (3) Calculated by net profit of the respective year divided by the arithmetic mean of the opening and closing balances of total assets and multiplied by 100%.
- (4) Calculated by profit for the year divided by the average of the beginning and ending balances of total equity for the same year and multiplied by 100%.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, certain of our borrowings, notes payables and performance bonds were secured by guarantees provided by related parties, which have been released before May 20, 2026, except for the guarantee provided by Mr. Han Lei for a borrowing obtained by Hangzhou Xunongren, as disclosed in Note 28(b) and 34(v) to the Accountant’s Report included in Appendix I to this Document. Such guarantee is expected to remain in place before [REDACTED] and will be released upon repayment of the relevant borrowing. For details of our significant related party transactions, see Note 34 to the Accountant’s Report included in Appendix I to this Document.

Our Directors are of the view that each of the significant related party transactions set out in Note 34 to the Accountant’s Report included in Appendix I to this Document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant

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parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

BIOLOGICAL ASSETS AND VALUATION

The carrying value of our biological assets increased from RMB1,389.2 million as of December 31, 2023 to RMB1,553.5 million as of December 31, 2024, and further to RMB1,748.7 million as of December 31, 2025, primarily due to the increase in the total number of sturgeons over the years. For details of the carrying value of our biological assets, see “— Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Biological Asset” in this section.

The following table sets forth the volume of our biological assets as of the dates indicated:

	For the year ended December 31,		
	2023	2024	2025
	(Number of sturgeons)		
Fish fry	78,137	92,628	52,957 ⁽¹⁾
Female immature sturgeon	721,776	810,527	815,919
Female mature sturgeon	157,656	187,216	201,644
Male sturgeon	16,345	92,364	152,409
Total	973,914	1,182,735	1,222,929

Note:

(1) Containing female only as we completed sex identification in 2025.

Information About the Independent Valuer of Our Biological Assets

We have engaged AVISTA Asset Appraisal (Beijing) Co., Ltd (“AVISTA”), an independent valuer, to determine the fair value of our biological assets (excluding fish fry) as of December 31, 2023, 2024 and 2025 (the “Valuation Date(s)”), respectively. The key valuer of the AVISTA team is Ms. Zhong Jie. Ms. Zhong Jie, is a partner of AVISTA, and is a certified public valuer and member of the Royal Institution of Chartered Surveyors. She has over 20 years of experience in valuation and corporate transaction consulting. She provides a wide range of valuation services to numerous companies across various industries in Chinese mainland, Hong Kong and internationally. She has also undertaken valuation work for multiple Hong Kong-listed companies as well as private companies, for transaction or financial reporting purposes. AVISTA has engaged Professor Yang Huizan, an independent industry expert, to assist with the valuation. Professor Yang mainly evaluates the breeding environment and reasonableness of key parameters adopted in valuation. He verifies the suitability of the parameters provided by us, including, among other things, mortality rate, gonad maturation period, and body weight, based on relevant industry literature and his extensive aquaculture industry experience.

Professor Yang is a senior expert in the aquaculture industry with over 15 years of professional experience. He has received several important scientific and technological awards in fisheries. He also owns a number of invention patents related to seed production, selective breeding and aquaculture of aquatic products, and has published several representative works on fish selective breeding and growth performance analysis. Professor Yang holds a doctoral degree and is a Guangxi High-Level Talent (Tier D), a candidate for the Second Tier of Guangxi’s “Ten-Thousand-Talent Project”, a Guangxi Young Distinguished Expert and a visiting scholar under the Organization Department of the CPC Central Committee’s “Western Light” Program. He also serves as an off-campus supervisor at Hunan Normal University, Hainan University, and Guangxi University for Nationalities. His main research focus is on aquatic animal breeding.

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In view of Professor Yang’s expertise and past experience, AVISTA confirms and accepts the opinions provided by Professor Yang Huizan and deems them reasonable.

Based on the above, in particular each of their market reputation and our relevant background research, our Directors and the Joint Sponsors are satisfied that each of AVISTA and Professor Yang Huizan is independent from us and is competent in conducting a valuation on our biological assets.

Valuation Methodology

The following valuation methods were adopted:

Fish Fry

Fish fry, generally under one year old, are recognized at accumulated costs, which is considered the best estimate of fair value because of relatively low unit value and little biological transformation and instability for breeding.

Sturgeon

For sturgeons, generally above (and include) one year old, the fair value is calculated by applying market approach for male sturgeon, and income approach — multi-period excess earnings method for female sturgeon.

Male Sturgeon

The fair value of male sturgeon is realized by harvesting the sturgeons to obtain sturgeon meat. Since the selling price of sturgeon meat on the Valuation Date(s) is available and the value realization cycle of male sturgeon is very short, the fair value of male sturgeon is therefore determined by subtracting corresponding costs and expenses to sales from the expected selling price of the sturgeon meat.

Female Sturgeon

Due to variations in factors such as age, gender, weight, and harvest quantities across different species, there is no active third-party trading market for female sturgeons. Additionally, considering the lengthy period required before female sturgeons reach spawning capability, the fair value of female sturgeons is assessed using the income approach. For the valuation of female sturgeons, asset groups are initially categorized by species and age cohort until biological maturity is reached. According to CIC, biological maturity is determined by reaching gonadal development stage IV or above, with the roe reaching species-specific mature size thresholds, typically ranging from 2.8 to 3.0 millimeters or above. For each species of sturgeon, the average maturity age for reaching gonadal development IV and the mature roe size thresholds are different. See “Business — Our Brands and Products — Core Product: Caviar” for details. Upon reaching maturity, age-based stratification is no longer applied given the stable characteristics of mature individuals, and all mature individuals of a given species are consolidated into a single class. Each distinct classification constitutes a separate asset group.

The cash flow projection for asset groups is as follows:

Growth stage: considering that no caviar sales revenue has been generated at this stage, cash flows primarily consist of cash outflows, including, among other things, feeding costs, and contributory assets charges, including net working capital, property, plant and equipment, right-of-use assets, intangible assets, and workforce (collectively, the “**Contributory Asset Charges**”), based on the expected cost to harvest and market required return rate of contributory assets.

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Mature stage: cash inflows comprise projected sales revenue from harvested sturgeons, estimated primarily based on the estimated quantities and timing of sturgeons to be harvested and the expected selling price. Cash outflows consist of, among other things, feeding cost, processing costs, and transportation costs, and the Contributory Asset Charges.

Key Assumptions and Inputs

The key inputs and assumptions include the following:

Discount Rate

A discount must be made for the time value of the tied-up capital linked to the shares of the present value of the cash flow allocated to the biomass. The discount rate is determined by taking the weighted average cost of capital (WACC) and adding a premium for biological transformation risk. This premium captures the uncertainty surrounding the remaining time to harvest, as well as volatility in volume, costs and price. The risk adjustment reflects the price discount a hypothetical market participant would demand as compensation for the risk assumed by investing in live fish rather than a different object.

	As of December 31,		
	2023	2024	2025
Immature sturgeon	12.23%	12.30%	11.18%
Mature sturgeon	11.23%	11.30%	10.18%

Quantities and timing of sturgeons to be harvested

The quantities and timing of sturgeons to be harvested are estimated according to the biologically optimal maturity for harvest and harvest demand. We estimate the increase rate of sales volume according to the historical increase rate of sales volume in the most recent year as well as the estimation of future market demand. We further calculate the quantities of sturgeons to be harvested according to our best estimation and average historical yield of caviar or sturgeon products produced from each sturgeon in the past few years. Given the stable physiological characteristics and our long-standing operations, historical yields serve as an appropriate reference for forecasting.

Estimated increase rate of sales volume

	As of December 31,		
	2023	2024	2025
Hybrid sturgeon	3%~15%	10%~15%	10%~15%
Russian sturgeon	10%~18%	10%~15%	10%
Kaluga sturgeon ⁽¹⁾	-13%~5%	-5%~0%	0%~50%
Beluga sturgeon	-19%~10%	5%~10%	5%
Other sturgeon ⁽²⁾	-12%~242%	10%~258%	10%~309%

Notes:

- (1) From 2023 to 2025, we maintained approximately 7,000 Kaluga sturgeons, though this was not a core caviar product. During 2023 and 2024, limited overseas recognition of Kaluga sturgeon caviar led us to expect only minor fluctuations in future sales. In 2025, we planned to increase our marketing efforts for this product. Given its historically low sales volume base, even a modest volume increase should yield strong growth increase rate.
- (2) For other sturgeon, limited mature inventory heightened demand sensitivity, resulting in substantial growth rate fluctuations.

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Expected selling price

The selling prices are estimated based on the projection of selling price for each series of caviar or sturgeon products at the point of harvest based on assessment using historical data in the past few years and our best estimates of future market development based on current market composition and market share.

The expected selling price of caviar

	As of December 31,		
	2023	2024	2025
	(RMB/kg)		
Hybrid sturgeon caviar	2,193	2,177	2,328
Russian sturgeon caviar	2,152	2,147	2,174
Kaluga caviar	3,752	3,768	3,703
Beluga caviar	7,161	7,157	7,281
Other sturgeon caviar	2,000~2,866	2,000~2,866	2,000~2,866

Expected cost to harvest

The expected costs required to feed sturgeons since the Valuation Date(s) until completion of harvesting were incorporated and were estimated based on the historical average costs. The expected costs include feeding cost, processing costs, transportation costs, etc.

Expected mortality rate

As there is the probability that sturgeons might be dead due to diseases, epidemics, accidents or natural forces during rearing cycle, the mortality since the Valuation Date(s) until completion of harvesting has been taken into consideration. The expected mortality rate for sturgeon was with reference to the historical actual mortality rate.

Other assumptions

For the purposes of the valuation, AVISTA assumed that all proposed facilities and systems will be operated efficiently and have sufficient capacity for future expansion. AVISTA also assumed that the historical trend and data will be maintained and there will be no material change in the existing political, legal, technological, fiscal or economic condition that may adversely affect the business of our Group.

AVISTA confirmed that they have conducted their valuation in accordance with International Financial Reporting Standards 13 and International Accounting Standards 41 issued by the IASB and with reference to the Basic Standards for Asset Appraisal issued by the Ministry of Finance of the People’s Republic of China. AVISTA planned and performed the valuation so as to obtain all the information and explanations that it considered necessary in order to provide them with sufficient evidence to express their opinion on the subject asset. AVISTA is of the opinion that the valuation procedures we employed provide a reasonable basis for their opinion. For further details of the fair value measurement of biological assets, particularly the fair value estimation, the valuation techniques and key inputs are disclosed in Note 20 to the Accountant’s Report set out in Appendix I to this Document. The Reporting Accountant’s opinion on the historical financial information of our Group for the Track Record Period as a whole is set out on page I-2 of Appendix I to this Document. Based on the foregoing, our Directors are satisfied that the valuation

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techniques methodology and major inputs used in the valuation of our biological assets are appropriate and reasonable, and the components of material cash flows used in the fair value measurement are consistent with market factors and assumptions used in the measurement.

Sensitivity Analysis

Management performed the sensitivity analysis based on changes in the abovementioned key assumptions. Had the estimated key assumptions been changed as below, the change in the fair value of biological assets would have been as below:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Discount rate decrease/(increase) by 1%	60,481/(56,279)	70,084/(65,167)	81,288/(75,353)
Estimated increase rate for sales volume increase/(decrease) by 5%	22,495/(25,542)	31,200/(33,443)	43,621/(45,080)
The expected selling price of caviar increase/(decrease) by 5%	117,743/(117,782)	134,249/(134,254)	151,969/(151,971)

Stock Take and Internal Control

Stock Take

We have established a standardized stock-taking protocol for all our aquaculture bases, covering both regular and periodic stock takes to ensure the physical existence of our biological assets and the accuracy of relevant data. Each aquaculture base conducts a full stock take of biological assets annually to verify key information such as species, quantity, gender and health conditions, which are accurately recorded in our information management system, and submits the corresponding stock-taking report to the management.

Our annual stock take is organized by the deputy general manager responsible for performance assessment and carried out at year-end by a working group comprising personnel from our production department, internal control center, quality control department and finance department. The procedures mainly include preparing a stock-taking plan, issuing stock-taking notices, conducting on-site stock takes and expert sampling inspections, obtaining expert appraisal opinions, and making accounting adjustments for any identified discrepancies. To ensure reliability, the year-end stock take is conducted on a static and comprehensive basis. We provide training to intermediaries and external supervisors on stock-taking methods and sturgeon identification, inspect monitoring equipment in advance to ensure the full process is recorded, retain relevant video records for six years, and implement anti-fraud measures. Any discrepancies identified are adjusted in our aquaculture information system based on the actual stock-taking results.

Internal Control and Management System

We have devised a comprehensive policy for biological asset management. Our biological asset management policy covers among other things, the relevant accounting policies, transferring among age groups, purchase and disposal of biological assets, breeding, record keeping and stock take. To facilitate the implementation of our biological asset management policy, we employ AI-powered tracking system, biological asset system and inventory system developed by third-party developers, in collaboration with the accounting system, to keep comprehensive record of biological assets.

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The Joint Sponsors have reviewed and considered the qualifications and relevant valuation experience of AVISTA and its professional valuers, and held various discussions with AVISTA in relation to its valuation procedures, valuation bases and assumptions, valuation techniques and information required to prepare the valuation report of the biological assets to better understand the valuation process. In addition, the Joint Sponsors discussed with our management with respect to the techniques chosen and the inputs used in the valuations. The Joint Sponsors further compared the valuation techniques chosen, bases and assumptions of the valuation with those used in other similar transactions and market practice. Given the above, the Joint Sponsors are satisfied that the valuation techniques methodology and major inputs used in the valuation of our biological assets are appropriate and reasonable, and the components of material cash flows used in the fair value measurement are consistent with market factors and assumptions used in the measurement.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties.

FINANCIAL RISKS DISCLOSURE

Our activities expose us to a variety of financial risks, namely market risk (including foreign exchange risk, price risk, and cash flow and fair value interest rate risk), credit risk, liquidity risk and environment and climate-related risk. Our overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of our financial risks and the policies on how to mitigate these risks, please refer to Note 3 to the Accountants’ Report included in Appendix I to this Document.

DIVIDENDS

Our Company declared dividends of RMB81.6 million, nil and RMB135.4 million in 2023, 2024 and 2025, respectively. As of the Latest Practicable Date, all of such dividends declared during the Track Record Period had been settled in full. In April 2026, as approved at our Shareholders’ general meeting held on April 7, 2026, we declared a dividend of RMB138.8 million to our existing Shareholders, which had been paid in full as of the Latest Practicable Date. See Note 25 to the Accountant’s Report in Appendix I to this Document for details.

Pursuant to our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC Law and approval by our Shareholders.

We may provide our Shareholders with interim or annual dividends as the Board deems appropriate, subject to the discretion of our Directors in accordance with our Articles of Association and the applicable laws and regulations in the PRC and Hong Kong.

Our future declarations of dividends may not be in line with our historical declaration of dividends and will be subject to the approval of our Shareholders.

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WORKING CAPITAL SUFFICIENCY

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, operating cash flows, available financing facilities, and the estimated [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this Document.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our retained earnings amounted to RMB1,558.3 million. It represented our distributable reserves as of the same date according to our Articles of Association and the applicable laws and regulations in the PRC.

[REDACTED]

Our [REDACTED] mainly include (i) [REDACTED]-related expenses, such as [REDACTED] fees and commissions, and (ii) non-[REDACTED]-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountant for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] (based on the [REDACTED] of HK\$[REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately HK\$[REDACTED] million, accounting for approximately of [REDACTED]% of our [REDACTED]. Among such estimated total [REDACTED], we expect to pay [REDACTED]-related expenses of HK\$[REDACTED] million, professional fees for our legal advisors and Reporting Accountant of HK\$[REDACTED] million and other fees and expenses of HK\$[REDACTED] million. An estimated amount of HK\$[REDACTED] million for our [REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED], is expected to be expensed through the statement of profit or loss and the remaining amount of HK\$[REDACTED] million is expected to be recognized directly as a deduction from equity upon the [REDACTED].

NO MATERIAL ADVERSE CHANGE

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

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except for the amounts due from related parties as disclosed in this section, as of the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

See “Unaudited [REDACTED] Financial Information” in Appendix II to this Document for details.