The following is the text of a report set out on pages I-[1] to I-[2], received from the Company's reporting accountant, [PricewaterhouseCoopers], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of Hong Kong Standard on Investment Circular Reporting Engagements 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers] ***[DRAFT]***

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HANGZHOU QIANDAOHU XUNLONG SCI-TECH CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of Hangzhou Qiandaohu Xunlong Sci-tech Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[3] to I-[95], which comprises the consolidated balance sheets as at December 31, 2023, 2024 and 2025, the balance sheets of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[3] to I-[95] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "**Document**") in connection with the initial **[REDACTED]** of shares of the Company on the **[REDACTED]** of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2023, 2024 and 2025 and the consolidated financial position of the Group as at December 31, 2023, 2024 and 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to Note 25 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong
[●]

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by [PricewaterhouseCoopers] in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand RMB (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended December 31,								
		2023			2024			2025		
		Results before fair value adjustments on biological assets	Fair value adjustments on biological assets	Total	Results before fair value adjustments on biological assets	Fair value adjustments on biological assets	Total	Results before fair value adjustments on biological assets	Fair value adjustments on biological assets	Total
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	*5*	577,241	—	577,241	669,293	—	669,293	769,006	—	769,006
Cost of sales	*6*	(172,620)	(396,867)	(569,487)	(225,760)	(463,203)	(688,963)	(248,064)	(512,373)	(760,437)
Gross profit		404,621	(396,867)	7,754	443,533	(463,203)	(19,670)	520,942	(512,373)	8,569
Selling and marketing expenses	*6*	(34,617)	—	(34,617)	(48,826)	—	(48,826)	(53,858)	—	(53,858)
General and administrative expenses	*6*	(71,913)	—	(71,913)	(39,160)	—	(39,160)	(69,612)	—	(69,612)
Research and development expenses	*6*	(22,710)	—	(22,710)	(24,231)	—	(24,231)	(28,200)	—	(28,200)
Other income	*8*	6,561	—	6,561	11,993	—	11,993	25,838	—	25,838
Other (losses)/gains — net	*9*	(4,031)	—	(4,031)	7,239	—	7,239	(11,049)	—	(11,049)
Net impairment (losses)/gains on financial assets	*3.1(b)*	(569)	—	(569)	(1,878)	—	(1,878)	1,828	—	1,828
Fair value changes on biological assets	*20*	—	455,372	455,372	—	509,799	509,799	—	554,119	554,119
Operating profit		277,342	58,505	335,847	348,670	46,596	395,266	385,889	41,746	427,635
Finance income	*10*	1,466	—	1,466	6,288	—	6,288	11,897	—	11,897
Finance costs	*10*	(5,479)	—	(5,479)	(3,955)	—	(3,955)	(5,102)	—	(5,102)
Finance (costs)/income — net		(4,013)	—	(4,013)	2,333	—	2,333	6,795	—	6,795
Profit before income tax		273,329	58,505	331,834	351,003	46,596	397,599	392,684	41,746	434,430
Income tax expenses	*11(b)*	(58,935)	—	(58,935)	(73,475)	—	(73,475)	(69,401)	—	(69,401)
Profit for the year		214,394	58,505	272,899	277,528	46,596	324,124	323,283	41,746	365,029

		Year ended December 31,								
		2023			2024			2025		
		Results before fair value adjustments on biological assets	Fair value adjustments on biological assets	Total	Results before fair value adjustments on biological assets	Fair value adjustments on biological assets	Total	Results before fair value adjustments on biological assets	Fair value adjustments on biological assets	Total
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the year attributable to:										
— Owners of the Company				270,117			308,417			363,397
— Non-controlling interests				2,782			15,707			1,632
				272,899			324,124			365,029
Total comprehensive income for the year				272,899			324,124			365,029
Total comprehensive income for the year attributable to:										
— Owners of the Company				270,117			308,417			363,397
— Non-controlling interests				2,782			15,707			1,632
				272,899			324,124			365,029
Profits per share attributable to the owners of the Company										
Basic earnings per share (in RMB per share)	*12(i)*			3.12			3.42			4.03
Diluted earnings per share (in RMB per share)	*12(ii)*			3.12			3.42			4.02

CONSOLIDATED BALANCE SHEETS

		As at December 31,		
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment	*13*	247,136	293,176	312,177
Right-of-use assets	*14(a)*	41,089	39,506	47,726
Intangible assets	*15*	611	7,912	7,410
Prepayments and other receivables	*18*	499	870	14,330
Deferred income tax assets	*30*	1,597	1,586	991
Total non-current assets		290,932	343,050	382,634
Current assets				
Inventories	*19*	50,759	43,872	58,891
Biological assets	*20*	1,389,247	1,553,493	1,748,746
Prepayments, other receivables and other current assets	*18*	23,995	26,563	24,605
Trade receivables	*17*	48,970	57,414	33,903
Restricted cash	*21(b)*	18,654	16,469	6,049
Cash and cash equivalents	*21(a)*	207,990	303,633	783,613
Total current assets		1,739,615	2,001,444	2,655,807
Total assets		2,030,547	2,344,494	3,038,441
Liabilities				
Non-current liabilities				
Borrowings	*28*	54,249	14,660	81,460
Lease liabilities	*14(b)*	25,636	27,538	26,851
Accruals and other payables	*27*	7,410	6,490	156,187
Deferred income	*29*	30,823	48,104	51,777
Deferred income tax liabilities	*30*	132,384	145,635	153,159
Total non-current liabilities		250,502	242,427	469,434

		As at December 31,		
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
Current liabilities				
Trade and notes payables	*26*	89,512	107,779	133,333
Accruals and other payables	*27*	99,115	78,826	109,223
Dividend payable		7,241	—	—
Contract liabilities	*5(b)*	10,273	18,686	18,091
Borrowings	*28*	39,137	10,340	151,157
Lease liabilities	*14(b)*	1,816	1,462	5,568
Income tax payables		30,399	48,227	48,027
Total current liabilities		277,493	265,320	465,399
Total liabilities		527,995	507,747	934,833
Equity				
Share capital	*22(a)*	90,243	90,243	92,553
Shares held for restricted share schemes	*22(b)*	—	—	(2,310)
Reserves	*23*	320,908	330,979	373,863
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
Net current assets		1,462,122	1,736,124	2,190,408
Total liabilities and equity		2,030,547	2,344,494	3,038,441

BALANCE SHEETS OF THE COMPANY

		As at December 31,		
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment	*13*	67,340	61,038	50,921
Right-of-use assets	*14(a)*	9,442	11,075	10,238
Investment in subsidiaries	*36*	258,757	268,338	539,203
Intangible assets	*15*	—	547	1,512
Prepayments and other receivables	*18*	300	—	30
Total non-current assets		335,839	340,998	601,904
Current assets				
Inventories	*19*	2,520	1,873	1,378
Biological assets	*20*	570,043	565,234	426,492
Amounts due from subsidiaries	*35*	322,502	444,043	648,995
Prepayments, other receivables and other current assets	*18*	6,242	3,212	6,431
Trade receivables	*17*	344	1,731	—
Restricted cash	*21(b)*	10,651	7,510	6,000
Cash and cash equivalents	*21(a)*	40,716	127,293	23,390
Total current assets		953,018	1,150,896	1,112,686
Total assets		1,288,857	1,491,894	1,714,590
Liabilities				
Non-current liabilities				
Borrowings	*28*	54,249	12,000	69,000
Lease liabilities	*14(b)*	8,077	11,153	10,974
Deferred income	*29*	14,669	14,024	12,301
Deferred income tax liabilities	*30*	26,595	16,071	7,535
Total non-current liabilities		103,590	53,248	99,810

		As at December 31,		
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
Current liabilities				
Trade and notes payables	*26*	75,816	84,551	108,973
Amounts due to subsidiaries	*35*	81,560	127,410	72,959
Accruals and other payables	*27*	44,456	14,182	34,773
Dividend payable		7,241	—	—
Borrowings	*28*	1,001	3,000	151,157
Lease liabilities	*14(b)*	787	423	220
Income tax payables		13,604	4,514	8,949
Total current liabilities		224,465	234,080	377,031
Total liabilities		328,055	287,328	476,841
Equity				
Share capital	*22(a)*	90,243	90,243	92,553
Shares held for restricted share schemes	*22(b)*	—	—	(2,310)
Reserves	*23*	357,630	367,701	402,622
Retained earnings		512,929	746,622	744,884
Total equity		960,802	1,204,566	1,237,749
Net current assets		728,553	916,816	735,655
Total liabilities and equity		1,288,857	1,491,894	1,714,590

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the Company					
		Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2023		85,945	282,538	844,689	1,213,172	86,787	1,299,959
Comprehensive income							
Profit for the year		—	—	270,117	270,117	2,782	272,899
Transactions with equity holders of the Company:							
Issuance of ordinary shares	*22, 24*	4,298	32,659	—	36,957	—	36,957
Acquisition of non-controlling interests	*23*	—	(36,723)	—	(36,723)	(24,277)	(61,000)
Dividends distribution	*25*	—	—	(81,648)	(81,648)	(4,900)	(86,548)
Surplus Reserve	*23*	—	2,149	(2,149)	—	—	—
Share-based compensation expenses	*24*	—	40,285	—	40,285	—	40,285
Balance as at December 31, 2023		90,243	320,908	1,031,009	1,442,160	60,392	1,502,552
Balance as at January 1, 2024		90,243	320,908	1,031,009	1,442,160	60,392	1,502,552
Comprehensive income							
Profit for the year		—	—	308,417	308,417	15,707	324,124
Transactions with equity holders of the Company:							
Share-based compensation expenses	*24*	—	10,071	—	10,071	—	10,071
Balance as at December 31, 2024		90,243	330,979	1,339,426	1,760,648	76,099	1,836,747

		Attributable to owners of the Company						
		Share capital	Shares held for restricted share schemes	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2025		90,243	—	330,979	1,339,426	1,760,648	76,099	1,836,747
Comprehensive income								
Profit for the year		—	—	—	363,397	363,397	1,632	365,029
Transactions with equity holders of the Company:								
Issuance of ordinary shares	*22, 24*	2,310	—	29,337	—	31,647	—	31,647
Shares held for shares award scheme	*24*	—	(2,310)	2,310	—	—	—	—
Repurchase obligation under share-based payment arrangements	*24*	—	—	(15,824)	—	(15,824)	—	(15,824)
Capital contribution from non-controlling interests		—	—	—	—	—	5,880	5,880
Dividends distribution	*25*	—	—	—	(135,364)	(135,364)	(2,450)	(137,814)
Surplus Reserve	*23*	—	—	9,118	(9,118)	—	—	—
Share-based compensation expenses	*24*	—	—	17,943	—	17,943	—	17,943
Balance as at December 31, 2025		92,553	(2,310)	373,863	1,558,341	2,022,447	81,161	2,103,608

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended December 31,		
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Cash generated from operations	*31*	298,688	295,410	331,864
Income tax paid		(38,884)	(42,016)	(61,523)
Net cash generated from operating activities		259,804	253,394	270,341
Cash flows from investing activities				
Proceeds from disposal of wealth management products	*3.3(b)*	18,521	23,828	116,026
Proceeds from disposal of other derivative financial instruments		146,575	—	—
Proceeds from government grant related to assets		4,376	16,325	18,553
Proceeds from disposal of property and equipment, intangible assets and right-of-use assets		708	3,295	563
Purchase of wealth management products	*3.3(b)*	(18,181)	(23,495)	(114,451)
Purchase of other derivative financial instruments		(157,310)	—	—
Purchases of and prepayment for property, plant and equipment and other long-term assets		(72,087)	(81,586)	(58,189)
Interests received		1,466	6,288	11,897
Net cash used in investing activities		(75,932)	(55,345)	(25,601)

		Year ended December 31,		
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
Cash flows from financing activities				
Proceeds from borrowings	*31(c)*	114,544	79,000	384,460
Repayments of borrowings	*31(c)*	(154,946)	(147,386)	(177,025)
Redemption of deposits pledged for borrowings		41,788	—	—
Principal elements and interest elements of lease payments	*31(c)*	(2,622)	(2,477)	(9,170)
Interests paid	*31(c)*	(4,240)	(2,692)	(2,989)
Dividends paid to shareholders	*31(c)*	(92,984)	(7,241)	(135,364)
Dividends paid to non-controlling interests in subsidiaries	*31(c)*	(4,900)	—	(2,450)
Acquisition of non-controlling interests	*23(ii)*	(33,000)	(28,000)	—
Payments of **[REDACTED]**		—	—	[REDACTED]
Borrowings from third parties	*31(c)*	2,000	—	150,000
Repayments of borrowings from a third-party	*31(c)*	(920)	—	—
Capital injection from non-controlling interests		—	—	5,880
Proceeds from issuance of ordinary shares	*22, 24*	36,957	—	19,187
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 beginning of the year	*21(a)*	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 end of the year	*21(a)*	207,990	303,633	783,613

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION AND HISTORY OF THE GROUP

1.1 General information

Hangzhou Qiandaohu Xunlong Sci-tech Co., Ltd. (the "**Company**") was incorporated in Hangzhou, Zhejiang of the People's Republic of China (the "**PRC**") on April 18, 2003 as a limited liability Company with an initial registered capital of RMB6,600,000. The registered office is 55 Pai Ling South Road, 2nd Floor, Qiandaohu Town, Chunan County, Hangzhou City, Zhejiang Province.

The Company and its subsidiaries (together, the "**Group**") is primarily engaged in the sturgeon breeding and harvest in the PRC and sale of caviar and other sturgeon products around the world. The Company built up a flagship brand "KALUGA QUEEN" for its caviar products.

Mr. Wang Bin is the founder of the Group and a single largest shareholder of the Group ("**Single Largest Shareholder**").

1.2 History of the Group

From April 2005 to December 2020, the Company conducted several rounds of external financing (collectively as "**[REDACTED] Investments**").

On July 2, 2010, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC.

On October 31, 2023, Kalujia (Hangzhou Qiandao Lake) Enterprise Management Consulting Partnership (Limited Partnership) (formerly known as Ningbo Kalujia Enterprise Management Consulting Partnership (Limited Partnership), the "**Hangzhou Kalujiaren**") was established as a shareholding platform to hold equity interest of the Company for the employees under the Group's employee share ownership plan (the "**ESOP**"), and completed capital contribution of an aggregate of RMB36,956,522 to the Company as a consideration for the subscription of 4,297,270 ordinary shares of the Company.

On September 4, 2025, Hangzhou Qiandao Lake Sturgeon Human Enterprise Management Consulting Partnership (Limited Partnership) (the "**Hangzhou Xunlongren**") was established as another shareholding platform to hold equity interest of the Company for the employees under the Group's employee share ownership plan (the "**ESOP**"), and completed capital contribution of an aggregate of RMB31,647,000 to the Company as a consideration for the subscription of 2,310,000 ordinary shares of the Company.

See Note 22 and Note 24 for further information about the Group's rounds of external financings and accounting treatment for the **[REDACTED]** Investments.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of biological assets, certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

2.2 Changes in accounting policy

(a) *New standards and amendments to standards adopted by the Group*

The IASB has issued a number of new and amended IFRS Accounting Standards during the Track Record Period. For the purpose of preparing the Group's Historical Financial Information, the Group has adopted all applicable new and amended IFRS Accounting Standards throughout the Track Record Period except for any new standards or interpretation that are not yet effective.

(b) *New standards, amendments to standards and interpretations not yet adopted*

Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

	New/amended standards	**Effective date**
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

(c) *Changes in accounting policy and disclosures*

The Group has already commenced an assessment of the impact of these new or amended standards, interpretations, and amended improvements, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of comprehensive income, no significant impact on the financial performance and positions of the Group is expected when they become effective.

IFRS 18 sets out requirements on presentation and disclosures in consolidated financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated statements of comprehensive income; provide disclosures on management — defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated financial statements.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on consolidated statements of comprehensive loss:

Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

- Foreign exchange differences

  Foreign exchange differences currently aggregated in the line item "Other (losses)/gains — net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

- Gain or loss of investments measured at fair value through profit or loss

  The gain or loss of investments measured at fair value through profit or loss currently aggregated in the line item "Other (losses)/gains — net" in operating profit and will be presented below operating profit.

Impact on consolidated balance sheets:

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

Impact on disclosures:

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- For the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk, liquidity risk and environment and climate-related risk. The Group's overall risk management programme focuses on the unpredictability of financial markets, environment and climatic changes, who seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by management of the Group.

(a) *Market risk*

(i) *Foreign exchange risk*

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency (i.e. other than RMB).

The Group is exposed to currency risks primarily through sales and purchases which give rise to receivables, cash and cash equivalents, restricted cash, accruals and other payables, that are denominated in foreign currencies. The foreign currency giving rise to this risk is primarily United States dollars ("**USD**").

To ensure the currency risk exposure of the Group is kept to an acceptable level, the Group seeks to minimise the gap between assets and liabilities in the same currency. The Group has not entered into any forward exchange contract to hedge its exposure to foreign exchange risk during Track Record Period.

The sensitivity of profit or loss to changes in exchange rates arises mainly from USD denominated trade receivables and cash and cash equivalents. As at December 31, 2023, 2024 and 2025, for the various USD financial assets and liabilities, if the RMB appreciates or depreciates by 5% against the USD with other factors remain unchanged, the Group will decrease or increase its profit before income tax by RMB5,686,000 and RMB6,117,000, RMB21,448,000 respectively.

Other changes in foreign exchange rates have no significant impact on foreign currency risk.

(ii) *Price risk*

The Group is exposed to price risk in respect of financial assets at fair value through profit or loss ("**FVTPL**") and biological assets held by the Group, which are carried at fair value with changes in the fair value recognised in profit or loss.

To manage its price risk arising from investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. Each investment is managed by senior management on a case by case basis. For the impact of variable price of the Group's investments please refer to Note 3.3(b).

For the impact of variable price of the Group's biological assets please refer to Note 20.

(iii) *Cash flow and fair value interest rate risk*

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets and liabilities, except for cash and cash equivalents (Note 21(a)), restricted cash (Note 21(b)), lease liabilities (Note 14(b)), accruals and other payables (Note 27) and borrowings (Note 28). Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk. The Group's interest rate risk mainly arises from borrowings. As at December 31, 2023, 2024 and 2025, the Group's borrowings were partially carried at floating rates based on loan prime rates.

Management does not anticipate significant impact to interest-bearing assets and other liabilities resulted from the changes in interest rates.

The sensitivity analysis is determined based on the exposure to interest risk of borrowings (Note 28) at the end of each reporting period. If interest rates had been 50 basis points higher/lower with all other variables held constant, profit before tax for the years ended December 31, 2023, 2024 and 2025 would have been approximately RMB379,000, RMB186,000 and RMB421,000 lower/higher, respectively.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates of the borrowings as at December 31, 2023, 2024 and 2025:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Variable rate borrowings	55,250	25,000	87,515
Fixed rate borrowings — maturity dates:			
Within 1 year	38,136	—	145,102

(b) ***Credit risk***

Credit risk mainly arises from cash and cash equivalents, restricted cash, trade receivables, FVTPL and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheets.

(i) *Risk management*

The Group expects that there is no significant credit risk associated with cash and cash equivalents, restricted cash and FVTPL, since they are deposited at state-owned banks or reputable commercial banks which are high-credit-quality financial institutions. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group's trade receivables are mainly from providing sales of products. For trade receivables, the Group has policies in place to ensure that transactions with credit terms are made to counterparties with an appropriate credit history. For the receivables from contracts with customers, the Group has granted credit term of 0–90 days and would follow up actively on the settlement with respective counter-parties to avoid any overdue receivables. Management performs ongoing credit evaluations of its counterparties, of which the credit quality is assessed by taking into account their financial position, past experience and other factors.

The Group assesses the credit quality of its customers by taking into account various factors including their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The compliance with credit limits by customers is regularly monitored by management.

For other receivables, management applies 3-stages model to assess the expected credit loss, management makes periodic collective assessments as well as individual assessment on the recoverability of such receivables based on historical settlement records and past experience, there was no significant increase in credit risk since initial recognition. Thus, a 12-month expected credit losses approach that results from possible default event within 12 months of each reporting date is adopted by management.

(ii) *Impairment of financial assets*

The Group has four types of financial assets that are subject to the expected credit loss assessment, which are cash and cash equivalents, restricted cash, FVTPL, trade receivables and other receivables.

Cash and cash equivalents, restricted cash and FVTPL

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned banks or reputable commercial banks which are high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, while the identified impairment loss was immaterial.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and collectively assessed to likelihood of recovery, taking into account the industries that the customer are operating in, their ageing category and past collection history. For trade receivables, management makes periodic assessments as well as individual assessment on the recoverability based on historical settlement records and past experience and adjusts for forward looking information.

The expected loss rates are based on payment pattern or credit rating of debtors with similar risk profiles and the corresponding historical credit losses experienced within this period. The historical loss rates were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified the gross domestic product index ("**GDP**"), consumer price index ("**CPI**") of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognised impairment losses.

Trade receivables include:

— Category 1: customers who are insolvent or in operating difficulty with a relatively higher credit risk.

— Category 2: customers who are not in operating difficulty.

With different types of customers, the Group calculated the expected credit loss rates respectively.

As at December 31, 2023, 2024 and 2025, the loss allowance provision for the trade receivables was determined as follows.

	As at December 31, 2023		
	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000		RMB'000
Category 1 — individual basis	—	—	—
Category 2 — collective basis	55,327	11.49%	(6,357)
	55,327	11.49%	(6,357)

	As at December 31, 2024		
	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000		RMB'000
Category 1 — individual basis	1,026	80.02%	(821)
Category 2 — collective basis	64,254	10.96%	(7,045)
	65,280	12.05%	(7,866)

	As at December 31, 2025		
	Gross carrying amount	Expected credit loss rate	Loss allowance
	RMB'000		RMB'000
Category 1 — individual basis	726	100.00%	(726)
Category 2 — collective basis	37,780	10.26%	(3,877)
	38,506	11.95%	(4,603)

Movements in allowance for impairment of trade receivables are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of the year	5,324	6,357	7,866
Increase/(decrease) in loss allowance	1,054	1,942	(1,808)
Write-off	(21)	(433)	(1,455)
At end of the year	6,357	7,866	4,603

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 3 years past due.

Impairment losses on trade receivables are presented as net impairment (losses)/gains on financial assets. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables

Other receivables mainly included deposits and others. They are closely monitored for recoverability and collectability and the Group maintains close communications with the counterparties. The Group's other receivables as at December 31, 2023, 2024 and 2025 were classified in Stage 1 and their expected credit losses were measured on a 12-month basis.

The loss allowance as at December 31, 2023, 2024 and 2025 was determined as follows for other receivables.

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Gross carrying amount	15,497	20,839	27,792
Expected loss rate	3.70%	2.45%	1.82%
Loss allowance	(574)	(510)	(505)

Movements on the Group's allowance of impairment of other receivables are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of the year	59	574	510
Decrease in loss allowance	(485)	(64)	(20)
Write-off	1,000	—	15
At end of the year	574	510	505

(c) ***Liquidity risk***

The Group aims to maintain sufficient cash and cash equivalents for its business development and expansion. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's financial liabilities that will be settled into relevant maturity grouping based on their contractual maturities for:

- All non-derivative financial liabilities, and
- Net and gross-settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023					
Trade and notes payables	89,512	—	—	—	89,512
Lease liabilities (including interests)	2,820	2,338	9,415	24,684	39,257
Borrowings (including interests)	41,775	9,749	47,172	—	98,696
Accruals and other payables (excluding taxes and surcharges payables and staff costs and welfare accruals)	71,318	920	2,760	3,730	78,728
	205,425	13,007	59,347	28,414	306,193

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024					
Trade and notes payables	107,779	—	—	—	107,779
Lease liabilities (including interests)	2,631	2,358	9,466	26,568	41,023
Borrowings (including interests)	10,747	13,770	1,007	—	25,524
Accruals and other payables (excluding taxes and surcharges payables and staff costs and welfare accruals)	48,305	920	2,760	2,810	54,795
	169,462	17,048	13,233	29,378	229,121

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025					
Trade and notes payables	133,333	—	—	—	133,333
Lease liabilities (including interests)	6,787	6,485	4,488	25,843	43,603
Borrowings (including interests)	155,085	13,180	65,579	6,454	240,298
Accruals and other payables (excluding taxes and surcharges payables and staff costs and welfare accruals)	73,076	1,840	157,260	970	233,146
	368,281	21,505	227,327	33,267	650,380

(d) ***Environment and climate-related risks***

The Group's sturgeon aquaculture bases are exposed to risks associated with climatic changes, contamination of water resources or act of God.

The Group's geographic spread of its aquaculture bases allows a high degree of mitigation against adverse climatic conditions. The Group has strong environmental policies and procedures in place to comply with environmental and other laws. The Group intentionally locates its sturgeon aquaculture bases away from areas frequently of high-temperature or likely to be flooded. The Group annually updates its contingency plan, emergency supplies and conduct disaster drills in response to the extreme weather conditions for its sturgeon aquaculture bases.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to enhance equity holders' value in the long term.

The Group monitors capital including share capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the issued share capital. The capital structure was measured by the asset-liability ratio, which is "total liabilities" divided by "total assets" as shown in the consolidated balance sheets. The Group aims to maintain the asset-liability ratio at a reasonable level.

As at December 31, 2023, 2024 and 2025, the asset-liability ratio was as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Total liabilities	527,995	507,747	934,833
Total assets	2,030,547	2,344,494	3,038,441
Asset-liability ratio	26%	22%	31%

3.3 Fair value estimation

(a) *Fair value hierarchy*

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the Historical Financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and

- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying amounts of the Group's financial assets include cash and cash equivalents, trade and other receivables (excluding non-financial assets), and financial liabilities including trade and other payables (excluding non-financial liabilities), borrowings and lease liabilities. Their carrying values approximate their fair values due to their short maturities or interest bearing.

There are no financial assets and liabilities measured at fair value as at December 31, 2023, 2024 and 2025.

The Group's policy was to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the Track Record Period.

(b) *Fair value measurements using significant unobservable inputs (level 3)*

The following table presents the changes in level 3 instruments for the years ended December 31, 2023, 2024 and 2025:

	Wealth management products — FVTPL
	RMB'000
As at January 1, 2023	—
Additions	18,181
Disposals	(18,521)
Changes in fair value recognised in the consolidated statements of comprehensive income *(Note 9)*	340
As at December 31, 2023	—
As at January 1, 2024	—
Additions	23,495
Disposals	(23,828)
Changes in fair value recognised in the consolidated statements of comprehensive income *(Note 9)*	333
As at December 31, 2024	—
As at January 1, 2025	—
Additions	114,451
Disposals	(116,026)
Changes in fair value recognised in the consolidated statements of comprehensive income *(Note 9)*	1,575
As at December 31, 2025	—

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Classification and fair value estimation of the biological assets

The biological assets of the Group are farm-raised sturgeons, which are primarily consumable biological assets that only have one harvest. These sturgeons have a long maturation cycle before it can be harvested, normally ranging from 7 to 15 years depending on different broodstock. Considering these biological assets are typically an integrated part of the operating cycle, the Group classifies the biological assets as current assets in the consolidated balance sheets.

The Group's biological assets are measured at fair value less costs to sell which are being determined by income approach based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. For details of the key assumptions and inputs used, see Note 20. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional fair value adjustment charge to the consolidated statements of comprehensive income.

(b) Estimated useful lives and residual value of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated lives. Actual economic lives may differ from estimated useful lives and residual values. Periodic review could result in a change in depreciable and amortisable lives, which therefore affect the depreciation and amortisation charges in future periods.

(c) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

Certain subsidiaries of the Group were entitled to a preferential enterprise income tax rate for a specified period subject to certain conditions. Management generally applies the applicable preferential tax rate to calculate current income tax and deferred income tax on the assumption that the subsidiaries will continue to meet the conditions and qualify for the preferential treatment as evidenced by past records. The consequence of any failure to meet the conditions and any change in the applicable tax rate is adjusted in the year when the information becomes known.

(d) Provision for expected credit losses of trade receivables and other receivables

The Group makes provision for expected credit losses of trade and notes receivables and other receivables based on assumptions about risk of default and expected loss rates.

In making the judgement, management considers available reasonable and supportive forward-looking information such as actual or expected significant changes in the operating results of customers or other creditors, actual or expected significant adverse changes in business and customers or other creditors' financial position, at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and notes receivables and other receivables and doubtful debt expenses in the periods in which such estimate has been changed.

The details of trade and notes receivables and other receivables of the Group as at December 31, 2023, 2024 and 2025 are disclosed in Note 17 and Note 18.

(e) Valuation and recognition of share-based compensation expenses

As explained in Note 24, the Company has granted restricted share units to the Group's employees and personnel with unique skills. The Company has engaged an independent valuer to determine the grant date fair value of the restricted share units to employees, which is to be expensed over the vesting period. Share-based compensation in relation to the restricted share units is measured based on the fair value of the Company's ordinary shares at the grant date of the award. Prior to the Company's **[REDACTED]** on **[REDACTED]**, estimation of the fair value of the Company's ordinary shares involves significant assumptions that might not be observable in the market, and a number of complex and subjective variables, including discount rate, and subjective judgments regarding projected financial and operating results, its unique business risks, and its operating history and prospects at the time the grants are made.

(f) Determination of non-controlling interests, recognition and measurement of redemption liabilities

In July 2025, the Company and Zhejiang Rural Revitalization Investment Fund Co., LTD ("**Revitalization Fund**" or the "**Investor**") entered into an investment agreement with Quzhou Xunlong Aquatic Food Technology Development Co. Ltd. ("**Quzhou Sturgeon**"), a wholly-owned subsidiary of the Company. The Company and the Investor held 79.45% and 20.55% equity interests in Quzhou Sturgeon respectively.

The Company writes a put option on equity interests in Quzhou Sturgeon that are held by the Investor, which provides the Investor with the right to require the Company to purchase its equity interests in Quzhou Sturgeon with the terms and conditions of the put option. A call option also accompanies the put option, which provides the Company with the right to require the Investor to sell its equity interest in Quzhou Sturgeon to the Company with the terms and conditions of the call option. A risk and rewards analysis was carried out to determine whether or not a non-controlling interest should be recognised. Factors to consider, in making this assessment, include the pricing of the options, and whether fair price movements during the option period result in risks and rewards being borne by the Company or by the Investor. Based on the assessment, all the risk and rewards of Quzhou Xunlong are retained by the Company and there are no non-controlling interests recognised.

A financial liability was recognized at the present value of the redemption amount to reflect the Company's unconditional obligation to repurchase the equity interest held by the Investor (Note 27). The redemption amount is determined by the principal amount plus interest which varies based on the repurchase date and other factors. The Company made best estimation that reflects the most likely situation and remeasures at each year end. The interest arising from the liability was recognized as finance income/(cost) – net in the consolidated statements of comprehensive income.

5 REVENUE AND SEGMENT INFORMATION

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions. The Group's CODM reviews consolidated results when making strategic decisions about allocating resources and assessing performance of the Group as a whole and hence, on this basis, the Group has determined that it only has one operating segment during the Track Record Period.

Breakdown of revenue by product is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers:			
Sales of caviar	523,116	614,423	698,442
Sales of sturgeon products	47,351	51,549	65,623
Others	6,774	3,321	4,941
Total	577,241	669,293	769,006

All the Group's revenue is recognised at a point in time and on gross basis.

The breakdown of revenue by region based on the location of the customers is set out below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Europe	218,719	272,644	333,796
America	154,753	189,009	221,720
The PRC	134,645	133,329	124,509
Asia Pacific	69,124	74,311	88,981
Total	577,241	669,293	769,006

(a) Information about major customers

There is no other single external customer contributed to more than 10% of the Group's revenue during the Track Record Period.

(b) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Contract liabilities — Current	10,273	18,686	18,091

(i) *Changes in contract liabilities*

Contract liabilities of the Group mainly arise from the advance payments made by customers while the products are yet to be delivered.

(ii) *Revenue recognised that was included in the balance of contract liabilities at the beginning of the year*

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	4,272	4,436	12,377

(c) Transaction price allocated to unsatisfied long-term contract

The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration more than one year, thus management applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied at the end of the Track Record Period.

(d) The accounting policy for the Group's principal revenue types

Revenue is recognised when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the promised products or services is transferred to customers. Revenue is measured as the amount of consideration the Group expects to receive in exchange for transferring products or services to a customer ("transaction price"). Depending on the terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time.

A contract asset represents the Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with using the same approach as for trade receivables. In contrast, a receivable represents the Group's unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due. There is normally no significant cost to obtain contract.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is a description of the accounting policy for the principal revenue streams of the Group.

(i) *Sales of products*

The Group sells caviar, sturgeon products and others to its customers. Majority of the Group's products are sold to overseas market via air and sea transport. Revenue is recognised at a point in time when the products depart from the seller's port and the waybill is transferred to the customers. The Group also sells products in the PRC via offline and online channels. Revenue is recognised at a point in time when the control of the products are transferred to customers upon delivery..

6 EXPENSES BY NATURE

The detailed analysis of cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses is as follow:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Fair value adjustments on biological assets	396,867	463,203	512,373
Raw materials and consumables used at cost	83,386	117,467	150,576
Changes in inventories of finished goods at cost	3,720	7,356	(13,466)
Employee benefits expenses *(Note 7)*	114,645	92,628	102,444
Transportation expenses	29,457	31,342	35,541
Depreciation charges of property, plant and equipment *(Note 13)*	22,583	27,557	32,609
Business development expenses	16,337	27,186	29,714
Testing expenses	9,070	10,986	11,986
[REDACTED]	—	—	[REDACTED]
Office and travel expenses	7,197	6,361	8,014
Auditor's remuneration			
— Audit service	1,983	783	428
— Non-audit service	251	219	192
Professional services fee	1,861	1,930	4,615
Depreciation charges of right-of-use assets *(Note 14)*	2,794	3,267	3,246
Business taxes and surcharges	1,593	2,355	2,976
Marketing and advertising costs	655	1,092	2,108
Amortisation of intangible assets *(Note 15)*	305	504	1,881
Expenses relating to low-value leases and short-term leases *(Note 14)*	1,833	1,310	1,109
Others	4,190	5,634	7,441
Total	698,727	801,180	912,107

7 EMPLOYEE BENEFITS EXPENSES

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	62,345	68,838	69,499
Share-based compensation expenses *(Note 24)*	40,285	10,071	17,943
Pension, social security costs and housing benefits (a)	8,541	10,198	10,818
Employee welfare	3,474	3,521	4,184
	114,645	92,628	102,444

(a) Employee social security plans, housing funds, medical insurances and other social insurances obligations

Full-time employees of the Group in Chinese mainland are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labour regulations require that the Group makes contributions to the government for these benefits based on certain percentage of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the required contributions. No forfeited contributions are available to reduce contributions payable in the future.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2023, 2024 and 2025, including 4, 3 and 3 directors respectively, whose emoluments are reflected in analysis shown in Note 7(c) below. The emoluments payable to the remaining 1, 2 and 2 individuals for the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	1,952	2,415	2,465
Share-based compensation expenses	58	1,440	2,335
Pension, social security costs and housing benefits	134	272	273
	2,144	4,127	5,073

The number of highest paid individuals whose remunerations for each year fell within the following band is as follows:

	Year ended December 31,		
	2023	2024	2025
Emolument bands (in Hong Kong Dollar, "**HKD**")			
HKD nil–HKD1,000,000	—	—	—
HKD1,000,001–HKD1,500,000	—	—	—
HKD1,500,001–HKD2,000,000	—	—	—
HKD2,000,001–HKD2,500,000	1	2	1
HKD2,500,001 — HKD3,000,000	—	—	—
HKD3,000,001 — HKD3,500,000	—	—	1
	1	2	2

(c) Benefits and interests of directors and supervisors

Details of the remuneration paid or payable to the directors and supervisors for the years ended December 31, 2023, 2024 and 2025 respectively are set out below:

		Wages, salaries, bonuses and employee welfare	Pension, social security costs and housing benefits	Share-based compensation expenses	Total
		RMB'000	RMB'000	RMB'000	RMB'000
For the year ended December 31, 2023					
Chairman and executive Director	*(i)*				
Mr. Wang Bin		2,361	161	38,606	41,128
Executive Directors	*(ii)*				
Mr. Xia Yongtao		1,334	128	218	1,680
Mr. Han Lei		1,692	128	291	2,111
Mr. Wang Zhigang		803	67	58	928
Non-executive Directors	*(iii)*				
Ms. Shen Huifen		—	—	—	—
Mr. He Guangxi		—	—	—	—
Mr. Zhu Rui		—	—	—	—
Independent non-executive directors	*(iv)*				
Mr. Liu Jiashou		60	—	—	60
Mr. Rong Haojun		60	—	—	60
Ms. Yang Guilan		60	—	—	60
Mr. Sun Song		40	—	—	40
Supervisors	*(v)*				
Mr. Zhan Shili		191	51	7	249
Ms. Fu Haiying		—	—	—	—
Mr. He Liming		193	42	—	235
Total		6,794	577	39,180	46,551

		Wages, salaries, bonuses and employee welfare	Pension, social security costs and housing benefits	Share-based compensation expenses	Total
		RMB'000	RMB'000	RMB'000	RMB'000
For the year ended December 31, 2024					
Chairman and executive Director	*(i)*				
Mr. Wang Bin		2,237	174	—	2,411
Executive Directors	*(ii)*				
Mr. Xia Yongtao		1,212	133	1,310	2,655
Mr. Han Lei		1,646	133	1,746	3,525
Mr. Wang Zhigang		1,237	68	349	1,654
Non-executive Directors	*(iii)*				
Ms. Shen Huifen		—	—	—	—
Mr. He Guangxi		—	—	—	—
Mr. Zhu Rui		—	—	—	—
Independent non-executive directors	*(iv)*				
Mr. Liu Jiashou		60	—	—	60
Mr. Rong Haojun		60	—	—	60
Ms. Yang Guilan		60	—	—	60
Mr. Sun Song		60	—	—	60
Supervisors	*(v)*				
Mr. Zhan Shili		168	52	44	264
Ms. Fu Haiying		—	—	—	—
Mr. He Liming		194	43	—	237
Total		6,934	603	3,449	10,986

		Wages, salaries, bonuses and employee welfare	Pension, social security costs and housing benefits	Share-based compensation expenses	Total
		RMB'000	RMB'000	RMB'000	RMB'000
For the year ended December 31, 2025					
Chairman and executive Director	*(i)*				
Mr. Wang Bin		2,429	180	1,004	3,613
Executive Directors	*(ii)*				
Mr. Xia Yongtao		1,525	135	2,016	3,676
Mr. Han Lei		1,871	135	2,452	4,458
Mr. Wang Zhigang		1,374	76	537	1,987
Non-executive Directors	*(iii)*				
Ms. Shen Huifen		—	—	—	—
Mr. He Guangxi		—	—	—	—
Mr. Zhu Rui		—	—	—	—
Mr. Kong Deren		—	—	—	—
Mr. Dong Zhendong		—	—	—	—
Independent non-executive directors	*(iv)*				
Mr. Liu Jiashou		45	—	—	45
Mr. Rong Haojun		45	—	—	45
Ms. Yang Guilan		45	—	—	45
Mr. Sun Song		60	—	—	60
Ms. Song Xiumei		15	—	—	15
Ms. Fan Xinpeng		63	—	—	63
Supervisors	*(v)*				
Mr. Zhan Shili		207	54	138	399
Ms. Fu Haiying		—	—	—	—
Mr. He Liming		206	44	222	472
Total		7,885	624	6,369	14,878

(i) Mr. Wang Bin was appointed as director since April 18, 2003.

(ii) Mr. Xia Yongtao was appointed as director since April 16, 2010.

Mr. Han Lei was appointed as director since March 30, 2021.

Mr. Wang Zhigang was appointed as director since April 18, 2023.

(iii) Ms. Shen Huifen was appointed as director since April 3, 2019 and resigned as director on September 3, 2025.

Mr. He Guangxi was appointed as director since August 18, 2022 and resigned as director on September 3, 2025.

Mr. Zhu Rui was appointed as director since March 30, 2021 and resigned on March 27, 2025.

Mr. Kong Deren was appointed as director since March 27, 2025.

Mr. Dong Zhendong was appointed as director since September 3, 2025.

(iv) Mr. Liu Jiashou was appointed as the independent director since April 3, 2019 and resigned as director on September 3, 2025.

Mr. Rong Haojun was appointed as the independent director since April 3, 2019 and resigned as director on September 3, 2025.

Ms. Yang Guilan was appointed as the independent director since April 3, 2019 and resigned as director on September 3, 2025.

Mr. Sun Song was appointed as the independent director since April 18, 2023.

Ms. Song Xiumei was appointed as the independent director since September 3, 2025.

Ms. Fan Xinpeng was appointed as the independent director since September 3, 2025.

(v) Mr. Zhan Shili was appointed as supervisor since May 12, 2020 and resigned as supervisor on September 3, 2025.

Ms. Fu Haiying was appointed as supervisor since April 3, 2019 and resigned as supervisor on September 3, 2025.

Mr. He Liming was appointed as supervisor since April 16, 2010 and resigned as supervisor on September 3, 2025.

(d) Directors' and supervisors' retirement benefits

None of the directors and supervisors received any retirement benefits during the Track Record Period, except for contributions to pension plans.

(e) Directors' and supervisors' termination benefits

None of the directors and supervisors received any termination benefits during the Track Record Period.

(f) Consideration provided to third parties for making available directors' and supervisors' services

During the Track Record Period, the Company did not pay consideration to any third parties for making available directors' and supervisors' services.

(g) Information about loans, quasi-loans and other dealings in favour of directors and supervisors, bodies corporate controlled by or entities with directors and supervisors

There were no loans, quasi-loans and other dealings in favour of directors and supervisors, controlled bodies corporate by and connected entities with such directors and supervisors during the Track Record Period.

(h) Directors' and supervisors' material interests in transactions, arrangements or contracts

Save as disclosed in the Note 7(c), no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

8 OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants (i)	6,401	11,785	21,956
Additional input credit of value-added tax	—	—	3,722
Others	160	208	160
	6,561	11,993	25,838

(i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. The government grants mainly represent financial subsidies granted by local government. Those assets-related subsidies are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate, which are presented as "other income" or deducted in the related expense. The presentation approach was applied consistently to all similar grants.

9 OTHER (LOSSES)/GAINS — NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fair value change of wealth management products	340	333	1,575
Gains on termination of right-of-use assets	470	—	—
Fair value losses from derivative financial instruments	(1,987)	—	—
Losses on disposal of property, plant and equipment and intangible assets	(2,949)	(257)	(136)
Donation	—	—	(1,003)
Net foreign exchange gains/(losses)	245	7,202	(5,208)
Others	(150)	(39)	(6,277)
	(4,031)	7,239	(11,049)

10 FINANCE (COSTS)/INCOME — NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finance income:			
Interest income on cash and cash equivalents and restricted cash	1,466	6,288	11,897
Finance costs:			
Interest expense on bank and other borrowings	(4,238)	(2,656)	(3,146)
Interest expense on lease liabilities *(Note 14)*	(1,241)	(1,299)	(1,339)
Others	—	—	(617)
	(5,479)	(3,955)	(5,102)
Finance (costs)/income — net	(4,013)	2,333	6,795

11 TAXATION

(a) Value-added tax ("VAT")

For the overseas sales, the Group is subject to VAT exemption and refund policy. According to The Notice of the Ministry of Finance and the State Administration of Taxation ("**SAT**") on VAT and Consumption Tax Policies for Exported Goods and Services, which was promulgated on 25 May 2012 by the Ministry of Finance of the PRC and SAT, of which some terms became effective from 1 January 2011, and other terms became effective from 1 July 2012, exported goods and services of export enterprises are eligible for VAT exemption and refund policy.

For the domestic sales, the Group is mainly subject to 9% and 13% VAT, and surcharges on VAT payments according to PRC tax law.

(b) Income tax expenses

PRC enterprise income tax

Pursuant to the PRC Enterprise Income Tax Law and the respective regulations (the EIT Law), the general corporate income tax rate in the PRC is 25%.

The Company obtained its High and New Technology Enterprises ("**HNTE**") status in year 2020 and renewed the qualification in 2023. Accordingly, it was entitled to a preferential EIT rate of **[REDACTED]** for a three-year period since the qualification day. The applicable EIT rate of the Company was **[REDACTED]** during the Track Record Period.

In accordance with the Announcement on Further Implementing Preferential Income Tax Policies for Small and Micro Enterprises (Announcement [2022] No. 13), the Announcement on Income Tax Preferences for Small and Micro Enterprises and Individual Businesses (Announcement [2023] No. 6), and Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Businesses Related to Tax and Fee Policies (Announcement [2023] No. 12), for small and micro enterprises with an annual taxable income less than RMB3 million, 25% of the amount is included in the taxable income, and the applicable enterprise income tax rate is 20%. During the Track Record Period, the Company's subsidiaries, Shandong Xunlong Fisheries Technology Development Co., Ltd., Beijing Qiandao Xunye Sci-tech Development Co., Ltd., Hubei Kalujia Technology Development Co., Ltd., Sichuan Kalujia Food Co., Ltd. and Quzhou Kecheng Kalujia Catering Management Co., Ltd. benefited from these preferential policies.

According to the relevant laws and regulations promulgated by the SAT of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 175% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for the year ("**Super Deduction**"). Such claim was further increased to 200% from October 1, 2022 onwards.

Pursuant to the EIT Law, income derived from marine and inland aquaculture projects within the agricultural, forestry, animal husbandry, and fishery industries, 50% of the amount is included in the taxable income. As a result, such PRC subsidiaries were eligible for the mentioned preferential tax policy.

According to the Implementation Regulation of the EIT Law and the EIT exemptions regulation set out in the Circular of the Ministry of Finance and the State Administration of Taxation on Releasing the Primary Processing Ranges of Agricultural Products Entitled to Preferential Policies on Corporate Income Tax (Trial Implementation) (Cai Shui [2008] No. 149), and the requirements of Article 86 of the Implementation Regulation of the EIT Law, the income from primary processing for agriculture products are exempted from EIT. The sturgeon meat processing business of Quzhou Sturgeon enjoyed the above-mentioned preferential policies.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax expenses	44,805	60,213	61,282
Deferred income tax expenses *(Note 30)*	14,130	13,262	8,119
	58,935	73,475	69,401

A reconciliation of the expected income tax calculated at the applicable tax rate and profit before income tax, with the actual income tax is as follow:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before income tax	331,834	397,599	434,430
Tax calculated at statutory tax rates of 25%	82,959	99,400	108,608
Effect of preferential tax policy	(20,123)	(22,145)	(33,198)
Expenses not deductible for tax purpose	1,414	1,102	1,748
Super deduction for research and development expenses	(6,085)	(5,323)	(8,116)
Utilization of previously unrecognised temporary differences and previously unrecognised tax losses	(29)	(80)	(695)
Tax losses for which no deferred income tax asset was recognised (i)	720	262	656
Temporary differences for which no deferred tax assets were recognised	79	259	398
Income tax expenses	58,935	73,475	69,401

(i) *Tax losses*

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses for which no deferred income tax assets were recognised	8,025	8,667	9,374

The expiry dates of the unrecognised tax losses as of the respective balance sheet dates are listed as below.

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Expiry year			
2024	241	—	—
2025	955	955	—
2026	1,683	1,519	862
2027	2,267	2,267	1,963
2028	2,879	2,879	2,879
2029	—	1,047	1,047
2030	—	—	2,623
	8,025	8,667	9,374

12 EARNINGS PER SHARE

(i) Basic

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Year ended December 31,		
	2023	2024	2025
Profit attributable to owners of the Company (RMB'000)	270,117	308,417	363,397
Weighted average number of ordinary shares outstanding (thousands) (a)	86,663	90,243	90,243
Basic earnings per share (RMB)	3.12	3.42	4.03

(a) The weighted average number of ordinary shares has been adjusted for the effect of the issuance of shares in connection with share incentive plan.

(ii) Diluted

The calculation of the diluted earnings per share amounts is based on the profit attributable to the owners of the Company. The weighted average numbers of ordinary shares used in the calculations are the numbers of ordinary shares outstanding during the years ended December 31, 2023, 2024 and 2025, as used in the basic earnings per share calculation.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There are no potential ordinary shares for the year ended 31 December 2023 and 2024. During the year ended 31 December 2025, the Group had potential ordinary shares, which is the RSUs granted to employees.

	Year ended 31 December		
	2023	2024	2025
Earnings			
Profit attributable to the owners of the Company (RMB'000)	270,117	308,417	363,397
Shares			
Weighted average number of ordinary shares used in the basic earnings per share calculation (thousand)	86,663	90,243	90,243
Adjustments for share based compensation — RSUs (shares) (thousand)	—	—	95
Weighted average number of ordinary shares used in the diluted earnings per share calculation (thousand)	86,663	90,243	90,338
Diluted earnings per share (RMB)	3.12	3.42	4.02

13 PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings and structures	Machinery and equipment	Vehicles	Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023						
Cost	171,044	79,144	7,850	233	27,758	286,029
Accumulated depreciation	(69,102)	(37,518)	(5,926)	(70)	—	(112,616)
Impairment	(2,482)	(675)	(6)	—	—	(3,163)
Net book value	99,460	40,951	1,918	163	27,758	170,250
Year ended December 31, 2023						
Opening net book value	99,460	40,951	1,918	163	27,758	170,250
Additions	78	4,232	34	417	98,365	103,126
Transfer from construction in progress	71,803	13,637	—	—	(85,440)	—
Disposals	(3,015)	(636)	(6)	—	—	(3,657)
Depreciation charge *(Note 6)*	(13,652)	(8,267)	(607)	(57)	—	(22,583)
Closing net book value	154,674	49,917	1,339	523	40,683	247,136
As at December 31, 2023						
Cost	236,436	95,579	7,754	650	40,683	381,102
Accumulated depreciation	(79,280)	(44,987)	(6,409)	(127)	—	(130,803)
Impairment	(2,482)	(675)	(6)	—	—	(3,163)
Net book value	154,674	49,917	1,339	523	40,683	247,136

	Buildings and structures	Machinery and equipment	Vehicles	Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2024						
Opening net book value	154,674	49,917	1,339	523	40,683	247,136
Additions	1,388	2,372	1,400	43	75,339	80,542
Transfer from construction in progress	64,207	35,990	—	—	(100,197)	—
Transfer to intangible assets *(Note 15)*	—	—	—	—	(6,852)	(6,852)
Disposals	—	(32)	(61)	—	—	(93)
Depreciation charge *(Note 6)*	(16,456)	(10,324)	(630)	(147)	—	(27,557)
Closing net book value	203,813	77,923	2,048	419	8,973	293,176
As at December 31, 2024						
Cost	302,031	133,500	8,401	693	8,973	453,598
Accumulated depreciation	(95,736)	(54,902)	(6,347)	(274)	—	(157,259)
Impairment	(2,482)	(675)	(6)	—	—	(3,163)
Net book value	203,813	77,923	2,048	419	8,973	293,176
Year ended December 31, 2025						
Opening net book value	203,813	77,923	2,048	419	8,973	293,176
Additions	2,127	4,026	838	751	59,208	66,950
Transfer from construction in progress	17,675	12,190	—	—	(29,865)	—
Disposals	(379)	(121)	(199)	—	—	(699)
Others	(14,641)	—	—	—	—	(14,641)
Depreciation charge *(Note 6)*	(18,597)	(12,876)	(708)	(428)	—	(32,609)
Closing net book value	189,998	81,142	1,979	742	38,316	312,177
As at December 31, 2025						
Cost	304,685	149,165	8,619	1,444	38,316	502,229
Accumulated depreciation	(112,205)	(67,348)	(6,639)	(702)	—	(186,894)
Impairment	(2,482)	(675)	(1)	—	—	(3,158)
Net book value	189,998	81,142	1,979	742	38,316	312,177

(a) Depreciation charges of property, plant and equipment has been charged to the consolidated statements of comprehensive income as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Depreciation charges			
Cost of sales	17,384	22,662	26,674
Research and development expenses	3,653	3,209	4,335
General and administrative expenses	1,308	1,482	1,433
Selling and marketing expenses	238	204	167
Total	22,583	27,557	32,609

The Company

	Buildings and structures	Machinery and equipment	Vehicles	Leasehold improvement	Construction in progress	Total
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
As at January 1, 2023						
Cost	68,770	23,472	2,394	59	15,162	109,857
Accumulated depreciation	(27,391)	(9,137)	(2,132)	(16)	—	(38,676)
Net book value	41,379	14,335	262	43	15,162	71,181
Year ended December 31, 2023						
Opening net book value	41,379	14,335	262	43	15,162	71,181
Additions	—	1,534	3	56	5,874	7,467
Transfer from construction in progress	18,182	2,854	—	—	(21,036)	—
Disposals	(1,361)	(600)	(4)	—	—	(1,965)
Depreciation charge	(6,612)	(2,649)	(49)	(33)	—	(9,343)
Closing net book value	51,588	15,474	212	66	—	67,340
As at December 31, 2023						
Cost	84,214	26,909	2,365	115	—	113,603
Accumulated depreciation	(32,626)	(11,435)	(2,153)	(49)	—	(46,263)
Net book value	51,588	15,474	212	66	—	67,340

	Buildings and structures	Machinery and equipment	Vehicles	Leasehold improvement	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2024						
Opening net book value	51,588	15,474	212	66	—	67,340
Additions	—	417	—	—	2,838	3,255
Transfer from construction in progress	15	2,823	—	—	(2,838)	—
Depreciation charge	(6,635)	(2,835)	(51)	(36)	—	(9,557)
Closing net book value	44,968	15,879	161	30	—	61,038
As at December 31, 2024						
Cost	84,229	30,113	2,365	115	—	116,822
Accumulated depreciation	(39,261)	(14,234)	(2,204)	(85)	—	(55,784)
Net book value	44,968	15,879	161	30	—	61,038
Year ended December 31, 2025						
Opening net book value	44,968	15,879	161	30	—	61,038
Additions	—	737	—	28	113	878
Disposals	(369)	(7)	—	—	—	(376)
Others	(968)	(65)	—	—	—	(1,033)
Depreciation charge	(6,590)	(2,925)	(52)	(19)	—	(9,586)
Closing net book value	37,041	13,619	109	39	113	50,921
As at December 31, 2025						
Cost	74,431	29,600	2,365	143	113	106,652
Accumulated depreciation	(37,390)	(15,981)	(2,256)	(104)	—	(55,731)
Net book value	37,041	13,619	109	39	113	50,921

(b) Accounting policy for property, plant and equipment

Property, plant and equipment (other than constructions in progress) are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the Track Record Period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual value, over their estimated useful lives or, in the case of leasehold improvement, the shorter lease term as follows:

	Estimated useful lives	Residual rate
— Buildings and structures	10~20 years	3%
— Machinery and equipment	3~20 years	3%
— Vehicles	3~5 years	3%
— Leasehold improvement	shorter of the lease term and estimated useful life	—

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in "Other (losses)/gains — net" in the consolidated statements of comprehensive income.

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). Property, plant and equipment that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Constructions in progress represent buildings and leasehold improvement under construction and are stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition and capitalised borrowing costs. No provision for depreciation is made on constructions in progress until such time as the relevant assets are completed and ready for intended use. When the assets constructed are available for use, the cost are transferred to buildings and depreciated in accordance with the policy as stated above.

14 LEASES

(a) Right-of-use assets

The Group leases agricultural water areas and agricultural land for its agricultural bases and the lease term is generally 10–50 years. The Group's land use rights represent prepaid operating lease payments for lands located in the PRC and the lease term is 50 years. The Group's leases for buildings mainly represent the leases for offices and staff quarters. The movements of the Group's right-of-use assets are analysed as follows:

The Group

	Land use rights	Leased buildings	Leased agricultural water areas	Leased agricultural land	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023					
Cost	12,349	3,012	4,592	28,824	48,777
Accumulated depreciation	(2,267)	(559)	(1,212)	(3,207)	(7,245)
Net book value	10,082	2,453	3,380	25,617	41,532
Year ended December 31, 2023					
Opening net book value	10,082	2,453	3,380	25,617	41,532
Additions	—	3,835	—	425	4,260
Terminations	—	—	—	(1,909)	(1,909)
Depreciation charge *(Note 6)*	(246)	(892)	(600)	(1,056)	(2,794)
Closing net book value	9,836	5,396	2,780	23,077	41,089
At December 31, 2023					
Cost	12,349	6,728	4,335	26,783	50,195
Accumulated depreciation	(2,513)	(1,332)	(1,555)	(3,706)	(9,106)
Net book value	9,836	5,396	2,780	23,077	41,089
Year ended December 31, 2024					
Opening net book value	9,836	5,396	2,780	23,077	41,089
Additions	2,196	407	—	2,540	5,143
Terminations	(3,459)	—	—	—	(3,459)
Depreciation charge *(Note 6)*	(198)	(1,396)	(471)	(1,202)	(3,267)
Closing net book value	8,375	4,407	2,309	24,415	39,506
At December 31, 2024					
Cost	11,086	6,414	4,335	29,323	51,158
Accumulated depreciation	(2,711)	(2,007)	(2,026)	(4,908)	(11,652)
Net book value	8,375	4,407	2,309	24,415	39,506

	Land use rights	Leased buildings	Leased agricultural water areas	Leased agricultural land	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended December 31, 2025					
Opening net book value	8,375	4,407	2,309	24,415	39,506
Additions	63	1,580	—	9,823	11,466
Depreciation charge *(Note 6)*	(205)	(1,302)	(472)	(1,267)	(3,246)
Closing net book value	8,233	4,685	1,837	32,971	47,726
As at December 31, 2025					
Cost	11,149	7,728	4,335	39,146	62,358
Accumulated depreciation	(2,916)	(3,043)	(2,498)	(6,175)	(14,632)
Net book value	8,233	4,685	1,837	32,971	47,726

(i) Amounts recognised in the consolidated statements of comprehensive income:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets *(Note 6)*	2,794	3,267	3,246
Expenses relating to low-value and short-term leases *(Note 6)*	1,833	1,310	1,109
Interest expenses *(Note 10)*	1,241	1,299	1,339

The total cash outflows for principal elements and interest elements of lease payments during the years ended December 31, 2023, 2024 and 2025 were RMB2,622,000, RMB2,477,000 and RMB9,170,000 respectively.

The total cash outflows for low-value and short-term leases during the years ended December 31, 2023, 2024 and 2025 were RMB1,777,000, RMB1,758,000 and RMB1,109,000 respectively.

The Company

	Land use rights	Leased buildings	Leased agricultural water areas	Leased agricultural land	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023					
Cost	286	323	2,443	11,364	14,416
Accumulated depreciation	(79)	(84)	(517)	(1,671)	(2,351)
Net book value	207	239	1,926	9,693	12,065
Year ended December 31, 2023					
Opening net book value	207	239	1,926	9,693	12,065
Disposals	—	—	—	(1,909)	(1,909)
Depreciation charge	(6)	(32)	(282)	(394)	(714)
Closing net book value	201	207	1,644	7,390	9,442
At December 31, 2023					
Cost	286	323	2,443	8,898	11,950
Accumulated depreciation	(85)	(116)	(799)	(1,508)	(2,508)
Net book value	201	207	1,644	7,390	9,442
Year ended December 31, 2024					
Opening net book value	201	207	1,644	7,390	9,442
Additions	—	—	—	2,471	2,471
Depreciation charge	(6)	(32)	(282)	(518)	(838)
Closing net book value	195	175	1,362	9,343	11,075
At December 31, 2024					
Cost	286	323	2,443	11,369	14,421
Accumulated depreciation	(91)	(148)	(1,081)	(2,026)	(3,346)
Net book value	195	175	1,362	9,343	11,075
Year ended December 31, 2025					
Opening net book value	195	175	1,362	9,343	11,075
Depreciation charge	(5)	(32)	(282)	(518)	(837)
Closing net book value	190	143	1,080	8,825	10,238
At December 31, 2025					
Cost	286	323	2,443	11,369	14,421
Accumulated depreciation	(96)	(180)	(1,363)	(2,544)	(4,183)
Net book value	190	143	1,080	8,825	10,238

(b) Lease liabilities

The Group

(i) Lease liabilities recognised in the consolidated balance sheets:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Lease liabilities			
Current	1,816	1,462	5,568
Non-current	25,636	27,538	26,851
	27,452	29,000	32,419

(ii) The following table shows the remaining maturities of the Group's lease liabilities at the end of Track Record Period.

Minimum lease payments due	**As at December 31,**		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Within 1 year	2,820	2,631	6,787
Between 1 and 2 years	2,338	2,358	6,485
Between 2 and 5 years	9,415	9,466	4,488
over 5 years	24,684	26,568	25,843
	39,257	41,023	43,603
Less: future finance charges	(11,805)	(12,023)	(11,184)
	27,452	29,000	32,419

Present value of lease liabilities	**As at December 31,**		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Within 1 year	1,816	1,462	5,568
Between 1 and 2 years	1,216	1,191	5,473
Between 2 and 5 years	6,725	6,756	1,908
over 5 years	17,695	19,591	19,470
	27,452	29,000	32,419

The Company

(i) Lease liabilities recognised in the Company's balance sheets:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease liabilities			
Current	787	423	220
Non-current	8,077	11,153	10,974
	8,864	11,576	11,194

(ii) The following table shows the remaining maturities of the Company's lease liabilities at the end of Track Record Period.

Minimum lease payments due	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	960	784	674
Between 1 and 2 years	616	674	922
Between 2 and 5 years	2,238	3,264	2,774
over 5 years	8,996	11,778	11,274
	12,810	16,500	15,644
Less: future finance charges	(3,946)	(4,924)	(4,450)
	8,864	11,576	11,194

Present value of lease liabilities	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	787	423	220
Between 1 and 2 years	257	220	492
Between 2 and 5 years	1,279	2,068	1,652
over 5 years	6,541	8,865	8,830
	8,864	11,576	11,194

15 INTANGIBLE ASSETS

The Group

	Software	Intellectual property rights	Total
	RMB'000	RMB'000	RMB'000
As at January 1, 2023			
Cost	2,124	—	2,124
Accumulated amortisation	(1,259)	—	(1,259)
Net book value	865	—	865
Year ended December 31, 2023			
Opening net book value	865	—	865
Additions	51	—	51
Amortisation charge *(Note 6)*	(305)	—	(305)
Closing net book value	611	—	611
As at December 31, 2023			
Cost	2,175	—	2,175
Accumulated amortisation	(1,564)	—	(1,564)
Net book value	611	—	611
Year ended December 31, 2024			
Opening net book value	611	—	611
Transfer from construction in progress *(Note 13)*	6,852	—	6,852
Additions	953	—	953
Amortisation charge *(Note 6)*	(504)	—	(504)
Closing net book value	7,912	—	7,912
As at December 31, 2024			
Cost	9,980	—	9,980
Accumulated amortisation	(2,068)	—	(2,068)
Net book value	7,912	—	7,912
Year ended December 31, 2025			
Opening net book value	7,912	—	7,912
Additions	579	800	1,379
Amortisation charge *(Note 6)*	(1,860)	(21)	(1,881)
Closing net book value	6,631	779	7,410
As at December 31, 2025			
Cost	10,559	800	11,359
Accumulated amortisation	(3,928)	(21)	(3,949)
Net book value	6,631	779	7,410

Amortisation charges of intangible assets has been charged to the consolidated statements of comprehensive income as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
General and administrative expenses	305	504	1,881

The Company

	Software	Intellectual property rights	Total
	RMB'000	RMB'000	RMB'000
As at January 1, 2023 and December 31, 2023			
Cost	10	—	10
Accumulated amortisation	(10)	—	(10)
Net book value	—	—	—
Year ended December 31, 2024			
Opening net book value	—	—	—
Additions	670	—	670
Amortisation charge	(123)	—	(123)
Closing net book value	547	—	547
As at December 31, 2024			
Cost	680	—	680
Accumulated amortisation	(133)	—	(133)
Net book value	547	—	547
Year ended December 31, 2025			
Opening net book value	547	—	547
Additions	400	800	1,200
Amortisation charge	(214)	(21)	(235)
Closing net book value	733	779	1,512
As at December 31, 2025			
Cost	1,080	800	1,880
Accumulated amortisation	(347)	(21)	(368)
Net book value	733	779	1,512

(a) ***Software***

Software is capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives of 5 years. When determining the useful life, the Group has taken into the account the estimated period that can bring economic benefits to the Group. Costs associated with maintaining computer software programs are recognised as expense as incurred.

(b) ***Intellectual property rights ("IP Rights")***

Acquired IP Rights are capitalised on the basis of the costs incurred to acquire. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of IP Rights over their estimated useful lives of 13–19 years.

(c) ***Research and development expenditures***

The Group incurs significant costs and efforts on research and development activities. Research expenditures are charged to the profit or loss as an expense in the period the expenditures are incurred. Development costs are recognised as assets if they can be directly attributable to a newly developed products and all the following can be demonstrated:

- it is technically feasible to complete the development project so that it will be available for use;
- management intends to complete the development project, and use or sell it;
- the ability to use or sell the development project;
- it can be demonstrated how the development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and the ability to use or sell the development project are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the development project include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Other development expenditures that do not meet those above criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

During the Track Record Period, there were no development costs meeting these criteria and capitalised as intangible assets.

16 FINANCIAL INSTRUMENTS BY CATEGORY

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Assets as per balance sheet			
Financial assets at amortised costs:			
— Cash and cash equivalents *(Note 21(a))*	207,990	303,633	783,613
— Restricted cash *(Note 21(b))*	18,654	16,469	6,049
— Trade receivables *(Note 17)*	48,970	57,414	33,903
— Other receivables *(Note 18)*	14,923	20,329	27,287
	290,537	397,845	850,852
Liabilities as per balance sheet			
Financial liabilities at amortised costs:			
— Trade and notes payables *(Note 26)*	89,512	107,779	133,333
— Accruals and other payables (excluding taxes and surcharges payables and staff costs and welfare accruals) *(Note 27)*	78,728	54,795	229,263
— Lease liabilities *(Note 14(b))*	27,452	29,000	32,419
— Borrowings *(Note 28)*	93,386	25,000	232,617
— Dividend payable	7,241	—	—
	296,319	216,574	627,632

17 TRADE RECEIVABLES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Amounts due from related parties *(Note 34(c)(i))*	—	107	—
Trade receivables from contracts with third-party customers	55,327	65,173	38,506
Less: loss allowance	(6,357)	(7,866)	(4,603)
	48,970	57,414	33,903

As at December 31, 2023, 2024 and 2025, the aging analysis of the trade receivables based on the dates when the trade receivables are recognised is as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
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
	55,327	65,280	38,506

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	24,425	31,834	21,058
USD	27,196	27,171	11,717
EUR	2,983	5,125	4,717
SGD	632	1,150	1,014
GBP	91	—	—
	55,327	65,280	38,506

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables mentioned above.

Credit loss allowance of trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses, which requires expected lifetime losses to be recognised from initial recognition. The expected loss rates are based on the payment profiles of related customers and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Details are disclosed in Note 3.1(b).

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables from contracts with third-party customers	448	1,964	—
Less: loss allowance	(104)	(233)	—
	344	1,731	—

As at December 31, 2023, 2024 and 2025, the carrying amount of the Company's trade receivables were denominated in RMB.

As at December 31, 2023, 2024 and 2025, the ageing analysis of the trade receivables based on the dates when the trade receivables are recognised is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 6 months	—	1,631	—
6 months to 1 year	198	14	—
Over 1 year	250	319	—
	448	1,964	—

18 PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Included in non-current assets			
Prepayments:			
Prepayment for purchase of equipment	499	870	2,229
Other receivables:			
Amounts due from related parties *(Note 34(c)(iii))*	—	—	2,466
Contribution receivable of employee incentive platform	—	—	9,994
Less: loss allowance	—	—	(359)
	—	—	12,101
Non-current	499	870	14,330
Included in current assets			
Prepayments and other current assets			
Value-added tax recoverable	518	1,680	2,820
[REDACTED]	—	—	[REDACTED]
Prepayments for purchase of biological assets	5,910	1,612	393
Prepayments for purchase of inventories	1,045	1,220	1,101
Others	1,599	1,722	2,192
	9,072	6,234	9,419
Other receivables:			
Receivable from export tax refund	8,199	13,412	5,929
Deposits	5,897	5,897	6,852
Amounts due from third-party payment platforms	253	530	1,832
Others	1,148	1,000	719
	15,497	20,839	15,332
Less：loss allowance	(574)	(510)	(146)
	14,923	20,329	15,186
Current	23,995	26,563	24,605

The carrying amounts of the Group's prepayments, other receivables and other current assets are denominated in the following currencies:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	23,560	26,315	38,935
EUR	934	1,118	—
	24,494	27,433	38,935

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Included in non-current assets			
Prepayments:			
Prepayment for purchase of equipment	300	—	30
Included in current assets			
Prepayments:			
[REDACTED]	—	—	[REDACTED]
Prepayments for purchase of biological assets	2,892	1,228	—
Prepayments for purchase of inventories	73	47	—
Others	32	124	14
	2,997	1,399	2,927
Other receivables:			
Deposits	2,877	2,877	2,877
Others	560	813	681
	3,437	3,690	3,558
Less：loss allowance	(192)	(1,877)	(54)
	3,245	1,813	3,504
Current	6,242	3,212	6,431

The Company's prepayments, other receivables and other current assets were denominated in RMB.

19 INVENTORIES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Finished goods	38,782	31,426	44,892
Raw materials	14,296	14,766	16,479
	53,078	46,192	61,371
Less: provision for impairment	(2,319)	(2,320)	(2,480)
	50,759	43,872	58,891

For the years ended December 31, 2023, 2024 and 2025, the cost of inventories recognised as expenses included in cost of revenue including fair value adjustments on biological assets amounted to approximately RMB538,818,000, RMB655,679,000 and RMB721,823,000, respectively.

The Group's inventories mainly comprised caviar and sturgeon products and purchased feed. Caviar and sturgeon products harvested from biological assets is measured on initial recognition at fair value less estimated costs to sell at the point of harvest which becomes the cost of inventories at that date when applying IAS 2. Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Provision for inventories is recognised for the amount by which the carrying amount of the inventories exceeds the net recoverable amount, and is recorded in cost of sales in the consolidated statements of comprehensive income.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Raw materials	2,520	1,873	1,378

20 BIOLOGICAL ASSETS

The Group

(a) *Value of biological assets*

Set out below are the carrying value of biological assets as at December 31, 2023, 2024 and 2025.

	Hybrid sturgeon	Russian sturgeon	Kaluga sturgeon	Beluga sturgeon	Other sturgeon	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023						
Fish Fry	—	142	—	—	—	142
Female immature sturgeon	186,973	456,905	69,556	63,000	74,321	850,755
Female mature sturgeon	96,395	390,118	26,692	1,798	20,558	535,561
Male sturgeon	404	2,009	148	66	162	2,789
Total	283,772	849,174	96,396	64,864	95,041	1,389,247

	Hybrid sturgeon	Russian sturgeon	Kaluga sturgeon	Beluga sturgeon	Other sturgeon	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024						
Fish Fry	38	182	—	—	401	621
Female immature sturgeon	288,684	380,170	49,029	34,731	116,118	868,732
Female mature sturgeon	117,832	459,224	43,938	31,980	23,447	676,421
Male sturgeon	6,530	525	134	36	494	7,719
Total	413,084	840,101	93,101	66,747	140,460	1,553,493

	Hybrid sturgeon	Russian sturgeon	Kaluga sturgeon	Beluga sturgeon	Other sturgeon	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025						
Fish Fry	11	278	—	—	489	778
Female immature sturgeon	486,102	400,261	46,388	42,513	136,684	1,111,948
Female mature sturgeon	126,360	381,426	41,687	26,217	50,618	626,308
Male sturgeon	7,339	1,682	161	41	489	9,712
Total	619,812	783,647	88,236	68,771	188,280	1,748,746

(b) ***Opening to closing balance reconciliation of the carrying value of biological assets***

Movements in the carrying value of biological assets are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB’000	**RMB’000**	**RMB’000**
At beginning of the year	1,283,297	1,389,247	1,553,493
Increase due to breeding	141,742	159,705	175,001
Increase due to purchase	67,260	161,826	216,276
Fair value changes on biological assets	455,372	509,799	554,119
Decrease due to harvest	(552,656)	(640,937)	(748,344)
Decrease due to sales	(5,768)	(1,268)	(1,799)
Decrease due to abnormal mortality(i)	—	(24,879)	—
At end of the year	1,389,247	1,553,493	1,748,746

(i) The abnormal mortality of biological assets was primarily due to summer flooding experienced by Liaoning Xunlong Technology Development Co., Ltd., a subsidiary of the Company in July 2024, and was recognised in cost of sales on the consolidated statement of comprehensive income for the year ended December 31, 2024.

(c) ***The accounting policy for the biological assets***

Biological assets are measured at fair value less costs to sell. Neither active market nor observable market rate and price of each species of sturgeons 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 recognised and classified under “fair value changes on biological assets” in consolidated statement of comprehensive income.

The sturgeons are divided into four main groups, depending on the biological lifecycle and gender: fish fry, female immature sturgeons, female mature sturgeons, and male sturgeons. At the earliest stage of the life cycle (under one year old), the fish fry is kept on land in freshwater facilities. The sturgeons above one year old are primarily kept in eco-net cages in natural waters or in land-based flow-through facilities. Male sturgeons are kept for mating, processing for sturgeon products or for live sturgeon sale. In assessing the fair value of these biological assets, the Company, drawing on breeding experience, determines that each species of sturgeons has a corresponding age of gonadal maturity, which allows for the classification of sturgeons into mature sturgeons and immature sturgeons.

Fish fry, generally under one year old, are recognised 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. For female 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. For male sturgeons, the unit fair value of unit fair value of different sturgeon broodstock is calculated by applying market approach.

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 achieving 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.

(d) *Fair value estimation of the biological assets*

The Group engaged an independent valuer to determine the fair value of the biological assets. Valuation is based on a variety of premises, many of which are unobservable. For female sturgeons on the reporting date, uncertainty mainly involves expected selling price, the quantities and timing of sturgeons to be harvested and discount rate as well as the estimated costs to sell. Other inputs mainly including normal mortality rate and expected cost to raise are stable across years without significant uncertainty.

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 the Group's best estimates of future market development based on current market composition and market share.

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. The Group estimates 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. The Group further calculates the quantities of sturgeons to be harvested according to the Group's average historical yield of caviar or sturgeon products produced from each sturgeon in the past few years.

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 participates would demand as compensation for the risk assumed by investing in live fish rather than a different object.

The following table sets out the key assumptions used for the fair value estimation:

	As at December 31,		
	2023	**2024**	**2025**
Discount rate			
— Immature sturgeon	12.23%	12.30%	11.18%
— Mature sturgeon	11.23%	11.30%	10.18%
Estimated increase rate of sales volume			
— Hybrid sturgeon caviar	3%–15%	10%–15%	10%–15%
— Russian sturgeon caviar	10%–18%	10%–15%	10%
— Kaluga sturgeon caviar	–13%–5%	–5%–0%	0%–50%
— Beluga sturgeon caviar	–19%–10%	5%–10%	5%
— Other sturgeon caviar	–12%–242%	10%–258%	10%–309%
The expected selling price of caviar			
— Hybrid sturgeon caviar	RMB2,193/kg	RMB2,177/kg	RMB2,328/kg
— Russian sturgeon caviar	RMB2,152/kg	RMB2,147/kg	RMB2,174/kg
— Kaluga sturgeon caviar	RMB3,752/kg	RMB3,768/kg	RMB3,703/kg
— Beluga sturgeon caviar	RMB7,161/kg	RMB7,157/kg	RMB7,281/kg
— Other sturgeon caviar	RMB2,000/kg– RMB2,866/kg	RMB2,000/kg– RMB2,866/kg	RMB2,000/kg– RMB2,866/kg

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

(e) As at December 31, 2023, 2024 and 2025 the Group's biological assets with carrying amount of RMB109,659,000, RMB124,847,000 and RMB244,006,000 at fair value, respectively, were pledged to secure certain bank borrowings of the Group (Note 28).

The Company

(a) ***Value of biological assets***

Set out below are the carrying value of biological assets as at December 31, 2023, 2024 and 2025.

	Hybrid sturgeon	Russian sturgeon	Kaluga sturgeon	Beluga sturgeon	Other sturgeon	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2023						
Fish Fry	—	—	—	—	—	—
Female immature sturgeon	29,367	81,477	36,237	51,475	36,047	234,603
Female mature sturgeon	47,296	257,526	17,567	389	12,404	335,182
Male sturgeon	43	18	104	66	27	258
Total	76,706	339,021	53,908	51,930	48,478	570,043

	Hybrid sturgeon	Russian sturgeon	Kaluga sturgeon	Beluga sturgeon	Other sturgeon	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024						
Fish Fry	—	—	—	—	—	—
Female immature sturgeon	72,272	38,624	20,408	26,673	—	157,977
Female mature sturgeon	59,493	279,927	30,622	22,091	14,061	406,194
Male sturgeon	809	42	82	35	95	1,063
Total	132,574	318,593	51,112	48,799	14,156	565,234

	Hybrid sturgeon	Russian sturgeon	Kaluga sturgeon	Beluga sturgeon	Other sturgeon	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2025						
Fish Fry	—	—	—	—	—	—
Female immature sturgeon	90,154	44,278	19,383	32,450	—	186,265
Female mature sturgeon	37,901	169,376	17,748	7,841	5,779	238,645
Male sturgeon	1,534	38	—	4	6	1,582
Total	129,589	213,692	37,131	40,295	5,785	426,492

21 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at bank	226,644	320,102	789,662
Less: restricted cash (b)	(18,654)	(16,469)	(6,049)
Cash and cash equivalents	207,990	303,633	783,613

The maximum exposure to credit risk at the reporting date is the carrying values of cash and cash equivalents and restricted cash as mentioned above.

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
USD	132,112	132,873	427,354
RMB	70,423	151,185	351,179
EUR	3,123	13,264	3,284
GBP	847	1,198	1,443
SGD	1,484	5,113	353
JPY	1	—	—
	207,990	303,633	783,613

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include cash at bank.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Cash at bank	51,367	134,803	29,390
Less: restricted cash (b)	(10,651)	(7,510)	(6,000)
Cash and cash equivalents	40,716	127,293	23,390

The Company's cash and cash equivalents were denominated in RMB.

(b) Restricted cash

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Guarantee deposits for notes payables (i)	10,651	7,510	6,000
Others (ii)	8,003	8,959	49
	18,654	16,469	6,049

The carrying amounts of the Group's restricted cash were denominated in the following currencies:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
RMB	18,654	16,446	6,043
EUR	—	6	6
USD	—	17	—
	18,654	16,469	6,049

(i) As at December 31, 2023, 2024 and 2025, the amount represented cash that were restricted to guarantee the issuance of notes payables by the Group.

(ii) As at December 31, 2023, 2024 and 2025, the amount mainly represented government grant received for certain project but are yet to be unrestricted for use as the project progresses. Cash were restricted to maintain a level above certain percentage of government grant as required by the relevant government requirements.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Guarantee deposits for notes payables	10,651	7,510	6,000

The Company's restricted cash were denominated in RMB.

22 SHARE CAPITAL AND SHARES HELD FOR RESTRICTED SHARE SCHEMES

(a) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

The Group and the Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Share capital	90,243	90,243	92,553

A summary of movements in the Company's share capital are as follows:

	Number of ordinary shares	Share capital
		RMB'000
As at January 1, 2023	85,945,430	85,945
Issuance of ordinary shares (i)	4,297,270	4,298
As at December 31, 2023 and 2024	90,242,700	90,243
Issuance of ordinary shares (ii)	2,310,000	2,310
As at December 31, 2025	92,552,700	92,553

(i) By January 1, 2023, the Company had completed four rounds of financing by way of registered capital increase to the Company, including: Series A financing, Series B financing, Series C financing and Series D financing, upon completion of which, the registered capital was increased to RMB85,945,430.

On August 8, 2023, Hangzhou Kalujiaren was established as a shareholding platform to hold equity interest of the Company for the employees under the Group's employee share ownership plan (the "**ESOP**"), and completed capital contribution of an aggregate of RMB36,956,522 to the Company as a consideration for the subscription of the Company's 4,297,270 ordinary shares with a nominal value of RMB4,297,270, upon completion of which, the share capital was increased from RMB85,945,430 to RMB90,242,700.

(ii) On September 4, 2025, Hangzhou Xunlongren was established as another shareholding platform to hold equity interest of the Company for the employees under the Group's employee share ownership plan (the "**ESOP**"), and completed capital contribution of an aggregate of RMB31,647,000 to the Company as a consideration for the subscription of the Company's 2,310,000 ordinary shares with a nominal value of RMB2,310,000, upon completion of which, the share capital was increased from RMB90,242,700 to RMB92,552,700.

(b) Shares held for restricted share schemes

The Group and the Company

A summary of movements in the Group's and the Company's shares held for restricted share schemes are as follows:

	Number of ordinary shares	Shares held for restricted share schemes
		RMB'000
As at January 1, 2023, December 31, 2023 and 2024	—	—
Shares held for shares award scheme *(Note 25)*	2,310,000	2,310
As at December 31, 2025	2,310,000	2,310

Shares held for restricted share schemes are recorded to reflect the carrying amount of the shares which were granted in September 2025 under the Group's ESOP through Hangzhou Xunlongren, a limited liability partnership company.

As this employee incentive plan is designed by the Group for its benefit and the Group has discretion in determining the employees' entitlement to the underlying shares, Hangzhou Xunlongren is controlled and consolidated by the Group as a structured entity and the equity interest in the Company held by Hangzhou Xunlongren is recorded as "Shares held for restricted share schemes", the details of which are set out in Note 24.

23 RESERVES

The Group

	Capital reserves	Share-based compensation reserve	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	238,707	858	42,973	282,538
Issuance of ordinary shares *(Note 22)*	32,659	—	—	32,659
Acquisition of non-controlling interests (ii)	(36,723)	—	—	(36,723)
Share-based compensation expenses *(Note 24)*	—	40,285	—	40,285
Surplus Reserve (iii)	—	—	2,149	2,149
As at December 31, 2023	234,643	41,143	45,122	320,908
As at January 1, 2024	234,643	41,143	45,122	320,908
Share-based compensation expenses *(Note 24)*	—	10,071	—	10,071
As at December 31, 2024	234,643	51,214	45,122	330,979
As at January 1, 2025	234,643	51,214	45,122	330,979
Issuance of ordinary shares *(Note 22)*	29,337	—	—	29,337
Shares held for shares award scheme *(Note 24)*	—	—	2,310	2,310
Repurchase obligation under share-based payment arrangements *(Note 24)*	—	—	(15,824)	(15,824)
Share-based compensation expenses *(Note 24)*	—	17,943	—	17,943
Surplus Reserve (iii)	—	—	9,118	9,118
As at December 31, 2025	263,980	69,157	40,726	373,863

(i) In December 2020, the Company completed a round of financing for increase in its share capital. Pursuant to the shareholders agreements entered with the financing investors, preferred rights including redemption right, anti-dilution right and certain other rights are granted to these investors. The redemption right granted to this round investors constitute the Company's obligations to repurchase its own equity instruments. These obligations were recognised as redemption liabilities which are initially measured at fair value (representing the present value of the expected cash flows for settling the related obligations if these rights are exercised by the investors) and subsequently measured at amortised cost. In June 2022, the Company and the investors entered into a termination agreement, pursuant to which the redemption rights, anti-dilution rights. and certain other rights were terminated from the sign-off date of the termination agreement without replacement in any circumstance. Pursuant to which, all the redemption liabilities balance were credited to the Company's equity.

The investors which entered in September 2009 also have preferred rights including redemption right and anti-dilution right, which were irreversibly terminated prior to the Track Record Period without replacement in any circumstance.

(ii) In May 2023, the Group acquired all the non-controlling interests of Jiangxi Ruoxi Eco-Agriculture Co., Ltd. ("**Jiangxi Ruoxi**") at a cash consideration of RMB61,000,000, the amount exceeding the carrying value of net assets of Jiangxi Ruoxi on the acquisition date was recorded in the capital reserve. Upon completion of this transaction, the Company held 100% equity interest in Jiangxi Ruoxi.

(iii) In accordance with the PRC regulations and the articles of association of the Group, before distributing the net profit of each year, companies registered in the PRC are required to set aside 10% of its statutory net profit for the year after offsetting any prior year's losses as determined under relevant accounting standards to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of each company's share capital, any further appropriation is optional.

The Company

	Capital reserves	Share-based compensation reserve	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	238,707	858	42,973	282,538
Share-based compensation expenses *(Note 24)*	—	40,285	—	40,285
Surplus Reserve	32,658	—	2,149	34,807
As at December 31, 2023	271,365	41,143	45,122	357,630
As at January 1, 2024	271,365	41,143	45,122	357,630
Share-based compensation expenses *(Note 24)*	—	10,071	—	10,071
As at December 31, 2024	271,365	51,214	45,122	367,701
As at January 1, 2025	271,365	51,214	45,122	367,701
Issuance of ordinary shares *(Note 22)*	29,337	—	—	29,337
Shares held for shares award scheme *(Note 24)*	—	—	2,310	2,310
Repurchase obligation under share-based payment arrangements *(Note 24)*	—	—	(15,824)	(15,824)
Share-based compensation expenses *(Note 24)*	—	17,943	—	17,943
Surplus Reserve (iii)	—	—	1,155	1,155
As at December 31, 2025	300,702	69,157	32,763	402,622

24 SHARE-BASED PAYMENTS

Share-based compensations are provided to certain directors, mid-level and senior management, key technical personnel, key employees and other personnel with outstanding contributions to the Group's development for the purpose of attracting and retaining the best personnel and to provide additional incentive to promote the business, which includes the grant of restricted stock units ("**RSUs**") through employee incentive platform.

Equity-settled share-based payment transactions

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from eligible employees with unique skill as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of equity instruments is recognised as an expense in the consolidated statements of comprehensive income. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted, excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining an employee of the entity over a specified time period).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The estimates about the number of equity instruments that are expected to vest are revised at the end of each reporting period and adjustments are recognised in profit or loss and the share-based payment reserves. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective at the date of the forfeiture.

Share-based payment transaction among group entities

The grant by the Company of its equity instruments to the employees of its subsidiaries is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity.

2023 Restricted Share Incentive Plan

In August 2023, Hangzhou Kalujiaren was established to serve as the employee incentive platform, in which Mr. Wang Bin is the general partner. In October 2023, 4,297,270 RSUs were granted to eligible personnel at a consideration of RMB8.6 per RSU as rewards for their services, time devotion and professional expertise to the Company and certain of its subsidiaries ("**2023 Restricted Share Incentive Plan**"). Out of which, a total of 1,990,000 RSUs were granted to Mr. Wang Bin and these shares were immediately vested upon the grant date, and the share-based payment expenses of RMB40,285,000 were recognised in profit or loss.

In addition to the above mentioned shares granted to Mr. Wang Bin, there are non-market performance vesting conditions both at corporate and individual level for the remaining 2,307,270 RSUs granted to certain key employees. Pursuant to relevant grant agreements, 50% of the RSUs would be vested after four-year service period, and the remaining 50% would be vested after five-year service period. The forfeited RSUs should be repurchased by Mr. Wang Bin or his designated third parties (not including the Group and its subsidiaries in any circumstance) at the price determined by reference to subscription price and predetermined interest rate. The Group has no discretion or any right to repurchase and deregister the share issued to Hangzhou Kalujiaren.

2025 Restricted Share Incentive Plan

In September 2025, Hangzhou Xunlongren was established to serve as the employee incentive platform, in which Mr. Wang Bin is the general partner. In September 2025, 2,310,000 RSUs were granted to 45 eligible employees at a consideration of RMB13.7 per RSU as rewards for their services, time devotion and professional expertise to the Company and certain of its subsidiaries ("**2025 Restricted Share Incentive Scheme**"). Out of which, a total of 32,000 RSUs were granted to Mr. Wang Bin and immediately vested.

For the remaining RSUs, 50% of the RSUs would be vested after four-year service period, and the remaining 50% would be vested after five-year service period. Additionally, there are non-market performance vesting conditions both at corporate level and individual level attached to the remaining RSUs. If the non-market performance vesting conditions at the corporate level are not met, the Company has unconditional obligation to repurchase and cancel the related RSUs at the price of subscription price and interest rate. As at 31 December 2025, the non-market performance vesting conditions at corporate level of the first 50% RSUs have been met. Consequently, the Company only retains the repurchase obligation for the remaining 50% and recognized a financial liability amounting to RMB15,824,000 (Note 27).

If an employee resigns during the service period, the forfeited RSUs should be repurchased by Mr. Wang Bin or his designated third parties (not including the Group and its subsidiaries in any circumstance) at the price determined by reference to subscription price and predetermined interest rate. As at 31 December 2025, considerations of above RSUs had not been fully paid by respective employees, including certain key management personnel, and contribution receivable of RMB12,460,000 was recognized by Hangzhou Xunlongren (Note 18).

Movements in the RSUs granted under the Restricted Share Incentive Plan are as below:

	Year ended December 31,					
	2023		2024		2025	
	Average subscription price per shares	Number of RSUs	Average subscription price per shares	Number of RSUs	Average subscription price per shares	Number of RSUs
	RMB	Thousand	RMB	Thousand	RMB	Thousand
As at beginning of year	—	—	8.60	2,307	8.60	2,307
Granted during the year	8.60	4,297	—	—	13.70	2,310
Vested during the year	8.60	(1,990)	—	—	13.70	(32)
As at year end	8.60	2,307	8.60	2,307	11.13	4,585

(a) The fair value of RSUs were valued by the third-party independent valuer using discounted cash flow method ("**DCF method**"). The DCF method involves applying appropriate discount rate, to discount the future cash flow forecast to present value. Key assumptions are set as below:

	As at October 30, 2023	As at September 4, 2025
Discount rate	10.30%	10.00%
Revenue growth rate	5.00%–15.90%	3.00%-15.05%
Gross profit before fair value change effects on biological assets	66.50%–67.40%	67.76%-68.00%

(b) Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense (Note 7) were as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
General and administrative expenses	39,624	6,347	10,630
Cost of sales	384	2,065	3,529
Selling and marketing expenses	255	1,528	2,705
Research and development expenses	22	131	1,079
	40,285	10,071	17,943

25 DIVIDENDS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Dividends declared	81,648	—	135,364
Dividend per share (RMB)	0.95	—	1.50

During the Track Record Period, the Company declared dividends of RMB81,648,000, nil, and RMB135,364,000 and paid dividends in cash of RMB92,984,000, RMB7,241,000, and RMB135,364,000 to shareholders of the Company during the years ended December 31, 2023, 2024 and 2025, respectively.

26 TRADE AND NOTES PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
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
	21,508	37,579	43,025
Notes payables (a)	68,004	70,200	90,308
	89,512	107,779	133,333

The carrying amounts of the Group's trade and notes payables are denominated in the following currencies:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	89,512	107,779	133,091
EUR	—	—	242
	89,512	107,779	133,333

Aging analysis of the trade and notes payables based on recognition at the respective balances sheet dates are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	88,225	107,259	125,172
Over 1 year	1,287	520	8,161
	89,512	107,779	133,333

(a) Notes payables

All notes payables are notes payable to third parties mainly for settlement of trade payables. As at December 31, 2023, 2024 and 2025, all notes payables had maturities of less than one year.

As at December 31, 2023, 2024 and 2025, notes payables amounting to approximately RMB68,004,000, RMB70,200,000 and RMB90,308,000 were guaranteed by Mr. Wang Bin, Ms. Liu Juan and Chunan Qiandao Lake Kalujia Technology Co., Ltd. ("**Chunan Kalujiaren**") (Note 34(b)(v)).

The carrying amounts of trade and notes payables are considered to be the same as their fair values, due to their short-term nature.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables			
— Payables for biological assets	3,266	11,787	17,511
— Payables for logistic expenses	782	1,308	1,000
— Payables for inventories	3,402	1,174	105
— Others	362	82	49
	7,812	14,351	18,665
Notes payables	68,004	70,200	90,308
	75,816	84,551	108,973

The carrying amounts of the Company's trade and notes payables are denominated in RMB.

Aging analysis of the trade and notes payables based on recognition at the respective balances sheet dates are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	75,662	84,497	101,617
Over 1 year	154	54	7,356
	75,816	84,551	108,973

27 ACCRUALS AND OTHER PAYABLES

Accruals and other payables primarily represent payables for purchase of property, plant and equipment employee benefits expense, accrued taxes other than income tax that are unpaid, and borrowings from a third party to be repaid at each reporting date. Accruals and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Amounts due to related parties *(Note 34(c)(iv))*	28,000	—	—
Payables for purchase of property, plant and equipment	34,969	37,402	33,573
Payroll and welfare benefit payables	26,599	27,680	30,883
Repurchase obligation under share-based payment arrangements *(Note 24)*	—	—	15,824
Accrued taxes other than income tax	1,198	2,841	5,264
Payable for **[REDACTED]**	—	—	[REDACTED]
Deposits	1,221	888	934
Others	7,128	10,015	19,427
Total current portion	99,115	78,826	109,223
Non-current			
Borrowings from a third party (i)	—	—	150,617
Others	7,410	6,490	5,570
	7,410	6,490	156,187

(i) In July 2025, Revitalisation Fund made capital contribution of RMB150,000,000 to Quzhou Sturgeon for subscription of its registered capital of RMB22,727,000, representing 20.55% equity interests in Quzhou Sturgeon. As disclosed in Note (4)(f), no non-controlling interests were recognised in connection with the capital contribution and a financial liability was recognised to reflect the Company's obligation to repurchase the equity interests held by Revitalisation Fund within a period ranging from 2 to 5 years, commencing 31 December 2025. The financial liability was recognised at the present value of the redemption amount determined by the principal amount plus interests. The Company makes best estimation that reflects the most likely situation of redemption and remeasures at each year end. The interest arising from the liability was recognized as finance income/(cost) – net in the consolidated statements of comprehensive income.

The carrying amounts of the Group's accruals and other payables are denominated in the following currencies:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	104,620	82,964	263,094
EUR	1,905	2,352	2,316
	106,525	85,316	265,410

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Repurchase obligation under share-based payment arrangements *(Note 24)*	—	—	15,824
Amounts due to related parties	28,000	—	—
Payroll and welfare benefit payables	11,879	11,174	12,179
Payable for **[REDACTED]**	—	—	[REDACTED]
Payables for purchase of property, plant and equipment	2,098	1,568	965
Accrued taxes other than income tax	141	229	241
Deposits	299	286	333
Others	2,039	925	1,913
Total current portion	44,456	14,182	34,773

The carrying amounts of the Company's accruals and other payables are denominated in the following currencies:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	44,278	14,182	34,773
EUR	178	—	—
	44,456	14,182	34,773

28 BORROWINGS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Borrowings included in non-current liabilities:			
Secured			
Long-term bank borrowings (a)	10,000	5,000	—
Guaranteed			
Long-term bank borrowings (b)	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 (c)	—	—	120,084
Guaranteed			
Short-term bank borrowings (d)	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

(a) Long-term borrowings of RMB10,000,000 and RMB5,000,000 as at December 31, 2023 and 2024 were secured by the biological assets with aggregate carrying amount of RMB109,659,000 and RMB124,847,000 at fair value, respectively. Mr. Wang Bin, Quzhou Sturgeon, Chunan Kalujiaren and Chunan Qiandao Lake Sturgeon Import and Export Co., Ltd. ("**Xunlong Import and Export**") were the guarantors of the long-term bank borrowings. The above secured bank borrowings bear interests at floating interest rates ranging from 3.15% to 3.50% per annum and the interests are paid monthly.

(b) As at December 31, 2023 and 2024, Mr. Wang Bin, Ms. Liu Juan, Quzhou Sturgeon, Chunan Kalujiaren were the guarantors of the Group's long-term bank borrowings of RMB35,250,000 and RMB10,000,000, respectively. The above guaranteed bank borrowings bear interests at floating interest rates ranging from 3.20% to 4.00% per annum and the interests are paid quarterly.

As at December 31, 2023, Mr. Wang Bin, Quzhou Sturgeon, Chunan Kalujiaren and Xunlong Import and Export, were the guarantors of the Group's long-term bank borrowings of RMB10,000,000. The above guaranteed bank borrowings bear interests at a floating interest rate of 3.50% per annum and the interests are paid monthly.

As at December 31, 2024, Mr. Wang Bin, Ms. Liu Juan, Chunan Kalujiaren and the Company, were the guarantors of the Group's long-term bank borrowings of RMB10,000,000. The above guaranteed bank borrowings bear interests at floating interest rates ranging from 2.85% to 3.20% per annum and the interests are paid quarterly.

As at December 31, 2025, Mr. Wang Bin, Ms. Liu Juan, Chunan Kalujiaren and Xunlong Import and Export were the guarantors of the Group's long-term bank borrowings of RMB67,550,000. The above guaranteed bank borrowings bear interests at floating interest rate of 2.40% per annum and the interests are paid quarterly.

As at December 31, 2025, Mr. Wang Bin, Ms. Liu Juan and Chunan Kalujiaren were the guarantors of the Group's long-term bank borrowings of RMB7,505,000. The above guaranteed bank borrowings bear interests at a floating interest rate of 2.50% per annum and the interests are paid quarterly.

As at December 31, 2025, the long-term bank borrowing of RMB12,460,200 was obtained by Hangzhou Xunlongren, an employee incentive platform established by the Group in September 2025 in connection with the Group's restricted share incentive plan. Part of the capital contribution to Hangzhou Xunlongren was funded by this long-term bank borrowing, which was, in substance, allocated to the relevant incentive employees, and the relevant incentive employees provided guarantees in respect of such borrowing, with the maximum guaranteed amount of each guarantor being limited to his/her **[REDACTED]** capital contribution. The above guaranteed bank borrowings bear interests at floating interest rates of 3.10% per annum and the interests are paid quarterly. Such guarantee are expected to remain in place before **[REDACTED]** and will be released upon full repayment of the relevant loan.

(c) As at December 31, 2025, the Group's short-term bank borrowings of RMB120,084,000 was secured by the biological asset with aggregate carrying amount of RMB244,006,000 and guaranteed by Mr. Wang Bin, Chunan Kalujiaren and Xunlong Import and Export. The above secured and guaranteed bank borrowings bear interests at a fixed interest rate of 2.30% per annum.

(d) As at December 31, 2023, Mr. Wang Bin, Quzhou Sturgeon and Chunan Kalujiaren were the guarantors of the Group's short-term bank borrowings of RMB10,876,000. Mr. Wang Bin, Ms. Liu Juan and Chunan Kalujiaren were the guarantors of the Group's short-term bank borrowings of RMB27,260,000.. The above guaranteed bank borrowings bear interests at fixed interest rates ranging from 2.7% to 2.8% per annum.

As at December 31, 2025, Mr. Wang Bin, Xunlong Import and Export and Chunan Kalujiaren were the guarantors of the Group's short-term bank borrowings of RMB25,018,000. The above guaranteed bank borrowings bear interests at a fixed interest rate of 2.30% per annum.

(e) Other disclosures

The Group's borrowings are all denominated in RMB.

The fair values of current and non-current borrowings approximate their carrying amount as the discounting impact is not significant.

For the years ended December 31, 2023, 2024 and 2025, the weighted average annual interest rate of long-term borrowings was 3.80%, 3.45% and 2.69%, respectively.

As at December 31, 2023, 2024 and 2025, borrowings amounting to approximately Nil, RMB10,000,000 and RMB12,460,000 contain covenants including, among others, certain financial measures regarding asset liability ratio. As at 31 December, 2023, 2024 and 2025, the Group is in compliance with all these covenants.

As at December 31, 2023, 2024 and 2025, the Group's borrowings were repayable as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	39,137	10,340	151,157
Between 1 and 2 years	7,999	13,660	11,246
Between 2 and 5 years	46,250	1,000	63,984
Over 5 years	—	—	6,230
	93,386	25,000	232,617

(f) Accounting policy for borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheets when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has a right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Borrowings included in non-current liabilities:			
Secured			
Long-term bank borrowings	10,000	5,000	—
Guaranteed			
Long-term bank borrowings	45,250	10,000	75,055
Less: current portion	(1,001)	(3,000)	(6,055)
Subtotal	44,249	7,000	69,000
Non-current portion	54,249	12,000	69,000
Borrowings included in current liabilities:			
Secured			
Short-term bank borrowings	—	—	120,084
Guaranteed			
Short-term bank borrowings	—	—	25,018
Current portion of long-term bank borrowings	1,001	3,000	6,055
Subtotal	1,001	3,000	31,073
Current portion	1,001	3,000	151,157

As at December 31, 2023, 2024 and 2025, the Company's borrowings were repayable as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	1,001	3,000	151,157
Between 1 and 2 years	16,057	6,000	10,000
Between 2 and 5 years	38,192	6,000	59,000
	55,250	15,000	220,157

29 DEFERRED INCOME

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants	30,823	48,104	51,777

The amounts represented subsidy granted by and received from local government authorities in the PRC. Relevant government grants related to assets which are subsidies for property, plant and equipment.

All of these subsidies from the local government have no other conditions to be fulfilled. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants	14,669	14,024	12,301

30 DEFERRED INCOME TAXES

The Group

(a) The analysis of deferred tax assets and deferred tax liabilities of the Group is as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Deferred income tax assets:			
— to be recovered within 1 year	17,481	20,099	24,194
— to be recovered more than 1 year	12,436	14,161	20,043
	29,917	34,260	44,237
Deferred income tax liabilities:			
— to be recovered within 1 year	113,287	107,894	127,465
— to be recovered more than 1 year	47,417	70,415	68,940
	160,704	178,309	196,405

(i) Deferred tax assets:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
The balance comprises temporary differences attribute to:			
— Unrealised profit	14,240	16,655	23,467
— Share based payment expense	6,190	7,824	10,955
— Lease liabilities	5,977	6,092	7,074
— Tax losses	1,206	1,048	1,756
— Loss allowances for trade and other receivables and inventories	1,963	2,053	985
— Accrued expenses	341	588	—
	29,917	34,260	44,237
Offset of deferred tax liabilities pursuant to set-off provisions	(28,320)	(32,674)	(43,246)
Net deferred tax assets	1,597	1,586	991

(ii) Deferred tax liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The balance comprises temporary differences attribute to:			
— Fair value change of biological assets	153,815	171,613	187,537
— Right-of-use assets	6,889	6,696	8,868
	160,704	178,309	196,405
Offset of deferred tax assets pursuant to set-off provisions	(28,320)	(32,674)	(43,246)
Net deferred tax liabilities	132,384	145,635	153,159

(b) The movement in deferred income tax assets for the Group during the Track Record Period is as follows:

	Loss allowances for trade and other receivables and Inventories	Fair value losses of financial instruments	Tax losses	Share based payment	Unrealised profit	Lease liabilities	Accrued expense	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	1,593	2,187	465	129	12,113	5,637	953	55	23,132
Credited/(charged) to the consolidated statements of comprehensive income	370	(2,187)	741	6,061	2,127	340	(612)	(55)	6,785
At December 31, 2023	1,963	—	1,206	6,190	14,240	5,977	341	—	29,917
At January 1, 2024	1,963	—	1,206	6,190	14,240	5,977	341	—	29,917
Credited/(charged) to the consolidated statements of comprehensive income	90	—	(158)	1,634	2,415	115	247	—	4,343
At December 31, 2024	2,053	—	1,048	7,824	16,655	6,092	588	—	34,260

	Loss allowances for trade and other receivables and Inventories	Tax losses	Share based payment	Unrealised profit	Lease liabilities	Accrued expense	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025	2,053	1,048	7,824	16,655	6,092	588	34,260
(Charged)/credited to the consolidated statements of comprehensive income	(1,068)	708	3,131	6,812	982	(588)	9,977
At December 31, 2025	985	1,756	10,955	23,467	7,074	—	44,237

(c) The movement in deferred income tax liabilities for the Group during the Track Record Period is as follows:

	Fair value change of biological assets	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2023	133,113	6,676	139,789
Charged to the consolidated statements of comprehensive income	20,702	213	20,915
At December 31, 2023	153,815	6,889	160,704
At January 1, 2024	153,815	6,889	160,704
Charged/(credited) to the consolidated statements of comprehensive income	17,798	(193)	17,605
At December 31, 2024	171,613	6,696	178,309
At January 1, 2025	171,613	6,696	178,309
Charged to the consolidated statements of comprehensive income	15,924	2,172	18,096
At December 31, 2025	187,537	8,868	196,405

The Company

(a) The analysis of deferred tax assets and deferred tax liabilities of the Company is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deferred income tax assets:			
— to be recovered within 1 year	526	918	1,341
— to be recovered more than 1 year	7,292	8,667	10,492
	7,818	9,585	11,833
Deferred income tax liabilities:			
— to be recovered within 1 year	8,400	6,198	4,465
— to be recovered more than 1 year	26,013	19,458	14,903
	34,413	25,656	19,368

(i) Deferred tax assets:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The balance comprises temporary differences attribute to:			
— Share based payment	6,089	7,114	8,813
— Lease liabilities	1,329	1,736	1,679
— Loss allowances for trade and other receivables	400	735	1,341
	7,818	9,585	11,833
Offset of deferred tax liabilities pursuant to set-off provisions	(7,818)	(9,585)	(11,833)
Net deferred tax assets	—	—	—

(ii) Deferred tax liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The balance comprises temporary differences attribute to:			
— Fair value change of biological assets	33,027	24,024	17,860
— Right-of-use assets	1,386	1,632	1,508
	34,413	25,656	19,368
Offset of deferred tax assets pursuant to set-off provisions	(7,818)	(9,585)	(11,833)
Net deferred tax liabilities	26,595	16,071	7,535

(b) The movement in deferred income tax assets for the Company during the Track Record Period is as follows:

	Lease liabilities	Loss allowances for trade and other receivables	Share based payment	Accrued expense	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	1,701	427	129	585	2,842
(Charged)/credited to the statements of comprehensive income	(372)	(27)	5,960	(585)	4,976
At December 31, 2023	1,329	400	6,089	—	7,818
At January 1, 2024	1,329	400	6,089	—	7,818
Credited to the statements of comprehensive income	407	335	1,025	—	1,767
At December 31, 2024	1,736	735	7,114	—	9,585
At January 1, 2025	1,736	735	7,114	—	9,585
(Charged)/credited to the statements of comprehensive income	(57)	606	1,699	—	2,248
At December 31, 2025	1,679	1,341	8,813	—	11,833

(c) The movement in deferred income tax liabilities for the Company during the Track Record Period is as follows:

	Fair value change of biological assets	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2023	42,730	1,779	44,509
Credited to the statements of comprehensive income	(9,703)	(393)	(10,096)
At December 31, 2023	33,027	1,386	34,413
At January 1, 2024	33,027	1,386	34,413
(Credited)/charged to the statements of comprehensive income	(9,003)	246	(8,757)
At December 31, 2024	24,024	1,632	25,656
At January 1, 2025	24,024	1,632	25,656
Credited to the statements of comprehensive income	(6,164)	(124)	(6,288)
At December 31, 2025	17,860	1,508	19,368

31 CASH FLOWS INFORMATION

(a) Reconciliation of profit before income tax to net cash generated from operations

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before income tax	331,834	397,599	434,430
Adjustments for:			
— Depreciation charges of property and equipment *(Note 6)*	22,583	27,557	32,609
— Depreciation charges of right-of-use assets *(Note 6)*	2,794	3,267	3,246
— Amortisation of intangible assets *(Note 6)*	305	504	1,881
— Losses on disposal of property, plant and equipment *(Note 9)*	2,949	257	136
— Gains on termination of right-of-use assets *(Note 9)*	(470)	—	—
— Impairment losses/(gains) on financial assets *(Note 3.1(b))*	569	1,878	(1,828)
— Impairment (reversals)/losses of impairment on inventory	(90)	1	160
— Fair value losses on derivative financial instruments *(Note 9)*	1,987	—	—
— Fair value gains from wealth management products *(Note 3.3)*	(340)	(333)	(1,575)
— Share-based compensation expenses *(Note 24)*	40,285	10,071	17,943
— Finance costs/(income) — net	4,013	(2,333)	(6,795)
— Gains of exchange rate changes on cash and cash equivalents	(374)	(6,390)	(5,158)
— Fair value effect transferred to cost of sales	396,867	463,203	512,373
— Fair value changes on biological assets	(455,372)	(509,799)	(554,119)
Operating cash flows before changes in working capital	347,540	385,482	433,303
Changes in working capital:			
— (Increase)/decrease in restricted cash	(5,264)	3,141	1,510
— (Increase)/decrease in trade receivables	(14,507)	(10,386)	25,319
— (Increase)/decrease in prepayments, other receivables and other current assets	(7,212)	(3,123)	4,403
— (Increase)/decrease in inventories	(553)	6,886	(15,179)
— Increase in biological assets	(47,445)	(117,650)	(153,507)
— Increase in trade and notes payables	18,312	18,267	25,554
— Increase in accruals and other payables	6,180	4,380	11,056
— Increase/(decrease) in contract liabilities	1,637	8,413	(595)
Cash generated from operations	298,688	295,410	331,864

(b) Non-cash investing and financing activities

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Decrease in lease liabilities due to terminations	2,379	—	—
Increase in right-of-use assets and corresponding lease liabilities	4,121	2,726	11,250

(c) Net debt/cash reconciliation

Set out below is an analysis of net debt/cash and the movements in asset for each of the years presented.

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	207,990	303,633	783,613
Lease liabilities	(27,452)	(29,000)	(32,419)
Borrowings (including interests payables recorded in accruals and other payables)	(93,447)	(25,025)	(232,617)
Payable to a third party (included in accruals and other payables)	(8,330)	(8,330)	(158,947)
Dividend payable	(7,241)	—	—
Net cash	71,520	241,278	359,630
Cash and cash equivalents	207,990	303,633	783,613
Gross debt — fixed interest rates	(81,220)	(37,355)	(336,468)
Gross debt — variable interest rates	(55,250)	(25,000)	(87,515)
Net cash	71,520	241,278	359,630

	Liabilities arising from financing activities					Other assets	
	Lease liabilities	Borrowings (including interests payables recorded in accruals and other payables)	Payable to third parties	Dividend payable	Subtotal	Cash and cash equivalents	Net asset
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2023	(27,090)	(133,851)	(7,250)	(18,577)	(186,768)	122,067	(64,701)
Cash flows from financing activities	2,622	44,642	(1,080)	97,884	144,068	85,549	229,617
Additions	(4,122)	—	—	(86,548)	(90,670)	—	(90,670)
Accrual interest	(1,241)	(4,238)	—	—	(5,479)	—	(5,479)
Exchange gains cash and cash equivalents	—	—	—	—	—	374	374
Other changes	2,379	—	—	—	2,379	—	2,379
Balance at December 31, 2023	(27,452)	(93,447)	(8,330)	(7,241)	(136,470)	207,990	71,520

	Liabilities arising from financing activities					Other assets	
	Lease liabilities	Borrowings (including interests payables recorded in accruals and other payables)	Payable to third parties	Dividend payable	Subtotal	Cash and cash equivalents	Net asset
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2024	(27,452)	(93,447)	(8,330)	(7,241)	(136,470)	207,990	71,520
Cash flows from financing activities	2,477	71,078	—	7,241	80,796	89,253	170,049
Additions	(2,726)	—	—	—	(2,726)	—	(2,726)
Accrual interest	(1,299)	(2,656)	—	—	(3,955)	—	(3,955)
Exchange gains on cash and cash equivalents	—	—	—	—	—	6,390	6,390
Balance at December 31, 2024	(29,000)	(25,025)	(8,330)	—	(62,355)	303,633	241,278
Balance at January 1, 2025	(29,000)	(25,025)	(8,330)	—	(62,355)	303,633	241,278
Cash flows from financing activities	9,170	(204,446)	(150,000)	137,814	(207,462)	474,822	267,360
Additions	(11,250)	—	—	(137,814)	(149,064)	—	(149,064)
Accrual interest	(1,339)	(3,146)	(617)	—	(5,102)	—	(5,102)
Exchange gains on cash and cash equivalents	—	—	—	—	—	5,158	5,158
Balance at December 31, 2025	(32,419)	(232,617)	(158,947)	—	(423,983)	783,613	359,630

32 COMMITMENTS

(a) Capital commitments

Significant capital expenditure contracted for at the end of the Track Record Period but not recognised as liabilities is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment	24,548	4,985	37,855
Intangible assets	370	—	507
	24,918	4,985	38,362

(b) Non-cancellable operating leases

The Group leases office buildings under non-cancellable operating leases. As at December 31, 2023, 2024 and 2025, lease commitments for the Group for leases not yet commenced or short-term leases are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Within 1 year	500	—	162

33 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Current			
Biological Assets *(Note 20)*	109,659	124,847	244,006

34 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are under control or joint control by the same party. Members of key management of the Group and their close family members are also considered as related parties.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business for the years ended December 31, 2023, 2024 and 2025, respectively.

(a) Name and relationship with related parties

Name of related party	Nature of relationship
Mr. Wang Bin	Chairman of the Group and executive director
Ms. Liu Juan	Spouse of the chairman
Xin Xi'ao Elevator Group Co., Ltd.	Controlled by shareholder
Bai Da Group Co., Ltd.	Controlled by shareholder
Xizi Elevator Technology Co., Ltd.	Controlled by shareholder
Xizi International Holdings Co., Ltd.	Controlled by shareholder
Hangzhou Xi'ao Elevator Co., Ltd.	Controlled by shareholder
Zhejiang Sujie Elevator Co., Ltd.	Controlled by shareholder
Hangzhou Lin'an Xizi Real Estate Development Co., Ltd.	Controlled by shareholder
Zhejiang Xin Xi'ao Asset Management Co., Ltd.	Controlled by shareholder
Mr. Zhao Guangming	Non-controlling interests of a subsidiary
Ms. Yu Min	Non-controlling interests of a subsidiary
Ms. Wang Jingjing	Non-controlling interests of a subsidiary
Chunan Kalujiaren	A single largest shareholder controlled by Mr. Wang Bin
Mr. Xia Yongtao	Executive director
Mr. Han Lei	Executive director

(b) Transactions with related parties

Trade nature

(i) *Lease from related parties*

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Mr. Wang Bin	95	95	95

(ii) *Purchase of services*

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Xin Xi'ao Elevator Group Co., Ltd.	291	142	145

(iii) *Sales of goods*

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Xin Xi'ao Elevator Group Co., Ltd.	—	25	78
Hangzhou Lin'an Xizi Real Estate Development Co., Ltd.	—	21	46
Mr. Zhao Guangming	17	95	37
Bai Da Group Co., Ltd.	20	12	30
Hangzhou Xi'ao Elevator Co., Ltd.	20	15	14
Xizi Elevator Technology Co., Ltd.	65	63	4
Zhejiang Xin Xi'ao Asset Management Co., Ltd.	4	—	—
Zhejiang Sujie Elevator Co., Ltd.	9	—	—
Xizi International Holdings Co., Ltd.	3	—	—
	138	231	209

Non-trade nature

(iv) *Acquisition of non-controlling interests*

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Ms. Yu Min	40,667	—	—
Ms. Wang Jingjing	20,333	—	—
	61,000	—	—

(v) *Outstanding amounts of guarantee provided by related parties*

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mr. Wang Bin	162,225	95,666	310,943
Chunan Kalujiaren	161,754	95,200	310,466
Ms. Liu Juan	108,225	48,666	75,527
Mr. Han Lei	—	—	2,466

The above guarantees included guarantees for borrowings, notes payables and performance bonds had been released before May 20, 2026, except for the guarantee provided by Mr. Han Lei for his allocated portion of the borrowing obtained by Hangzhou Xunlongren as one of the incentive employees in connection with the Group's restricted share incentive plan (Note 28(b)). The guarantee provided by Mr. Han Lei is expected to remain in place before **[REDACTED]** and to be released upon the repayment of the relevant borrowing.

(vi) *Proceeds from issuance of ordinary shares*

	Year ended December 31		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mr. Xia Yongtao	—	—	4,110
Mr. Han Lei	—	—	1,644
Mr. Wang Bin	—	—	438
	—	—	6,192

(c) Balances with related parties

Trade nature

(i) *Account receivables*

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mr. Zhao Guangming	—	107	—

(ii) *Contract liability*

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Xizi Elevator Technology Co., Ltd.	61	70	70
Bai Da Group Co., Ltd.	3	3	3
Mr. Zhao Guangming	—	—	1
	64	73	74

Non-trade nature

(iii) *Other receivables – Contribution receivable of employee incentive platform*

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mr. Han Lei	—	—	2,466

The other receivable from Mr. Han Lei represented capital contribution receivable of employee incentive platform, which is expected to remain in place before **[REDACTED]** and will be settled upon the repayment of the long-term borrowing obtained by Hangzhou Xunlongren (Note 28(b)).

(iv) *Accruals and other payables — Payables for acquisition of non-controlling interests*

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Ms. Yu Min	18,667	—	—
Ms. Wang Jingjing	9,333	—	—
	28,000	—	—

(d) Key management compensation

Key management includes directors and senior management. Save as disclosed in Note 24, and apart from the directors' emoluments disclosed in Note 7(c), the compensation paid or payable to key management for employee services is shown below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Share-based compensation expenses	327	1,964	2,594
Wages, salaries and bonuses	1,520	1,596	3,726
Pension, social security costs and housing benefits	134	136	188
	1,981	3,696	6,508

The remuneration of key management personnel is determined by the directors of the Company having regard to the performance of individuals and market trends.

35 AMOUNTS DUE FROM/TO SUBSIDIARIES — THE COMPANY

As at December 31, 2023, 2024 and 2025, the amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

36 SUBSIDIARIES

The following is a list of the subsidiaries of the Group as at December 31, 2023, 2024 and 2025:

			Attributable equity interest of the Group						
			As at December 31,						
Company Name	Place and date of incorporation	Registered/ Paid-in capital	2023	2024	2025	As at the date of this report	Direct or indirect	Principal activities and place of operation	Note
Quzhou Xunlong Aquatic Food Technology Development Co., Ltd.("**Quzhou Sturgeon**")* . . .	The PRC, September 11, 2009	RMB110,606,061/ RMB110,606,061	100%	100%	100%	100%	Direct	Food production and sales, aquaculture, the PRC.	(i)
Chunan Qiandao Lake Sturgeon Import and Export Co., Ltd. ("**Xunlong Import and Export**")*	The PRC, May 30, 2008	RMB20,000,000/ RMB20,000,000	100%	100%	100%	100%	Direct	Import and export, sales of pre-packaged food, the PRC.	(i)
Shandong Xunlong Fishing Technology Development Co., Ltd.*	The PRC, May 17, 2011	RMB10,000,000/ RMB10,000,000	70%	70%	70%	70%	Direct	Aquaculture, the PRC.	(iii)
Jiangxi Ruoxi Ecological Agriculture Co., Ltd.*	The PRC, April 3, 2008	RMB20,000,000/ RMB20,000,000	100%	100%	100%	100%	Direct	Aquaculture, food production and sales, the PRC.	(iii)
Hubei Qiandao Lake Xunlong Technology Development Co., Ltd.*	The PRC, June 18, 2013	RMB40,000,000/ RMB40,000,000	51%	51%	51%	51%	Direct	Technical development in fisheries, consultation, the PRC.	(iii)
Beijing Qiandao Xunyu Technology Development Co., Ltd.*	The PRC, April 11, 2005	RMB300,000/ RMB300,000	100%	100%	100%	100%	Direct	Technical services and development, the PRC.	(iii)
Liaoning Xunlong Technology Development Co., Ltd.*	The PRC, April 30, 2020	RMB20,000,000/ RMB20,000,000	100%	100%	100%	100%	Direct	Sturgeon aquaculture, the PRC	(iii)
Sichuan Kalujia Technology Development Co., Ltd.*	The PRC, December 9, 2021	RMB50,000,000/ RMB50,000,000	100%	100%	100%	100%	Direct	Sturgeon aquaculture, the PRC	(ii)
Hubei Kalujia Technology Development Co., Ltd.*	The PRC, 14 February 2022	RMB50,000,000/ RMB43,096,292	100%	100%	100%	100%	Direct	Aquaculture, the PRC.	(iii)
Sichuan Kalujia Food Co., Ltd.*	The PRC, 27 February 2024	RMB20,000,000/ RMB10,002,000	NA	100%	100%	100%	Indirect	Aquaculture, food production and sales, the PRC.	(iii)
Quzhou Kecheng Kalujia Catering Management Co., Ltd.*	The PRC, October 31, 2024	RMB100,000/ RMB100,000	NA	100%	100%	100%	Indirect	Aquaculture, food production and sales, the PRC.	(iii)
Hubei Kalujia Food Co., Ltd.* . . .	The PRC, June 12, 2025	RMB5,000,000/Nil	NA	NA	80%	80%	Direct	Food production and sales, the PRC.	(iii)
Quzhou Kalujia Import and Export Co., Ltd.*	The PRC, February 8, 2025	RMB10,000,000/ RMB1,000	NA	NA	100%	100%	Indirect	Import and export, sales of pre-packaged food, the PRC.	(iii)
Sichuan Kalujia Import and Export Trading Co., Ltd.*	The PRC, June 24, 2025	RMB10,000,000/ RMB100,000	NA	NA	100%	100%	Indirect	Import and export, sales of pre-packaged food, the PRC.	(iii)
Sichuan Kalujia Aquaculture Co., Ltd.*	The PRC, June 24, 2025	RMB20,000,000/ RMB16,080,000	NA	NA	51%	51%	Indirect	Aquaculture, the PRC.	(iii)
Quzhou Kalujia Aquatic Technology Development Co., Ltd.*	The PRC, 23 September 2025	RMB50,000,000/ RMB49,000,000	NA	NA	100%	100%	Indirect	Aquaculture, the PRC.	(iii)
Jiangxi Xunlong Import and Export Co., Ltd.*	The PRC, 22 September 2025	RMB5,000,000/Nil	NA	NA	100%	100%	Indirect	Import and export, sales of pre-packaged food, the PRC.	(iii)

Company Name	Place and date of incorporation	Registered/ Paid-in capital	Attributable equity interest of the Group — As at December 31, 2023	2024	2025	As at the date of this report	Direct or indirect	Principal activities and place of operation	Note
Jiangxi Xunlong Food Co., Ltd.*	The PRC, 22 September 2025	RMB5,000,000/Nil	NA	NA	100%	100%	Indirect	Food production and sales, the PRC.	(iii)
Hong Kong Red Apple International Development Limited ("**Hong Kong Red Apple**")	Hongkong, 12 November 2025	USD95,000/Nil	NA	NA	100%	100%	Direct	Import and export, sales of pre-packaged food, Hongkong.	(iv)
Hangzhou Qiandao Lake Sturgeon Human Enterprise Management Consulting Partnership (Limited Partnership) ("**Hangzhou Xunlongren**")*	The PRC, 4 September 2025	RMB31,647,000/ RMB31,647,000	NA	NA	100%	100%	Direct	Business management consulting, the PRC.	(iii)

* The English name of the subsidiaries represents the best effort by management of the Group in translating their Chinese names as they do not have an official English name.

(i) The statutory financial statements of these subsidiaries of the Company for the years ended December 31, 2023 and 2024 were audited by Zhejiang Zhongruihua Certified Public Accountants Co., Ltd. (浙江中瑞華會計師事務所有限公司). Up to the date of this report, the audited financial statements of these companies for the years ended December 31, 2025 have not been issued.

(ii) The statutory financial statements of this subsidiary of the Company for the year ended December 31, 2023 were audited by Zhejiang Zhongruihua Certified Public Accountants Co., Ltd. (浙江中瑞華會計師事務所有限公司). No statutory audited financial statements were issued for this subsidiary as it is not required to issue audited financial statements under the statutory requirement of its respective place of incorporation for the year ended December 31, 2024 and 2025.

(iii) No statutory audited financial statements were issued for these subsidiaries as they are either newly incorporated or not required to issue audited financial statements under the statutory requirements of their respective place of incorporation.

(iv) Up to the date of this report, the audited financial statements of this company for the years ended 31 December 2025 have not been issued.

The analysis of investments in subsidiaries of the Group is as follows:

	As at December 31, 2023	2024	2025
	RMB'000	RMB'000	RMB'000
Direct investments	265,204	271,544	535,796
Deemed investment arising from share-based compensation expenses (i)	553	3,794	10,407
	265,757	275,338	546,203
Less: provision for impairment	(7,000)	(7,000)	(7,000)
	258,757	268,338	539,203

(i) The amounts represent the equity-settled share-based payments in respect of the respective RSUs granted by the Company to qualifying participants of the specified subsidiaries for employees' services rendered to the respective subsidiaries under the Company's employee option plan as disclosed in Note 24. Since the subsidiaries have no obligation to reimburse such expense, the amounts are treated as deemed capital contribution by the Company to the subsidiaries and included in the Company's cost of investments in subsidiaries.

37 SUMMARY OF OTHER ACCOUNTING POLICIES

This note provides other accounting policies adopted in the preparation of the Historical Financial Information to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

37.1 Principles of consolidation and equity accounting

37.1.1 *Subsidiaries*

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations except for the business combinations under common control.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, statements of changes in deficit and balance sheets respectively.

37.1.2 *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

37.1.3 *Separate financial statements*

Investment in the subsidiary is accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiary are accounted for by the Group on the basis of dividend received and receivable.

Impairment testing of the investment in the subsidiary is required upon receiving a dividend from the investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the Historical Financial Information of the investee's net assets including goodwill.

37.2 Foreign currency translation

37.2.1 ***Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The subsidiaries incorporated in the PRC and the Company considered RMB as their functional currency. As the major operations of the Group are within the PRC, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

37.2.2 ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other (losses)/gains — net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

37.3 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

37.4 Investments and other financial assets

37.4.1 ***Classification***

The Group classifies its financial assets in the following measurement categories:

(i) Those to be measured subsequently at fair value (either through other comprehensive income ("**OCI**"), or through profit or loss), and

(ii) Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("**FVOCI**").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

37.4.2 ***Recognition and derecognition***

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

37.4.3 ***Measurement***

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as separate line item in the consolidated statements of comprehensive income.

(ii) FVOCI: Assets that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "Other (losses)/gains — net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other (losses)/gains — net". Impairment losses are presented as separate line item in the consolidated statements of comprehensive income.

(iii) FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statements of comprehensive income within "Other (losses)/gains — net" in the period in which it arises.

During the Track Record Period, no amount is recognised in respect of financial assets at FVOCI.

37.4.4 ***Impairment of financial assets***

Save as disclosed in Note 3.1(b), the Group assesses the expected credit losses ("**ECL**") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

At each reporting date, the Group shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

37.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheets where the Group currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

37.6 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 17 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

37.7 Trade and notes payables

Trade and notes payables mainly represent the obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and notes payables are presented as current liabilities unless payment is not due within one year or less after the reporting period.

Trade and notes payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

37.8 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) ***Current income tax***

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) ***Deferred income tax***

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current income tax assets and income tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

37.9 Employee benefits

(a) ***Employee social security plans, housing funds, medical insurances and other social insurances obligations***

Employees of the Group are covered by various government-sponsored social security plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred.

Employees of the Group are entitled to participate in various government supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period. Contributions to these plans are expensed as incurred.

(b) ***Short-term obligations***

Liabilities for salaries and bonuses, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations and reflected in "Accruals and other payables" in the balance sheets.

(c) ***Share-based payments***

The accounting policy for share-based payments is disclosed in Note 24.

(d) ***Termination benefits***

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

37.10 Leases

(a) ***Definition of a lease and the Group as a lessee***

The Group leases agricultural water area, leased agricultural land and buildings in the PRC as lessee. Rental contracts are typically made for fixed periods of 2 to 50 years. The validity period of the land use rights certificate is 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implied in the lease, if that rate can be determined, or the respective incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are subject to impairment (Note 37.3). Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months.

Modification of lease

A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of exercise of a purchase option. The corresponding adjustment is made to the related right-of-use assets.

37.11 Interest income

Income from FVTPL and financial liabilities at fair value through profit or loss is included in the net fair value gains/(losses) on these assets in "Other (losses)/gains — net" (Note 9).

Interest income is presented as "Finance income" where it is earned from financial assets that are held for cash management purposes, see Note 10 above.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

37.12 Dividend distribution

Dividend distribution to the equity holders is recognised as a liability in the Group's consolidated financial statements during the period in which the dividends are approved by the equity holders or directors, where appropriate.

38 SUBSEQUENT EVENTS

In April 2026, as approved by Shareholders' general meeting held on April 7, 2026, the Company declared and paid a dividend of RMB138.8 million to existing Shareholders.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of the companies now comprising the Group in respect of any period after December 31, 2025 and up to the date of this report.