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Post Hearing Information Pack of

Hangzhou Qiandaohu Xunlong Sci-tech Co., Ltd.

杭州千島湖鱗龍科技股份有限公司

(the “Company”)

(A joint stock company incorporated in the People’s Republic of China with limited liability)

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KALUGA QUEEN

卡露伽

Hangzhou Qiandaohu Xunlong Sci-tech Co., Ltd.

杭州千島湖鱗龍科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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[REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
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[REDACTED] : HK\$[REDACTED] per H Share, plus
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EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

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[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Document before you decide to [REDACTED] in the [REDACTED].

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OVERVIEW

Who We Are

We are the world’s largest caviar company. According to CIC, we ranked first in the global caviar market by sales volume for 11 consecutive years since 2015. Our caviar sales volume accounted for over 30% of the global caviar market from 2021 to 2025, reaching 36.1% in 2025, which was more than four times that of the second largest player. Leveraging over 20 years of industry experience and development, we have built an integrated sturgeon and caviar value chain encompassing sturgeon breeding and aquaculture, caviar processing, and sales and marketing. We have established an international caviar brand *KALUGA QUEEN* (卡露伽). Driven by continuous technological advancement, we are committed to delivering premium caviar products to consumers worldwide.

Caviar, known for its rarity, distinctive flavor and rich cultural heritage, is widely recognized as a fine food worldwide. According to the Codex Alimentarius Commission (CAC), caviar refers exclusively to the roe obtained from mature female sturgeon, which is processed and lightly salted for preservation. In response to the global depletion of wild sturgeon resources, we developed key capabilities in sturgeon genetic breeding and aquaculture, and pioneered sturgeon aquaculture and caviar exportation in China. We have been actively involved in the development of China’s sturgeon industry, from inception to a comprehensive value chain covering aquaculture and processing, and have contributed to the formulation of industry standards.

Our Products and Brand

Our core product is caviar. We primarily sell caviar products to corporate customers worldwide. We have also expanded our product portfolio to include sturgeon products and other caviar-based offerings. Our customers mainly comprise overseas caviar houses and fine food companies, and restaurants, hotels and supermarkets in China. As of the Latest Practicable Date, our products were sold to 46 countries and regions across Europe, America and Asia-Pacific.

Our own brand *KALUGA QUEEN* (卡露伽) established an international presence and is recognized by a wide range of customers. In addition to our sales to overseas caviar houses and fine food companies, our caviar products are also served in the first-class cabins of major international airlines and fine dining establishments worldwide. They have been featured at the Academy Awards banquet, underscoring their exceptional quality and unique standing. For details, see “Business — Overview — Our Products and Brand”.

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

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

Notes:

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

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

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
United States	147,175	25.5	180,883	27.0	215,509	28.0
China	134,645	23.3	133,329	19.9	124,509	16.2
Germany	50,758	8.8	71,032	10.6	91,097	11.8
France	64,459	11.2	60,829	9.1	69,838	9.1
Russia	43,897	7.6	60,401	9.0	68,536	8.9
Belgium	23,543	4.1	40,258	6.0	46,896	6.1
Others ⁽¹⁾	112,764	19.5	122,561	18.4	152,621	19.9
Total	577,241	100.0	669,293	100.0	769,006	100.0

Note:

- (1) “Others” refers to sales made to a range of overseas markets, each of which individually accounted for less than 5.0% of our total sales in each year during the Track Record Period. These markets include, among others, Japan, the UAE, the United Kingdom, Singapore, Azerbaijan, Canada and Spain.

SUMMARY

The following table sets forth the breakdowns by product category of the sales volume and average selling price of our products for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	Kilogram	RMB/Kilogram	Kilogram	RMB/Kilogram	Kilogram	RMB/Kilogram
Caviar:	219,926	2,379	258,260	2,379	291,461	2,396
Hybrid sturgeon caviar	71,253	2,248	80,436	2,385	87,506	2,496
Russian sturgeon caviar	123,567	2,206	154,725	2,189	188,221	2,196
Kaluga caviar	13,738	3,740	13,426	3,658	8,999 ⁽¹⁾	3,664
Beluga caviar ⁽²⁾	2,390	7,368	2,125	7,295	2,980	7,486
Amur sturgeon caviar	4,868	2,564	4,603	2,866	2,703 ⁽¹⁾	3,283
Siberian sturgeon caviar	1,761	2,944	1,650	2,309	941 ⁽¹⁾	2,332
Other caviar ⁽⁴⁾	2,349	1,566	1,295	1,719	111 ⁽¹⁾	3,246 ⁽³⁾
Sturgeon products:	1,454,334	33	1,685,178	31	2,230,883	29
Sturgeon meat	1,063,443	32	1,092,592	35	1,458,505	35
Processed sturgeon products	390,891	34	592,586	22	772,378	18
Others⁽⁵⁾	271,465	25	333,916	10	480,992	10
Total	1,945,725	297	2,277,354	294	3,003,336	256

Notes:

- (1) The decrease in sales volume of such caviar products in 2025 was primarily attributable to adjustments in our product mix and capacity allocation, as well as changes in customer demand patterns. In particular, we continued to prioritize Russian sturgeon caviar and hybrid sturgeon caviar as our core products. During 2023 and 2024, as the production capacity and supply of Russian sturgeon caviar and hybrid sturgeon caviar were insufficient to meet customer demand, we promoted other caviar varieties, including Kaluga caviar, Amur sturgeon caviar and Siberian sturgeon caviar, to customers as alternative product offerings, with the relevant sturgeon species clearly identified to customers. In 2025, as the production volume and supply of Russian sturgeon caviar and hybrid sturgeon caviar recovered and became better aligned with market demand, we adjusted our supply strategy by reallocating capacity and sales efforts towards our core products. According to CIC, it is common in the industry for certain players to adopt similar strategic optimizations and capacity allocation adjustments to increase sales of core caviar products while reducing sales of non-core products. As a result, sales of other non-core varieties correspondingly declined. The fluctuation thus primarily reflected our internal operational and product strategy adjustments.
- (2) The average selling price of Beluga caviar was generally higher than that of other caviar products during the Track Record Period, primarily due to its substantially longer farming cycle, limited supply and premium quality. Beluga sturgeon requires a significantly longer maturation period (20 years in average) before roe extraction compared to other species, resulting in higher production costs and naturally constrained output. In addition, Beluga caviar is widely recognized as a premium product within the caviar market, which supports a higher market price.
- (3) The increase in the average selling price of other caviar in 2025 was primarily due to a change in product mix, as we strengthened grading and processing controls and, as a result, other caviar comprised entirely higher-priced Sevruga caviar in 2025, compared with prior years when the category included certain lower-priced products.
- (4) “Other caviar” consists of caviar of several additional sturgeon species.
- (5) “Others” mainly represents (i) sales of live sturgeons and (ii) sales of other caviar-based products.

We engaged in self-operated sturgeon aquaculture, breeding and farming activities conducted at our wholly self-managed aquaculture bases. For details, see “Business — Our Production”.

According to CIC, the global caviar industry does not have a uniform grading system and the product quality is generally assessed based on factors such as sturgeon species, processing methods and the egg size, color and texture of the roe. The strengths of our products lie in our standardized and ecological aquaculture practices and stringent processing workflow. For our sturgeon resources,

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according to CIC, we maintain the world’s largest and most diverse sturgeon broodstock reserve in terms of scale and species variety, and we are among the few caviar producers who can provide caviar from six major sturgeon species. Our self-owned aquaculture bases and standardized processing workflows reduce external sourcing risks and enhance quality stability. For processing methods, our caviar processing combines traditional craftsmanship with modern processing technologies to process roes within its optimal window and preserve rich flavor profiles. Key quality indicators of our products, such as caviar shape, egg size and freshness, are maintained at a high level, reinforcing our quality positioning in the industry. For product safety, in addition to complying with international food safety standards, including ISO 22000 and HACCP, we have also obtained the globally recognized certifications, such as BRC Global Standard for Food Safety and IFS Food Standard, which involve comprehensive assessments of production, quality control and traceability. In addition, we are the only caviar producer in China that has obtained Friend of the Sea (FOS) certification, according to CIC. Leveraging our scaled aquaculture operations and consistent product quality, we are able to adopt a pricing model that combines cost efficiency with premium positioning. The pricing of our products is benchmarked against leading international brands, and both the export prices and retail prices of our caviar products are above the industry average, according to CIC. For details of the price range of our products, see “Business — Our Brands and Products — Core Product: Caviar.”

Our Market Opportunities

Caviar production historically depended on wild sturgeon. According to the Food and Agriculture Organization of the United Nations (FAO), wild caviar output peaked at 1,988 tons in 1977 but declined sharply to 280 tons by 1997 due to resource depletion and conservation efforts. By 2010, CITES had imposed a global ban on the international trade of wild sturgeon products, followed by legislation in the European Union and the United States prohibiting the sale of wild caviar, removing it from global supply. Since the 1980s, the emergence of sturgeon aquaculture has enabled aquaculture caviar to gradually replace wild-sourced supply, driving sustained growth in both global production and consumption. According to CIC, the global caviar sales increased from 389.6 tons in 2020 to 808.4 tons in 2025, representing a CAGR of 15.7%. There remains significant potential for growth as compared with historical peak levels. As the leader in the global caviar industry, we are well positioned to capture substantial market opportunities.

Caviar consumption has shown an upward trend in recent years across all regional markets. China has witnessed rapid development of its caviar market, with estimated consumption volume growing at a CAGR of 19.5% from 2025 to 2030, and its market size is expected to reach 181.3 tons in 2030. The market size of traditional markets such as Europe and the U.S. is expected to maintain a CAGR of over 8.0% from 2025 to 2030. In addition, other overseas markets including the Middle East, other areas in Asia such as Japan and Singapore, and South America are also experiencing accelerated growth, with caviar consumption volume expected to reach 303.3 tons in 2030, at a CAGR of 13.5% from 2025 to 2030. The global caviar consumption is expected to reach 1,343.9 tons in 2030, at a CAGR of 10.7% from 2025 to 2030. The farming cycle for sturgeons, from juveniles to female mature fish suitable for caviar production, typically requires seven to 15 years, depending on the sturgeon species. Given the long farming cycle and slow growth rate of sturgeon, global caviar demand is expected to outpace supply, resulting in a sustained structural undersupply over the medium to long term. As an industry leader, we benefit from a sizable addressable market and strong growth potential, providing a solid foundation for the continued growth and long-term success of our business.

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Our Financial Performance

We have achieved industry-leading performance in both revenue growth and profitability and recorded a stable cash flow position during the Track Record Period. Our revenue increased from RMB577.2 million in 2023 to RMB769.0 million in 2025, representing a CAGR of 15.4%. We have also recorded ongoing improvements in profitability and operational efficiency. Our net profit increased from RMB272.9 million in 2023 to RMB365.0 million in 2025, representing a CAGR of 15.7%. Meanwhile, our net profit margin remained above 47% throughout the Track Record Period. Our net cash generated from operating activities increased from RMB259.8 million in 2023 to RMB270.3 million in 2025. Our EBITDA (non-IFRS measure) increased from RMB393.8 million in 2023 to RMB515.2 million in 2025, representing a CAGR of 14.4%. We value the long-term trust of our shareholders and are committed to consistently creating value for them. During the Track Record Period, we paid an aggregate of RMB217.0 million in dividends, representing 22.6% of our aggregate net profit for the same period.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have driven our success and enabled us to seize market opportunities and achieve sustainable growth: (i) World’s Largest Caviar Company with Integrated Operations; (ii) Leading Player in the Caviar Industry with Extensive Sturgeon Resources and Distinctive Ecological Advantages; (iii) Proprietary Technologies with Industry-Leading Capabilities, Receiving Multiple Accolades Including the Second Prize of the State Scientific and Technological Progress Award; (iv) Diversified Sales Channels to Capture Global Market Opportunities; (v) Extensive Consumer Reach Through a Diversified Product Portfolio and Innovative Marketing Strategies; (vi) Experienced Management Team with Global Vision and Entrepreneurial Mindset, Supported by a Collaborative and Inclusive Corporate Culture; and (vii) Sustainable and Environment Friendly Aquaculture Model.

OUR STRATEGIES

We drive the development of our business through the following strategies: (i) Accelerate Global Channel Expansion and Brand Enhancement to Broaden Consumer Reach; (ii) Expand and Optimize Global Production Capacity to Enhance Supply Chain Efficiency; (iii) Increase Investment in Technology to Drive Full-Chain Innovation and Solidify Industry Leadership; (iv) Increase R&D Investment to Accelerate Product Portfolio Expansion; and (v) Consistently Attract, Develop and Retain Top Talent.

SALES AND MARKETING

During the Track Record Period, the majority of our products were sold to overseas markets. We have established long-term and in-depth relationships with customers including overseas caviar houses and fine food companies, which are food companies specializing in the sales of high-end food products such as caviar and other premium delicacies. In addition to our international presence, we also sell our products in China. We have built a nationwide sales network across China, covering both offline and online channels. During the Track Record Period, we sold our caviar products under both third-party brands and our own brand *KALUGA QUEEN* (卡露伽). The *KALUGA QUEEN* (卡露伽) brand name

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does not indicate that all caviar products sold under this brand are derived exclusively from Kaluga sturgeon, and such products may include caviar produced from other sturgeon species. The following table sets forth the revenue breakdown by sales channel for the periods indicated:

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

Notes:

- (1) During the Track Record Period, our overseas sales were all offline sales.
- (2) Customers primarily comprise overseas caviar houses and fine food companies.
- (3) Customers primarily comprise overseas caviar houses and fine food companies, and international airlines. In particular, in 2023, 2024 and 2025, revenue generated from sales to international airlines amounted to RMB8.8 million, RMB11.8 million and RMB13.0 million, respectively, accounting for 1.5%, 1.8% and 1.7% of our total revenue for the same periods, respectively.
- (4) Customers primarily comprise restaurants, hotels and supermarkets in China.
- (5) Customers primarily comprise consumers purchasing our products through our self-operated stores on major e-commerce platforms in China.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers were primarily overseas caviar houses and fine food companies. See “Business — Sales and Marketing — Sales Channels.” In 2023, 2024 and 2025, the aggregate sales to our five largest customers in each year during the Track Record Period amounted to RMB198.5 million, RMB236.0 million and RMB292.0 million, respectively, accounting for 34.4%, 35.3% and 38.0% of our total revenue, respectively. In 2023, 2024 and 2025, the sales to our largest customer in each year during the Track Record Period amounted to RMB54.6 million, RMB60.4 million and RMB73.8 million, respectively, accounting for 9.5%, 9.0% and 9.6% of our total revenue in each year, respectively.

In 2023, 2024 and 2025, the aggregate purchases from our top five suppliers in each year during the Track Record Period amounted to RMB124.5 million, RMB179.3 million and RMB198.7 million, respectively, which accounted for 66.6%, 61.2% and 54.0% of our total purchases for the same periods, respectively. In 2023, 2024 and 2025, purchases from our largest supplier in each year during the Track Record Period amounted to RMB82.5 million, RMB98.2 million and RMB119.8 million, respectively, which accounted for 44.1%, 33.5% and 32.6% of our total purchases for the same periods, respectively. During the Track Record Period, our top five suppliers comprised suppliers of feeds and sturgeons.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Consolidated Statements of Profit or Loss and Other Comprehensive Income

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

	Year ended December 31,								
	2023			2024			2025		
	Results before fair value 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
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	577,241	—	577,241	669,293	—	669,293	769,006	—	769,006
Cost of sales	(172,620)	(396,867)	(569,487)	(225,760)	(463,203)	(688,963)	(248,064)	(512,373)	(760,437)
Gross profit	404,621	(396,867)	7,754	443,533	(463,203)	(19,670)	520,942	(512,373)	8,569
Selling and marketing expenses	(34,617)	—	(34,617)	(48,826)	—	(48,826)	(53,858)	—	(53,858)
General and administrative expenses .	(71,913)	—	(71,913)	(39,160)	—	(39,160)	(69,612)	—	(69,612)
Research and development expenses .	(22,710)	—	(22,710)	(24,231)	—	(24,231)	(28,200)	—	(28,200)
Other income	6,561	—	6,561	11,993	—	11,993	25,838	—	25,838
Other (losses)/gains — net	(4,031)	—	(4,031)	7,239	—	7,239	(11,049)	—	(11,049)
Net impairment (losses)/gains on financial assets	(569)	—	(569)	(1,878)	—	(1,878)	1,828	—	1,828
Fair value changes on biological assets	—	455,372	455,372	—	509,799	509,799	—	554,119	554,119
Operating profit	277,342	58,505	335,847	348,670	46,596	395,266	385,889	41,746	427,635
Finance income	1,466	—	1,466	6,288	—	6,288	11,897	—	11,897
Finance costs	(5,479)	—	(5,479)	(3,955)	—	(3,955)	(5,102)	—	(5,102)
Finance (costs)/income — net	(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	(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
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
			<u>272,899</u>			<u>324,124</u>			<u>365,029</u>
Total comprehensive income for the year			<u>272,899</u>			<u>324,124</u>			<u>365,029</u>

SUMMARY

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

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

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

Non-IFRS Measures

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

SUMMARY

The following table reconciles our adjusted net profit (non-IFRS measure) and EBITDA (non-IFRS measure) to our profit for the years presented in accordance with IFRS, for the years indicated.

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

Notes:

- (1) Share-based compensation expenses represent the fair value of the employee services received in exchange for the grant of equity instruments. See Note 24 to the Accountant’s Report included in Appendix I to this Document for details. The item is adjusted as it is non-cash, and is not expected to result in our future cash payments.
- (2) [REDACTED] related to the [REDACTED].
- (3) Depreciation and amortization equals the sum of depreciation of property, plant and equipment, amortization of intangible assets and amortization of right-of-use assets.

SUMMARY

Consolidated Statements of Financial Position

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

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	290,932	343,050	382,634
Total current assets	1,739,615	2,001,444	2,655,807
Total assets	2,030,547	2,344,494	3,038,441
Total non-current liabilities	250,502	242,427	469,434
Total current liabilities	277,493	265,320	465,399
Total liabilities	527,995	507,747	934,833
Net current assets	1,462,122	1,736,124	2,190,408
Net assets	1,502,552	1,836,747	2,103,608
Share capital	90,243	90,243	92,553
Shares held for restricted share schemes	—	—	(2,310)
Reserves	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 Assets

The increases in net assets during the Track Record Period corresponded to the increases in total equity during the same years, which were primarily driven by retained earnings growth resulting from the growth in net profits, partially offset by dividends distribution during the Track Record Period. Such increases were further adjusted by the gradual increases in reserves, mainly attributable to the share-based compensation expenses in each year comprising the Track Record Period. For a detailed description of our consolidated statements of changes in equity, see the Accountant’s Report included in Appendix I to this Document.

Biological Assets

Our biological assets consist of fish fry, female immature sturgeon, female mature sturgeon, and male sturgeon. We recorded biological assets of RMB1,389.2 million, RMB1,553.5 million and RMB1,748.7 million as of December 31, 2023, 2024 and 2025, respectively, representing 92.5%, 84.6% and 83.1% of our net assets as of the same dates, respectively. Our sturgeon biomass amounted to 11,502.6 tons, 12,460.7 tons and 14,326.9 tons as of December 31, 2023, 2024 and 2025, respectively.

Biological assets are measured at fair value less costs to sell. Neither active market nor observable market rate and price of each sturgeon species are available for the market participants. Therefore, the fair value of biological assets is measured according to level 3 of the fair value hierarchy, based on discounted cashflow technique using significant unobservable inputs. Valuation is based on a variety of

SUMMARY

premises, many of which are unobservable. For example, 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 different sturgeon broodstock is calculated by applying market approach. Our Valuer and management periodically review these assumptions and valuation parameters to identify any significant changes in the fair value of our biological assets. See “Financial Information — Biological Assets and Valuation” for details.

We have established a standardized stock-taking protocol for all our aquaculture bases, covering both regular and periodic stock takes to ensure the physical existence of our biological assets and the accuracy of relevant data. Each aquaculture base conducts a full stock take of biological assets annually to verify key information such as species, quantity, gender and health conditions, which are accurately recorded in our information management system, and submits the corresponding stock-taking report to the management. See “Financial information — Stock Take and Internal Control” for details. As a result, we have maintained a biological asset inventory accuracy rate above 99.7% for 11 consecutive years since 2015.

Consolidated Statements of Cash Flows

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

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

KEY FINANCIAL RATIOS

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

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

SUMMARY

Note:

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

COMPETITION

We operate in the global caviar industry. We mainly compete with caviar production companies worldwide and in the PRC. According to CIC, the global caviar industry is characterized by high entry barriers, including technological expertise, breeding environment, extended breeding cycles and high capital investment thresholds, stringent product quality standards, regulatory compliance, and the need for vertically integrated operational capabilities. In addition, we compete with other market participants across factors such as brand recognition, product quality, sales network and supply chain systems. According to CIC, in 2025, there were over 500 market players in the global caviar market and the total market share of the top five market players in terms of sales volume was 57.7%. For more information on our industry and the competitive landscape, see “Industry Overview.”

OUR SINGLE LARGEST SHAREHOLDERS

Immediately before completion of the [REDACTED], Mr. Wang controlled the voting rights of approximately 34.64% of the issued share capital of our Company, comprising (a) 6.36% held directly by Mr. Wang; and (b) 28.28% held indirectly through Controlled Entities. For details, please see the section headed “Relationship with our Single Largest Shareholders” in this Document. In addition to Mr. Wang’s ability to control the Controlled Entities, Mr. Wang has entered into Concert Party Agreements with Controlled Entities to exercise voting rights in the Company through Controlled Entities. For details, please see “History, Development and Corporate Structure — Concert Party Arrangements” in this Document. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Wang, directly and indirectly through Controlled Entities will control approximately [REDACTED]% of the voting rights in our Company. Accordingly, Mr. Wang and Controlled Entities together will constitute as a group of our Single Largest Shareholders after the [REDACTED].

[REDACTED]

Our [REDACTED] mainly include (i) [REDACTED]-related expenses, such as [REDACTED] fees and [REDACTED], and (ii) non-[REDACTED]-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountant for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the [REDACTED], the estimated total [REDACTED] (based on the [REDACTED] of HK\$[REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately HK\$[REDACTED] million, accounting for approximately of [REDACTED]% of our gross

SUMMARY

[REDACTED]. Among such estimated total [REDACTED], we expect to pay [REDACTED]-related expenses of HK\$[REDACTED] million, professional fees for our legal advisors and Reporting Accountant of HK\$[REDACTED] million and other fees and expenses of HK\$[REDACTED] million. An estimated amount of HK\$[REDACTED] million for our [REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED], is expected to be expensed through the statement of profit or loss and the remaining amount of HK\$[REDACTED] million is expected to be recognized directly as a deduction from equity upon the [REDACTED].

DIVIDENDS

Our Company declared dividends of RMB81.6 million, nil and RMB135.4 million in 2023, 2024 and 2025, respectively. As of the Latest Practicable Date, all of such dividends declared during the Track Record Period had been settled in full. In April 2026, as approved at our Shareholders’ general meeting held on April 7, 2026, we declared a dividend of RMB138.8 million to our existing Shareholders, which had been paid in full as of the Latest Practicable Date. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. For details, see “Financial Information — Dividends”.

[REDACTED]

SUMMARY

[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share, we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the following amounts: (i) approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED] million, will be allocated to the expansion of our aquaculture and production capacity and technological upgrades of existing aquaculture and processing bases over the next five years to strengthen our global leadership in the caviar industry; (ii) approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED] million, will be allocated to brand marketing initiatives and the expansion of our global sales channels over the next five years; (iii) approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED] million, will be used to strengthen our R&D capabilities and upgrade our digital information systems over the next five years to drive ongoing innovation and enhance the digital infrastructure that underpins our operations; (iv) approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED] million, will be allocated to strategic investment and acquisitions over the next five years to integrate industry resources, expand production capacity, strengthen brand presence and facilitate entry into strategic markets; and (v) approximately [REDACTED] of the [REDACTED], or HK\$[REDACTED] million, will be allocated to working capital and general corporate purposes.

PREVIOUS LISTING ON THE NEEQ AND A-SHARE LISTING ATTEMPTS

Our Company was listed on the NEEQ on March 1, 2024. Having considered the industry trend development, our overall strategic plan and various business objectives, we voluntarily applied to delist our Shares from the NEEQ, and the delisting was completed on August 6, 2025. We had also previously submitted applications to CSRC for listing on ChiNext in October 2011 and September 2014, respectively, and an application to CSRC for the listing on the Main Board of Shenzhen Stock Exchange in December 2022. For details, please refer to “History, Development and Corporate Structure — Previous Listing on the NEEQ and A-Share Listing Attempts” in this Document.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

We have maintained stable business operations and development since December 31, 2025. In the first quarter of 2026, we recorded a year-on-year increase of over 25% in caviar sales volume. Driven primarily by such increase in sales volume, we recorded higher revenue for the same period as compared with the same period in 2025.

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

SUMMARY

RISKS FACTORS

Our business and the [REDACTED] involve certain risks. Some of the major risks we face include, but are not limited to: (i) Changes in the international trade environment and trade protection measures may affect our business and financial condition; (ii) Our business relies on consumer demand for our products. Any shift in consumer demand, or any unexpected situation with a negative impact on consumer demand may adversely affect our business and results of operations; (iii) The caviar market and the demand for our caviar products are subject to changes in general economic conditions and competitive pressure from substitutes; (iv) Any actual or perceived product quality and food safety issues related to our products, or concerns about the safety, quality or health effects of our products could have an adverse effect on our reputation, financial condition and results of operations; (v) Our business depends on effective quality assurance systems throughout the aquaculture and processing stages. Any failure in these systems may adversely affect our business, results of operations and reputation.

DEFINITIONS

In this Document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below.

“Accountant’s Report”	the accountant’s report for our Group, the text of which is set out in Appendix I to this Document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles” or “Articles of Association”	the articles of association of our Company adopted on October 27, 2025 with effect upon [REDACTED] (as amended from time to time), a summary of which is set out in Appendix III to this Document
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

“China” or “the PRC”	the People’s Republic of China, except where the content or context requires otherwise
“China Insights Consultancy” or “CIC”	China Insights Industry Consultancy Limited
“Chunan Kalujiaren”	Chunan Qiandao Lake Kalujiaren Technology Co., Ltd. (淳安千島湖卡露伽人科技有限公司), a limited liability company established in the PRC on August 29, 2018, and one of our Single Largest Shareholders
“CIC Report”	an independent market research report commissioned and prepared by China Insights Consultancy for the purpose of this Document
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Hangzhou Qiandaohu Xunlong Sci-tech Co., Ltd. (杭州千島湖鱖龍科技股份有限公司), formerly registered under the name Hangzhou Qiandaohu Xunlong Technology Development Co., Ltd. (杭州千島湖鱖龍科技開發有限公司), a limited liability company established in the PRC on April 18, 2003 and converted into a joint stock company with limited liability on July 2, 2010
“Conversion”	the conversion of [REDACTED] [REDACTED] into H Shares upon the completion of [REDACTED], as described in further detail in the section headed “Share Capital”
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Corporate Governance Committee”	the corporate governance committee of the Board
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“Employee Incentive Platforms”	Hangzhou Kalujiaren and Hangzhou Xunlongren, which are employee incentive platforms controlled by Mr. Wang and each a Single Largest Shareholder
“ESG”	Environmental, Social and Corporate Governance
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong caused by a typhoon
“FAO”	the Food and Agriculture Organization of the United Nations
“Fengshi Jinghe”	Shanghai Fengshi Jinghe Enterprise Development Partnership (Limited Partnership) (上海豐石景和企業發展合夥企業(有限合夥)), a limited partnership established in the PRC on August 5, 2019, a shareholder of our Company

[REDACTED]

DEFINITIONS

“Gaojing Luoke”	Beijing Gaojing Luoke Electrical Equipment Co. Ltd. (北京高景羅克電氣設備有限責任公司), a limited liability company established in the PRC on January 31, 2002, a shareholder of our Company
“General Rules of HKSCC”	General Rules of HKSCC published by the Stock Exchange, as amended from time to time
[REDACTED]	
“Group”, “our Group”, “our”, “we”, or “us”	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
“Guide”	the Guide for New Listing Applicants published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Hangzhou Kalujiaren”	Kalujiaren (Hangzhou Qiandao Lake) Enterprise Management Consulting Partnership (Limited Partnership) (卡露伽人(杭州千島湖)企業管理諮詢合夥企業(有限合夥)) (formerly known as Ningbo Kalujiaren Enterprise Management Consulting Partnership (Limited Partnership) (寧波卡露伽人企業管理諮詢合夥企業(有限合夥))), a limited partnership established in the PRC on August 8, 2023, and one of our Single Largest Shareholders
“Hangzhou Xunlongren”	Hangzhou Qiandao Lake Sturgeon Enterprise Management Consulting Partnership (Limited Partnership) (杭州千島湖鱈龍人企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on September 4, 2025, and one of our Single Largest Shareholders
“H Share(s)”	overseas [REDACTED] foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be [REDACTED] in Hong Kong dollars and to be [REDACTED] on the Hong Kong Stock Exchange

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

“IFRS”	the International Financial Reporting Standards, which as collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board

DEFINITIONS

“IIT Law” the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)

“Independent Third Party(ies)” any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules

[REDACTED]

“Jinshi Kunxiang” Jinshi Kunxiang Equity Investment (Hangzhou) Partnership (Limited Partnership) (金石坤享股權投資(杭州)合夥企業(有限合夥)), a limited partnership established in the PRC on November 16, 2016, a shareholder of our Company

[REDACTED]

“Joint Sponsors” CITIC Securities (Hong Kong) Limited and China Securities (International) Corporate Finance Company Limited

“Latest Practicable Date” June 12, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[REDACTED]

DEFINITIONS

[REDACTED]

“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

[REDACTED]

“MARA”	Ministry of Agriculture and Rural Affairs of the PRC (中華人民共和國農村農業部)
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Wang”	Mr. WANG Bin (王斌), the chairman of our Board, executive Director and general manager of our Company and one of our Single Largest Shareholders
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Newline Media”	Zhejiang Newline Media Investment Co., Ltd (浙江新幹線傳媒投資有限公司), a limited liability company established in the PRC on November 26, 2001, a shareholder of our Company
“Nomination Committee”	the nomination committee of the Board

[REDACTED]

DEFINITIONS

[REDACTED]

“Overseas Listing Trial Measures”	The Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法)
“PRC Government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
“PRC Legal Advisor”	Tian Yuan Law Firm, the PRC legal advisor to our Company

[REDACTED]

“Qianfa Group”	Hangzhou Qiandao Lake Development Group Co., Ltd. (杭州千島湖發展集團有限公司), a limited liability company established in the PRC on June 18, 1998, a shareholder of our Company
“Qihui Runjin”	Qihui Runjin (Qingdao) Private Equity Investment Fund Partnership (Limited Partnership) (啟匯潤金(青島)私募股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on July 2, 2021, a shareholder of our Company

DEFINITIONS

“Quzhou Xunlong”	Quzhou Xunlong Aquatic Food Technology Development Co., Ltd. (衢州鱖龍水產食品科技開發有限公司), a limited liability company established in the PRC on September 11, 2009 and a non-wholly owned subsidiary of our Company
	[REDACTED]
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Restricted Share Incentive Schemes”	the 2023 Restricted Share Incentive Scheme and 2025 Restricted Share Incentive Scheme, the principal terms of which are set out in “Statutory and General Information — 5. Restricted Share Incentive Schemes” in Appendix IV to this Document
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“ROW”	the rest of the world
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Shiyue Venture”	Hangzhou Shiyue Venture Capital Partnership (Limited Partnership) (杭州拾玥創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 11, 2025, a shareholder of our Company
“Single Largest Shareholders”	refers collectively to Mr. Wang, Chunan Kalujiaren, Hangzhou Kalujiaren and Hangzhou Xunlongren

[REDACTED]

DEFINITIONS

“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Strategy Committee”	the strategy committee of the Board
“Takeovers Code” or “Hong Kong Takeovers Code”	the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Tianchao Shuichan”	Hangzhou Xiaoshan Tianchao Aquaculture Co., Ltd. (杭州蕭山天潮水產養殖有限公司), a limited liability company established in the PRC on March 12, 2001, a shareholder of our Company
“Track Record Period”	the period comprising the financial years ended December 31, 2023, 2024 and 2025
[REDACTED]	
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“Unlisted Shares”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi and are unlisted Shares which are currently not listed or traded on any stock exchange
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“VAT”	value-added tax
“Yuansheng Jiahao”	Anhui Yuansheng Jiahao Equity Investment Partnership (Limited Partnership) (安徽元生嘉灝股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 26, 2021, one of our [REDACTED] Investors
“Zhejiang Zhongye”	Zhejiang Seed Industry Group Co., Ltd. (浙江省種業集團有限公司), a limited liability company established in the PRC on June 24, 2022, a shareholder of our Company
“Zixing Liangmei”	Zixing City Liangmei Sturgeon Technology Development Co., Ltd. (資興市良美鱘龍科技開發有限公司), a limited liability company established in the PRC on January 14, 2009, a shareholder of our Company

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this Document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“AI”	artificial intelligence
“Amur sturgeon caviar”	caviar sourced from mature female Amur sturgeon with an average maturity age of eight years and a body weight ranging from 15 to 40 kilograms
“aquaculture”	breeding, raising and harvesting aquatic organisms such as fish under controlled conditions throughout part or all of their lifecycle
“beluga caviar”	caviar sourced from mature female beluga sturgeons with an average maturity age of 20 years and a body weight ranging from 80 to 200 kilograms
“big data”	large and diverse data sets able to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information assets under new processing model for greater decision-making power, insight and processing optimization capabilities
“Black Pearl-rated restaurants”	dining establishments recognized and rated by Meituan in the Black Pearl Restaurant Guide, a curated dining guide, certified by culinary experts and Meituan’s big data
“BRC Global Standard for Food Safety”	an internationally recognized certification that establishes stringent requirements for food safety, quality management, and process control in food and food ingredient manufacturing and production facilities
“broodstock”	a group of mature individuals used in aquaculture for breeding purposes
“CAGR”	compound annual growth rate
“caviar”	the roe obtained from mature female sturgeon, which is processed and lightly salted for preservation
“CIP”	Carriage and Insurance Paid To, where the seller delivers and transfers the risks for loss of or damage of the goods to the buyer when the goods have been handed over to the first carrier.
“CITES”	The Convention on International Trade in Endangered Species of Wild Fauna and Flora, an international agreement between governments, aims to ensure that international trade in specimens of wild animals and plants does not threaten the survival of the species

GLOSSARY OF TECHNICAL TERMS

“Codex Alimentarius Commission”	an intergovernmental international organization jointly established by the Food and Agriculture Organization of the United Nations and the World Health Organization in 1963 to protect consumer health and promote fair practices in food trade
“DHA”	docosahexaenoic acid, an omega-3 fatty acid
“EPA”	eicosapentaenoic acid, an omega-3 fatty acid
“fine food”	high-end food products distinguished by superior quality, unique flavors and exceptional nutritional value
“fine food companies”	food companies specializing in the sales of high-end food products such as caviar and other premium delicacies. These products are often region-specific and relatively scarce, with stringent requirements for selection, production and processing to ensure quality and safety
“fish fry”	young and newly-hatched fish reared for stocking in aquaculture environment, whose sex has not yet been determined and which therefore comprise a mixed population of male and female fish
“Friend of the Sea”	a project of the World Sustainability Organization for the certification and promotion of seafood from sustainable fisheries and sustainable aquaculture
“genetic breeding”	sturgeon breeding and selection techniques comprising hybrid breeding and molecular genetic breeding, which are used to select and breed individuals with desirable traits. It does not involve any manipulation, alteration or editing of genes or genetic material. Hybrid breeding involves conventional crossing through sexual reproduction and natural recombination of genes through male and female reproductive cells. Molecular genetic breeding is a screening and selection method at the DNA molecular level whereby DNA markers are used to identify and select individuals of the same species or closely related species within the relevant gene pool that possess desirable genotypes, thereby improving selection efficiency and shortening the breeding cycle
“GMV”	gross merchandise value, representing the sales value of product(s) in consumer orders before discounts are applied
“HACCP”	Hazard Analysis Critical Control Points, a food safety risk management system which focuses on identifying and controlling food safety hazards
“hybrid sturgeon caviar”	caviar sourced from mature female hybrid sturgeons with an average maturity age of nine years and a body weight ranging from 30 to 50 kilograms

GLOSSARY OF TECHNICAL TERMS

“IFS Food Standard”	an internationally recognized certification used to assess the quality and safety of food products and the processes by which they are manufactured, processed and distributed
“IoT”	Internet of Things
“ISO 9001”	ISO 9001 quality management system, an internationally accepted standard for quality management system implemented by the International Organization for Standardization
“ISO 22000”	ISO 22000 food safety management system, an internationally accepted food safety management system implemented by the International Organization for Standardization
“kaluga caviar”	caviar sourced from mature female kaluga sturgeons with an average maturity age of 15 years and a body weight ranging from 80 to 200 kilograms
“mature female sturgeon”	a female sturgeon that has reached gonadal development stage IV or above, with the roe reaching species-specific mature size thresholds, typically ranging from 2.8 to 3.0 millimeters or above. A female sturgeon that does not meet one or more of the foregoing indicators shall be considered an immature female sturgeon
“MFN tariff” or “most-favored-nation tariff”	the tariff rate generally applicable to imports from members of the World Trade Organization, unless a preferential tariff rate applies
“Michelin-starred restaurants”	dining establishments that have been awarded one or more stars by the Michelin Guide, which awards up to three Michelin stars for excellence to a select few restaurants in certain geographic areas
“molecular genetic techniques”	a suite of laboratory methods used to directly analyze the structure and function of genes at the molecular level
“pop-up stores”	a type of retail store that opens for a limited time in a specific location
“R&D”	research and development
“Russian sturgeon caviar”	caviar sourced from mature female Russian sturgeons with an average maturity age of ten years and a body weight ranging from 20 to 40 kilograms
“Sevruga caviar”	caviar sourced from mature female Sevruga sturgeons with an average maturity age of approximately six to eight years and a body weight typically ranging from eight to 15 kilograms

GLOSSARY OF TECHNICAL TERMS

“Siberian sturgeon caviar”	caviar sourced from mature female Siberian sturgeons with an average maturity age of seven years and a body weight ranging from 10 to 20 kilograms
“strain selection”	the process of identifying and choosing strains that exhibit specific, desirable genetic traits to be used in breeding programs
“sturgeon germplasm resource bank”	a specialized facility or repository dedicated to the systematic preservation and management of sturgeon genetic materials
“sturgeon products”	sturgeon meat, derived from male sturgeons and female sturgeons after roe extraction, processed under standardized procedures (removal of head, tail and viscera) and subsequently quick-frozen into sturgeon meat and processed sturgeon products
“ton”	a unit of mass equal to 1,000 kilograms

FORWARD-LOOKING STATEMENTS

We have included in this Document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Document contains certain forward-looking statements relating to our Company, our subsidiaries and consolidated affiliated entities that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words “aim”, “anticipate”, “believe”, “could”, “expect”, “going forward”, “intend”, “may”, “ought to”, “plan”, “project”, “seek”, “should”, “will”, “would” and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this Document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Group which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to successfully implement our business plans, strategies, objectives and goals;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- changes in our customers’ demands and expectations;
- changes in the competitive landscape of the industries where we operate;
- our ability to protect our reputation and brand image, as well as trademarks, technologies, know-how, patents and other intellectual property rights;
- changes in local economic and political conditions and changes in compliance with international laws and regulations in the countries and regions where we operate;
- developments in technology and our ability to successfully keep up with technological advancement;
- our ability to attract and retain experienced professionals and other qualified employees and key personnel;
- changes in currency exchange rates; and
- the other risk factors discussed in this Document as well as other factors beyond our control.

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect, or at all. Further, subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking statements in this Document. All forward-looking statements contained in this Document are qualified by reference to this cautionary statement.

RISK FACTORS

An [REDACTED] in our H Shares involves a high degree of risk. You should carefully consider all of the information in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this Document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Changes in the international trade environment and trade protection measures may affect our business and financial condition.

Our products have been well received in overseas markets across Europe, America and Asia Pacific, and contributed to a substantial portion of our revenue during the Track Record Period. Revenue generated from overseas sales amounted to RMB442.6 million, RMB536.0 million and RMB644.5 million in 2023, 2024 and 2025, respectively, representing 76.7%, 80.1% and 83.8% of our total revenue in each of the corresponding year. We expect overseas sales to remain significant. Accordingly, changes in the international trade policies and trade protection measures which may have an adverse effect on global economic conditions and the stability of global financial markets, could adversely affect the financial and economic conditions in the jurisdictions where we and our business partners operate.

Furthermore, the intensifying geopolitical tension among major economies could lead to heightened tariffs or other tightened restrictive measures, which could cause increased costs for our product sales and adversely affect our financial conditions and results of operations. In response to the constantly shifting tariff and trade policies, we are proactively pursuing expansion into markets such as Southeast Asia, the Middle East and Japan to promote the development of our brand. However, it is unclear whether these challenges and uncertainties will be effectively managed or resolved and what effects they may have on the global political and economic conditions in the long term. Any economic downturn or slowdown or negative business sentiment could have an indirect potential impact on our industry.

Our business relies on consumer demand for our products. Any shift in consumer demand, or any unexpected situation with a negative impact on consumer demand may adversely affect our business and results of operations.

Our success relies significantly on our ability to identify and adapt to the evolving consumer tastes and market demands, which are shaped by factors such as economic conditions, consumer lifestyles, social trends, historical traditions and cultural customs. Any changes in these factors could lead to narrowed consumer demand for our products. While we strive to respond swiftly and effectively, certain challenges may arise out of numerous factors that are beyond our control. We cannot assure that our initiatives will meet consumer expectations, gain market recognition at favorable profit margins, or effectively distinguish our products from those of competitors. Moreover, there is no guarantee that we will continue to swiftly respond to changes in consumer preferences, and failure to adapt to market changes may lead to a loss of our market share. If any of these risks materialize, our business, financial condition, and results of operations could be materially and adversely affected.

RISK FACTORS

The caviar market and the demand for our caviar products are subject to changes in general economic conditions and competitive pressure from substitutes.

The caviar market, as well as the demand for our caviar products, are significantly influenced by general economic conditions and competitive pressure from substitutes. While the pursuit of diverse, balanced, and nutrition-oriented diets is driving demand for fine foods with high nutritional value, the caviar market and the demand for our caviar products depends on the discretionary spending of our customers and their demand, which would therefore be more vulnerable to economic downturns or unfavorable macroeconomic changes. During economic downturns, consumers demand may shift, and if we fail to identify and adapt to the evolving consumer demand, it may lead to a reduction in caviar consumption. Additionally, the caviar market may face competitive pressure from substitute products, including conventional fish roe such as salmon roe and trout roe, as well as vegetarian alternatives, including alginate-based imitation caviar and plant protein-based imitation caviar substitutes. Furthermore, consumers may allocate discretionary spending to other fine food products or premium seafood delicacies that may be perceived as substitutes for certain consumption occasions. If any of these risks materialize, it could have a material adverse impact on our business, financial condition and results of operations.

Any actual or perceived product quality and food safety issues related to our products, or concerns about the safety, quality or health effects of our products could have an adverse effect on our reputation, financial condition and results of operations.

As a revered delicacy, caviar is subject to the highest consumer expectations. Consistently delivering premium products with rigorous safety standards is fundamental to our operations and essential for maintaining consumer trust and brand loyalty. We are keenly focused on food safety and quality management, and have established a comprehensive quality assurance system that aligns with both domestic regulatory standards and international export requirements. See “Business — Our Production — Quality Control System” for details. However, the effectiveness of our quality management system depends on a number of factors, some of which are beyond our control. Any product quality or food safety issue resulted from failure of effectively implementing our quality control measures or other reasons, even occasional, could expose us to media scrutiny, negative publicity, administrative actions and product recalls or returns, which may adversely affect our business and results of operations.

As consumers’ health consciousness continues to increase, more stringent product quality and food safety standards may be imposed by countries where our products were imported. During the Track Record Period, we had completed all the registration filings for exporting our products across countries and regions such as Europe, America and Asia Pacific, which paved the way for our expansion into the global markets. In addition, concerns regarding the health effects of our products may adversely affect market acceptance. As our caviar products are traditionally processed using salt, prolonged or excessive consumption may be associated with certain health considerations, which could give rise to increased consumer sensitivity, adverse publicity or regulatory scrutiny. If we fail to comply with the regulatory restrictions, consumers’ perceptions of and confidence in the quality and food safety of our products may be eroded, which may adversely affect our brand image, financial condition and results of operations.

RISK FACTORS

Our business depends on effective quality assurance systems throughout the aquaculture and processing stages. Any failure in these systems may adversely affect our business, results of operations and reputation.

The health condition of our sturgeon stock is fundamental to the quality, safety and stable supply of our caviar and sturgeon products. The health and quality of our sturgeon stock are subject to various factors, including the operation of our aquaculture system, the effectiveness of our quality assurance systems and our employees’ compliance with operational guidelines. We cannot assure you that our quality assurance systems throughout the sturgeon aquaculture and caviar processing stages will be effective at all times or that our employees will strictly follow required procedures without error. If any sturgeon becomes infected with disease or otherwise fails to meet internal quality standards, the affected sturgeon may need to be quarantined or otherwise disposed of, which could result in reduced production yield, higher operating costs and potential interruption to our processing schedule. Any such event may also adversely impact the quality of our caviar and sturgeon products. In addition, if infected sturgeons are used in the production of our caviar and sturgeon products, such products may pose potential food safety and other health risks to consumers. Any actual or perceived health hazards arising therefrom could subject us to regulatory scrutiny, product recalls, reputational damage and potential liabilities, which may materially and adversely affect our business, financial condition and results of operations.

We have implemented comprehensive aquaculture management practices, biosecurity measures and quality assurance systems that align with domestic regulatory requirements and international standards. These include stringent protocols for water quality control, feed management, disease prevention, processing hygiene and post-processing residue testing. For details, see “Business — Our Production — Aquaculture System — Technical Advantages and Management Practices” and “Business — Our Production — Quality Control System.” Nevertheless, if any failure occurs in our aquaculture and processing systems, it may adversely affect the quality, safety and marketability of our products. While we primarily rely on self-operated sturgeon aquaculture, we also supplement our sturgeon supply through selective procurement of sturgeons from external sources. Our sturgeon procurement is subject to rigorous internal standards, including our External Fish Quality Control Specification (《外購魚質量安全控制規範》) and Inspection Protocols for External Fish (《外購魚檢驗程序》). However, we cannot assure you that third-party suppliers will consistently meet our quality requirements. Any actual or perceived quality issue relating to our products, whether arising from disease infection in sturgeons, deficiencies in our internal controls, or failures by third-party suppliers, may result in product recalls, regulatory investigations, product liability claims or negative publicity. Such events could materially and adversely affect our reputation, financial condition and results of operations.

Outbreak and spread of diseases among our sturgeon, and adverse publicity of these diseases could significantly affect our production, supply and demand for our products and our business.

The aquaculture cycle of sturgeons is time-consuming, which typically takes seven to 15 years for sturgeons to grow into mature raw sturgeons for caviar production. Certain aquaculture conditions, such as inadequate aquaculture temperature, sturgeon intolerance, as well as nutrition imbalance in formulated feeds, may lead to the outbreak and spread of diseases among sturgeons, positioning higher demand on the disease prevention and control for sturgeon aquaculture. We take precautions to ensure that our sturgeons, either self-bred or procured, are healthy and our sturgeon aquaculture bases operate in a sanitary manner. See “Business — Our Production — Aquaculture System — Technical Advantages and Management Practices” and “Business — Quality Control System” for details. Although we take biosecurity measures throughout our sturgeon aquaculture process, any outbreak and spread of diseases among our sturgeon, or adverse publicity of such diseases could significantly affect our production, supply and demand for our products and our business.

RISK FACTORS

The fair value of our biological assets may fluctuate significantly from period to period, causing our results of operations to be highly volatile.

Our biological assets consist of fish fry, female immature sturgeon, female mature sturgeon, and male sturgeon. Our biological assets are measured at fair value less costs to sell. The fair value of our biological assets is measured according to level three of the fair value hierarchy, based on factors not drawn from observable market rates and prices. Under IFRS, changes in value are recognized and classified under “fair value changes on biological assets” in consolidated statement of comprehensive income. The fair values of our biological assets at each reporting date during the Track Record Period were determined by our Valuer and we intend to engage an independent professional valuer to determine the fair values of our biological assets going forward. In valuing our biological assets, our Valuer has relied on a variety of premises, many of which are unobservable. For example, for female mature sturgeons that are ready for harvest, uncertainty mainly involves estimated market price and the quantities of sturgeons to be harvested; for female immature sturgeons, the level of uncertainty generally includes estimated market price, quantities of sturgeons to be harvested and discount rate as well as the estimated costs to sell. Our Valuer and management periodically review these assumptions and valuation parameters to identify any significant changes in the fair value of our biological assets. Please refer to “Financial Information — Biological Assets and Valuation” for details. Our Directors expect that our financial results will continue to be affected by the changes in the fair value of our biological assets.

In particular, unrealized fair value gains or losses arising from the remeasurement of our biological assets are non-cash in nature and are derived from multiple assumptions adopted in the valuation model. Please refer to “Financial Information — Biological Assets and Valuation — Key Assumptions and Inputs” for details. These assumptions are inherently subjective and may change from period to period, resulting in potentially significant fluctuations in the unrealized fair value gains or losses recognized in our consolidated financial statements.

If material, such fluctuations may cause our net profit or loss for a given period to be more volatile. In addition, any increase in the expected selling prices for each series of caviar or sturgeon products would increase both our sales revenue upon harvest and the unrealized fair value gains recognized prior to harvest, while any decrease in such prices would have the opposite effect and would reduce both revenue and unrealized fair value gains (or increase unrealized fair value losses). As a result, our results of operations could be significantly affected.

Any failure to maintain and enhance our brand or reputation may adversely affect consumers’ recognition of our brands and products and their trust in us.

Our business relies on consumers’ recognition of and their trust in our brand. Our flagship brand *KALUGA QUEEN* (卡露伽) has achieved significant recognition in international markets and has become a key supplier to premium dining establishments and boutique retail channels worldwide. Failure to maintain and enhance our brand or reputation could adversely affect consumers’ recognition of our brands and products and their trust in us. Any claim or negative media coverage against us regarding the food safety, product quality or environmental impact, even if meritless or unsuccessful, could erode consumers’ recognition of and trust in us, our brands and our products, and divert our management’s attention and resources from our business, which may adversely affect our business and results of operations. In addition, adverse publicity about any regulatory or legal action against us could damage our reputation and brand image, undermine our customers’ confidence in us and reduce their demand for our products, even if such regulatory or legal action is unfounded or immaterial to our operations.

RISK FACTORS

Our use of the *KALUGA QUEEN* (卡露伽) brand in certain overseas markets may expose us to certain risks.

We sell our products in certain overseas markets under the *KALUGA QUEEN* (卡露伽) brand, including caviar derived from non-kaluga sturgeons. Regulators, customers or consumers in certain jurisdictions may interpret the use of the word “*KALUGA*” as indicating the species, origin or other characteristics of the relevant products. Given differences in regulatory requirements, consumer protection standards, trademark rules and labeling practices across jurisdictions, our use of the *KALUGA QUEEN* (卡露伽) brand may give rise to enquiries, complaints, claims, disputes or regulatory actions relating to our branding, product description, species disclosure, origin disclosure or compliance with local trademark, advertising and labeling requirements. We have implemented various measures to mitigate such risks: we clearly indicate the specific sturgeon species used in the relevant products on product packaging as well as in marketing, advertising and promotional materials, and we have not engaged in any false or misleading advertising in respect of the sturgeon species used in our products. In addition, our caviar containers bear non-reusable labels that comply with applicable international standards, including the requirements under the CITES and the CAC Codex Standard for Sturgeon Caviar (CODEX STAN 291-2010). See “Business — Sales and Marketing” for further details. Nevertheless, there can be no assurance that such measures will fully mitigate these risks. Any challenge, claim or regulatory action relating to our use of the *KALUGA QUEEN* (卡露伽) brand in overseas markets could adversely affect our reputation, business, financial condition and results of operations.

We may not be able to effectively develop our sales network, which could adversely affect our brands, operations and results of operations.

We rely on an extensive sales network to deliver our caviar products globally, which is essential to expanding our geographic reach, strengthening brand visibility and driving sales. Overseas sales represented a substantial portion of our revenue during the Track Record Period, and we have established long-term partnerships with leading overseas caviar houses and fine food companies that sell our products under their own brands or under our *KALUGA QUEEN* (卡露伽) brand. See “Business — Sales and Marketing — Sales Channels” for details. We expect that our relationship with our business partners will remain an important component of our sales network for our further expansion into the global markets.

However, our partners may not be able to market and sell our caviar products successfully or maintain their competitiveness. For example, our partners may not be able to successfully organize marketing or promotional activities, which could result in lower sales of our products. If the sales volumes of our caviar products are not satisfactory, our partners may not place orders for new caviar products with us, or they may reduce orders or request discounts on the purchase price. The loss of our business partners, or reduced orders from them, could adversely affect our access to overseas consumers as well as our sales volume and revenue. Moreover, if we are unable to maintain relationships with key partners, or if they fail to operate effectively, our ability to sell our products and our market share and brand image may be adversely affected.

We are subject to risks associated with geopolitical instability in the Middle East and volatility in global oil prices.

Recent escalation of conflicts in the Middle East has increased geopolitical instability in the region and contributed to volatility in global oil prices. Given that our operations involve transportation and logistics arrangements for product delivery, any sustained increase in oil prices, disruption to fuel supply

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or instability affecting international transportation routes may increase our logistics costs, reduce delivery efficiency and affect our ability to deliver products to customers in a timely and cost-effective manner.

We have implemented measures to manage such risks, including optimizing delivery routes, consolidating loads to reduce per-unit transportation costs, strengthening centralized shipments for bulk orders and integrating logistics resources to enhance operational efficiency. However, there is no assurance that these measures will fully offset the impact of increased fuel costs, transportation delays or logistics disruptions. If we are unable to pass on increased logistics costs to our customers in a timely manner or at all, our profitability and results of operations may be adversely affected. Moreover, if conflicts in the Middle East continue to escalate or remain unresolved for a prolonged period, economic uncertainty in the Middle East may also dampen customer demand in this growing market. This may result in delays, cancellations or write-offs of delivery or purchase orders, and materially and adversely affect our business, financial condition and results of operations.

Economic sanctions and export restrictions may adversely affect the supply and cost of feed and feed ingredients.

Economic sanctions and export restrictions may affect the global supply and pricing of agricultural products, including feed and feed ingredients required for our sturgeon farming operations. For example, since May 2022, the conflict between Russia and Ukraine, both are among the world’s major producers and net exporters of agricultural products such as grain, has resulted in major economic sanctions against Russia and restrictions on the export of certain agricultural products, including feeds and feed ingredients. As we did not directly source our feeds or feed ingredients from Russia or Ukraine, we had not experienced any supply shortage as of the Latest Practicable Date. However, the rippling effect of the Russia-Ukraine conflict globally may lead to the increase in the price of our feeds and feed ingredients for sturgeon farming. If the conflict persists or escalates, it could further disrupt the supply chains and affect the raw materials that we need for our business, which in turn could adversely affect our business, financial condition and results of operations.

We are subject to risks associated with animal welfare.

We have adopted various measures to promote animal welfare throughout our aquaculture, transportation and caviar harvesting processes. See “Business — Environmental, Social and Governance Matters — Social Responsibility — Animal Welfare” for details. However, animal welfare organizations, activists or other third parties may raise complaints or allegations regarding the treatment of sturgeons during or after caviar extraction, which may give rise to concerns about animal cruelty. Any such complaints, claims or related negative publicity, whether or not substantiated, could adversely affect our reputation, business operations and operating results.

Our operations are subject to the risks associated with our sturgeon aquaculture bases.

Our business relies on a consistent and sufficient supply of raw sturgeons used for caviar production from our sturgeon aquaculture bases in China. Any major disruptions in the supply of electricity or water resources that satisfy the sturgeon aquaculture requirements could halt our production, lead to additional costs and potentially lead to the loss of our products. We have taken extensive precautions to ensure the stable operation of our sturgeon aquaculture bases. See “Business — Our Production — Aquaculture System — Technical Advantages and Management Practices” for details. Events such as stoppages, fires, natural disasters, pandemics, extreme weather conditions, force majeure or other calamities at or near our sturgeon aquaculture bases could significantly disrupt our operations. For example, our Qingshan Lake Aquaculture Base experienced unusual summer flooding in

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July 2024, which was caused by extreme rainfall associated with Typhoon “Gaemi” and upstream flood discharge in the Yalu River basin. Notwithstanding the precautionary measures implemented by us, the flooding resulted in abnormal mortality of sturgeons and corresponding operational losses. Therefore, any failure to implement adequate measures to mitigate the impact caused by these unforeseen events, or to effectively respond to such events, could harm our business, financial stability, and operational results.

The potential unsuccessful execution of our investment, maintenance or upgrades related to production equipment, facilities, technologies and other operational aspects, as well as the possible inadequacy of our production capacity, may adversely affect our business growth.

We continuously maintain and upgrade our current production equipment and facilities to ensure smooth operations. As of December 31, 2025, we had eight sturgeon aquaculture bases and two processing bases in operation. As our business continues to grow, we also expand production capacity by expanding existing facilities, as well as constructing new sturgeon aquaculture bases and processing bases to support our continued growth. See “Business — Our Production” for details. In addition, we may evaluate investment or acquisition opportunities, focusing on overseas and domestic companies with quality sturgeon aquaculture resources, advanced processing capabilities or established caviar brands. See “Future Plans and [REDACTED] — [REDACTED]” for details.

However, we cannot assure you that such investments, maintenance and upgrades could be carried out successfully or generate positive cash flows or profitable return within a short period of time. They may also become ineffective or obsolete due to updates in technology or industry standards, which could adversely affect our business and financial condition. Moreover, a number of factors could delay our expansion or increase costs, including: (i) insufficient funds for new production facilities or working capital; (ii) delays in obtaining environmental and other regulatory approvals; (iii) shortages, late delivery, or increased costs of construction materials and equipment; and (iv) adjustments to expansion plans necessitated by technological advancements, market changes, or capacity requirements. In addition, acquisition or investment in overseas aquaculture and/or processing bases may incur increased operational costs to us, including higher labor and personnel expenses, increased costs for utilities, logistics and transportation, facility maintenance and repairs, as well as costs associated with the management and integration of overseas operations. Furthermore, our ability to achieve business growth is also subject to a wide range of market, operational and financial risks, including those arising from the competition with existing competitors, changing consumer spending patterns, as well as maintaining our high food safety standards and our relationships with customers. Therefore, under the influence of these risks, our investments and upgrades regarding our production equipment, facilities, technologies and other operational aspects may not be able to generate the expected business growth, which may adversely affect our financial condition and results of operations.

Any adverse change in business relationship with our major suppliers could materially and adversely affect our business, financial condition and results of operations.

We rely on the continuous and stable supply of feeds and sturgeons that meet our quality standards. Feed is the primary raw material in our production, and we also procure sturgeons externally to supplement our in-house aquaculture. We procure the majority of our feeds and sturgeons from our five largest suppliers. Our purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB124.5 million, RMB179.3 million and RMB198.7 million in 2023, 2024 and 2025, respectively, representing 66.6%, 61.2% and 54.0% of our total purchases for the corresponding periods, respectively. See “Business — Our Procurement System — Our Major Suppliers” for details. We have established stringent procurement standards and entered into annual or long-term cooperation agreements with key suppliers to ensure supply stability. However, such

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agreements generally do not fix prices. There is no assurance that we will continue to obtain feeds and sturgeons meeting our standards at reasonable and stable prices, or that supply from our major suppliers will not be disrupted. Any significant price fluctuations, supply interruptions, or termination of cooperation by major suppliers could adversely affect our production plans, cost control, and profitability.

Seasonal consumption cycles and sturgeon’s maturation cycles may cause fluctuations in our operations, revenue, and liquidity.

Our biological assets 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 seven to 15 years depending on different broodstock, resulting in a longer operating cycle that may affect our liquidity. In addition, seasonal factors such as sturgeon spawning patterns and consumption seasonality may lead to fluctuations in both the supply and demand of our products. Mature female sturgeons usually spawn in spring and autumn, with peak maturity in autumn, while consumer demand tends to increase before major holiday seasons and festivals such as Thanksgiving and Christmas. As a result, we typically record higher sales and revenue in the fourth quarter of each year, whereas results in other periods may be lower. Due to these fluctuations, comparisons of sales and operating results between different periods within the same financial year or over the same period in different financial years are not necessarily indicative of our performance. Nor may our results for any particular period be indicative of the results to be achieved for the entire fiscal year. Our financial condition and results of operations in the future may continue to fluctuate throughout a year. Investors should not merely rely on the interim results as being indicative of results our Group may expect for the full fiscal year.

Our breeding efforts may not be successful or yield the returns or benefits that we expect, and we may not be able to successfully offer our customers new products and maintain our competitiveness.

We are dedicated to offering caviar products that capture the evolving tastes and preferences of our customers. To achieve this end, we continuously invest in the research and development of sturgeon breeding to cultivate the desired type of caviar products through genetic selection, and to improve the per unit caviar production capacity of raw sturgeon. See “Business — Our Research and Development” for further details of our research and development commitments. However, our current technology only allows us to harvest sturgeons for caviar once, while other players in the industry may possess more advanced technologies that enable non-lethal or repeated caviar harvesting. We cannot guarantee that we will continue to successfully develop or improve our breeding technologies. If the research outcomes fall short of our expectations, our business, financial condition, results of operations and prospects could be adversely affected.

We may incur significant costs in connection with our branding, marketing and promotional efforts. If our marketing activities are not as effective as expected, our results of operations may be adversely impacted.

Our operating results are affected by our brand marketing and promotional efforts. During the Track Record Period, we invested extensively in branding and marketing initiatives to enhance brand and product recognition. See “Business — Sales and Marketing — Sales and Marketing Strategies” for details. In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB34.6 million, RMB48.8 million and RMB53.9 million, respectively, representing 6.0%, 7.3% and 7.0% of our revenue for the corresponding year. Going forward, we will continue to adopt such strategies to enhance our reputation. We are committed to further enhancing the mindset of our proprietary brand *KALUGA*

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QUEEN (卡露伽) among target customers. However, there is no assurance that such expenditures will achieve the desired results. If our marketing activities fail to resonate with target consumers, or if we are unable to adapt quickly to changes in market trends and consumer preferences, our revenue growth may fall short of expectations. Competitive pressures may also require us to increase spending on marketing and promotions to maintain market share, potentially compressing margins. Our competitors may engage in aggressive marketing strategies, which could dilute the impact of our efforts and further escalate costs.

Our operation requires various approvals, licenses and permits, and any failure to obtain or renew these approvals, licenses and permits may adversely affect our business and results of operations.

Pursuant to PRC laws and regulations, we are required to maintain various approvals, licenses and permits for our operations. For example, the breeding of sturgeons requires completion of the prerequisite registrations or filings, including the permit for artificial breeding of aquatic wild animals (水生野生動物人工繁育許可證) and the license for the operation and utilization of aquatic wild animals (水生野生動物經營利用許可證), among others. This process involves rigorous evaluation and approval of ingredients, formulation, production processes, and claims to ensure compliance with applicable laws and standards. In addition, we are required to obtain water taking permits (取水許可證) for our aquaculture bases that involve the use of water resources. As of the Latest Practicable Date, we were in the process of applying for the water taking permit for our newly constructed aquaculture facilities in Hubei. See “Business — Licenses, Permits and Certificates” for details. Furthermore, we are subject to requirements relating to land use rights, environmental impact assessments, discharge of pollutants, import and export registration, among other things. See “Business — Licenses, Permits and Certificates” and “Regulatory Overview” for details. Failure to obtain, maintain, or renew our required approvals, licenses, and permits could result in fines and disrupt our operations, thereby materially impacting our business and financial performance. In case of any noncompliance, we may have to incur significant expenses and divert substantial management time and resources to resolving any deficiencies. We may also experience negative publicity arising from such deficiencies, which may adversely affect our business and financial performance.

If we fail to effectively manage our future growth and implement our expansion plans, our business prospects may be adversely affected.

We sustained stable revenue growth during the Track Record Period. Our revenue increased by 15.9% from RMB577.2 million in 2023 to RMB669.3 million in 2024, and further increased by 14.9% to RMB769.0 million in 2025. However, future revenue growth may strain our operational and management resources. Scaling up our production and sales capabilities while maintaining product quality and brand reputation requires robust management systems and processes. Failure to maintain operational efficiency or respond to market developments may impair our ability to meet consumer demand.

Moreover, our historical performance may not be indicative of our future performance. The sustainability of our growth depends on a number of factors, many of which are beyond our control, including evolving consumer preferences and demand, competition, regulatory evolution and changes in economic condition. If we are not able to effectively manage our business growth and further expand our operations as needed, we may not be able to successfully implement the strategies necessary to further our business prospects on schedule or within our budget.

Furthermore, our expansion into new geographic markets entails distinct operating and marketing challenges. For example, consumer unfamiliarity with our brands may necessitate increased investment in advertising to build awareness, potentially affecting profit margins in new markets and our overall

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profitability. Additionally, such expansion may strain our managerial, operational and financial resources. Our ability to manage growth effectively depends on timely implementation of enhanced systems and successful workforce expansion and training.

We are subject to risks relating to our third-party service providers and business partners.

We rely on third-party service providers and business partners, including suppliers of feeds, packaging materials and logistics services, to support critical aspects of our operations. Any interruption, discontinuation, or deterioration in these relationships could adversely affect our results of operations. Such disruptions may arise from various factors, including interruptions to our partners’ operations, their inability to support our fast-growing business needs, termination or suspension of agreements, changes in cooperation terms, or disputes with these partners. Our third-party service providers and business partners may fail to fulfill their commitments and responsibilities on time or in compliance with agreed terms or applicable laws. If we are unable to effectively manage these relationships or if our partners fail to meet their obligations, our business, financial performance, and operational stability could be adversely impacted. Additionally, when existing contracts with third parties expire, we may face challenges in renewing them on commercially favorable terms or securing suitable replacements promptly, which could further disrupt our operations and negatively affect our business.

Any major changes in relation to food safety regulations and relevant policies may affect our business.

Manufacturers in the PRC fine food industry must comply with food safety laws, including obtaining food production licenses and meeting standards for food and additives, packaging and labeling, as well as requirements relating to production sites, facilities and equipment for transportation and sale. In recent years, the PRC Government has been strengthening the supervision of food safety. The newly revised Food Safety Law of the PRC (《中華人民共和國食品安全法》) and the Regulation on the Implementation of the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》) require food producers to comply with applicable laws and standards, establish comprehensive food safety management systems, and take effective measures to prevent and control food safety risks. Any failure to comply with PRC food safety-related laws and regulations may result in order of rectification, fines, confiscation of illegal gains, order of suspension of operations, revocation of food production and operating permits and, in more extreme cases, prosecution for criminal liabilities. See “Regulatory Overview — Laws and Regulations Relating to the Food Industry” for details. Although we have complied with the current food safety laws and regulations, in the event that the PRC Government makes further changes to food safety regulation, our production costs and cost of sales may increase, which could adversely affect our business, results of operations, financial condition and prospects.

If we fail to comply with various laws and regulations relating to environmental protection, we may be subject to fines and penalties by the governmental authorities.

Residual feed and excreta are the major pollutants we generate during our aquaculture. We have adopted treatment measures tailored to our aquaculture models to ensure sustainable and environmentally friendly development of our aquaculture operations. See “Business — Our Production — Aquaculture System — Technical Advantages and Management Practices” for details. However, as environmental laws and regulations evolve, increasingly stringent requirements for environment protection and sustainable aquaculture operations may lead to increased costs, and there is no assurance that we will not be penalized for violating the evolved requirements on environment protection. Failure to comply with any environmental laws and regulations or any future changes to such laws and regulations could result in significant costs to satisfy environmental compliance, remediation or

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compensatory requirements, or the imposition of penalties or restrictions on operations by PRC governmental agencies or courts, which may adversely affect our business, results of operations and financial condition.

Our legal right to certain leased properties may be challenged.

There might be defects in the leasehold interest of certain of our leased properties. For instance, certain lessors fail to provide the valid ownership certificates for our leased properties, hence we cannot ensure that they have the rights or authorizations to lease such properties to us. Our use of the leased properties with title defects may be affected by third parties’ claims or challenges against the lease. Also, the relevant lease agreements may be deemed invalid, and we may be required to vacate from such properties. In addition, certain of our lease agreements have not been registered and filed with the relevant real estate administration bureaus in the PRC. Pursuant to the relevant PRC laws and regulations, failure to complete the registration and filing of lease agreements will not affect the validity of such lease agreement. However, we may be subject to penalties, which could adversely affect our business operation, financial condition, and prospects. If the owners, relevant government authorities, or other third parties challenge our legal rights to these leased properties, our business, financial condition, and operating results may be adversely affected. See “Business — Properties.”

We are subject to credit risk in respect of our trade receivables.

Our trade receivables are mainly from providing sales of products. As of December 31, 2023, 2024 and 2025, we recorded trade receivables of RMB49.0 million, RMB57.4 million and RMB33.9 million, respectively, and our loss allowance on trade receivables amounted to RMB6.4 million, RMB7.9 million and RMB4.6 million, respectively. For the receivables from contracts with customers, we would follow up actively on the settlement with respective counterparties to avoid any overdue receivables. If customers with whom we have substantial trade receivables face difficulty in making payments in the future due to economic downturn or other reasons, and if we are forced to accrue loss allowance or write off those receivables, our results of operations, financial condition and cash flows may be adversely affected. Moreover, in the event that our trade receivables increase significantly, and we fail to collect these receivables in a timely manner, our financial condition and business operations may be materially and adversely affected. See “Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Trade Receivables”.

Our failure to adequately manage our inventories may lead to inventory obsolescence or other inventory risks.

Our inventories consist of finished goods, consisting of our caviar products and sturgeon products, and raw materials, consisting of feeds and packaging materials. Maintaining optimal inventory levels is essential to our business success. As of December 31, 2023, 2024 and 2025, we had inventories of RMB50.8 million, RMB43.9 million and RMB58.9 million, respectively. In 2023, 2024 and 2025, our inventories turnover days were 32.3 days, 25.1 days and 24.7 days, respectively. To optimize our inventory levels and minimize inventory write-off risks, we have a strict and effective inventory management system. See “Business — Our Supply Chain” and “Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Inventories” for details. If we misjudge consumer demand, we may experience inventory overstock or missed sales opportunities, either of which could adversely affect our business, financial condition, results of operations and prospects.

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We may be exposed to the risk of product infringement.

We may be exposed to the risk of product infringement. We cannot assure you that there will be no counterfeit or forgery of our products, trademarks or brands in the market. Counterfeiters may illegally manufacture and market products under our brand. Such counterfeit or forged products are usually difficult to detect or ban in a timely manner. The occurrence of such incidents may have an impact on our reputation and brands. Our reputation and brands are crucial to our profitability and competitiveness, any damage to our reputation or brands resulting from product infringement may adversely affect our profitability and competitiveness.

We face foreign exchange risks.

During the Track Record Period, the majority of our products were sold to overseas markets. Revenue generated from overseas sales amounted to RMB442.6 million, RMB536.0 million and RMB644.5 million in 2023, 2024 and 2025, respectively, representing 76.7%, 80.1% and 83.8% of our total revenue in each of the corresponding year. In addition, we recorded net foreign exchange gains of RMB0.2 million and RMB7.2 million, and a net foreign exchange loss of RMB5.2 million in 2023, 2024 and 2025, respectively. Adverse foreign exchange fluctuations may negatively affect our financial condition and results of operations. As we have expanded in, and expect to continue to explore overseas markets, we are increasingly subject to risks associated with foreign exchange fluctuations.

We are subject to various risks relating to third-party settlement arrangement.

During the Track Record Period, certain of our customers (individually or collectively, the “**Relevant Customers**”) settled transactions through the accounts of third parties other than the contractual counterparties under the corresponding sales agreements (the “**Arrangements**”). In 2023, 2024 and 2025, the number of Relevant Customers was 101, 157 and 135, respectively, and the aggregate amount of payment made under the Arrangements was RMB30.4 million, RMB43.0 million and RMB24.4 million, respectively, representing approximately 5.3%, 6.4% and 3.2% of the total revenue for the same periods, respectively. As of the end of April 2026, we had ceased substantially all Arrangements and all payments made under the ceased Arrangements had been fully settled.

We were subject to various risks relating to such Arrangements during the Track Record Period, such as (i) possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors and (ii) potential risks arising from our limited understanding of the source and use of funds by third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us to demand return of the relevant payment or for violation or noncompliance of laws and regulations, we may need to allocate additional financial and managerial resources to defend against such claims and legal proceedings, and we may be forced to comply with the court ruling and return the payment for the products that we sold, which could adversely affect our business, financial condition, results of operations and prospects. See “Business — Customers — Third-Party Payment Arrangements” for details.

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We may face risks relating to labor relations, labor disputes, labor shortages and increases in labor costs.

Our success depends on our ability to attract and retain employees, and any deterioration in labor relations, workplace safety incidents or labor disputes could disrupt our operations and adversely affect our business, financial performance and reputation. Additionally, with the growth of the economy, average wages of our employees are expected to increase. Any significant increase in labor costs could adversely affect our profitability, business and financial performance.

Companies operating in the PRC have to participate in various employee benefit plans required by the government, including certain social insurance and housing provident funds. The requirement and implementation of employee benefit plans may vary considering the different levels of economic development in different locations in the PRC, employers who fail to make adequate payments as required by the local competent authorities may be ordered to make up the payments within a prescribed time limit and may be further subject to late payment fees, fines and/or other penalties. During the Track Record Period and up to the Latest Practicable Date, we had not received any material administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident funds. Any new laws and regulations, or more stringent interpretation and implementation of existing and new laws and regulations may lead to extra employee benefit plan costs, which may adversely affect our results of operations and financial condition.

Our insurance coverage may not be sufficient to cover all of our potential losses.

We maintain insurance coverage for our employees based in China and our biological assets. See “Business — Insurance” for details. Our insurances may not provide adequate coverages for all the risks in connection with our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs, which could have an adverse effect on our financial condition and results of operations.

We may not be able to adequately protect our intellectual property rights and technologies, which could adversely affect our business.

We believe that our current intellectual property rights, including our patents, trademarks and copyrights, provide protection to our business and are necessary for our operations. However, we may not be able to detect breaches of our intellectual property rights in a timely manner, our intellectual property rights may be challenged by third parties or found to be invalid or unenforceable, and our intellectual property rights may not be effective in preventing third parties from utilizing similar business models, processes or brand names to offer similar products. Any of these could disrupt our business and divert our management’s attention from our operations. The costs associated with these types of disputes, claims or litigation may be substantial and could have an adverse effect on our brand image, business, financial condition, results of operations and prospects.

We may face intellectual property infringement claims by third parties, which could disrupt our business, cause substantial legal costs, and damage our reputation.

There may be third-party trademarks, patents, copyrights, know-how or other IP rights that are infringed upon by our products or other aspects of our business without our knowledge. Holders of such IP rights may seek to enforce such IP rights against us in the PRC or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert our management’s time and other resources from our business and operations to defend these claims, regardless of their merits. If we

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were found to have violated the IP rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual properties, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business, financial condition and results of operations may be adversely affected.

We may be subject to litigation and other legal proceedings, and may not always be successful in defending ourselves against such claims or proceedings.

We face potential liability, expenses for legal claims and harm due to our business nature. For example, consumers could assert legal claims against us in connection with personal injuries. The PRC Government, media outlets and other related organizations have been increasingly focused on consumer protection in recent years. See “Regulatory Overview — Laws and Regulations Relating to Product Quality and Product Liability” for details. Sales of defective products may expose us to liability even where contamination is not caused by us, and we may also be held liable for non-compliance by our suppliers, customers or partners. Though we can ask the responsible parties for indemnity after that, our reputation could still be adversely affected. In addition, our Directors, management, business partners and employees may from time to time be subject to litigation and regulatory investigations and proceedings or otherwise face potential liability and expense in relation to food safety, commercial, labor, or employment, which could adversely affect our reputation and results of operations. Moreover, after we become a publicly [REDACTED] company on the Stock Exchange, we may face additional exposure to claims and lawsuits. These claims could divert management time and attention away from our business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, we may elect or be forced to pay substantial damages if we are unsuccessful in our efforts to defend against these claims, which could harm our business, financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN THE COUNTRIES AND REGIONS WHERE WE OPERATE

Changes in economic, political and social conditions or the fine food industry in the countries and regions where we operate could affect our business and operations.

We are incorporated, and our operations and assets are primarily located, in the PRC. Accordingly, our business, financial condition and results of operations may be influenced by the economic, political and social conditions in the PRC. The fine food market in general is affected by macro-economic factors, including changes in economic conditions, consumer demand and discretionary spending. The PRC government has implemented various measures to encourage the economic growth and the allocation of resources. However, there is no assurance that our business and operations may benefit from such measures.

Policies regarding foreign currency conversion may impact our foreign exchange transactions, including dividend payment to holders of our H Shares.

Under the current PRC foreign exchange system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. However, approval from, or registration with, the competent government authorities is required for the conversion of RMB into foreign currency and its remittance outside China for the payment of capital expenditures, such as the repayment of foreign currency-denominated loans. Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be

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able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. If there are changes in the policies regarding the payment of dividends in foreign currencies to shareholders or other changes in foreign exchange policies resulting in insufficient foreign exchange, our payment of dividends in foreign currencies, capitalization of our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

Fluctuations in the value of the Renminbi and other currencies may have an adverse effect on the value of your [REDACTED].

We are exposed to risks associated with foreign currency exchange fluctuations. Changes in the value of foreign currencies could increase our RMB costs for, or reduce our RMB revenues from, our foreign operations. Therefore, any fluctuations in the value of foreign currencies against RMB could materially and adversely affect our results of operations. In addition, the fluctuation of foreign exchange rates affects the value of our monetary and other assets and liabilities denominated in foreign currencies. We cannot guarantee that future foreign exchange rate fluctuations will be favorable, and any adverse change would not have a material adverse impact on our financial condition and results of operations. While we have actively managed our currency risks, such measures may not be effective or economically feasible under all circumstances. In addition, we may need to obtain foreign currency to make payments of declared dividends, if any, on our H Shares. Our [REDACTED] from the [REDACTED] will be denominated in Hong Kong dollars. The value of Renminbi against the Hong Kong dollar, the U.S. dollar and other currencies is based on rates set by the People’s Bank of China (the “PBOC”), which is affected by changes in global and geographical political and economic conditions, foreign exchange policy adopted by the PRC government, supply and demand in the monetary markets, and economic and political developments domestically and internationally. As a result, any appreciation of the Renminbi against the Hong Kong dollar may result in a decrease in the value of our [REDACTED] from the [REDACTED]. In addition, the value of Renminbi is subject to regulation by the PBOC in the foreign exchange market to limit fluctuations in Renminbi exchange rates. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in a foreign currency. There are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these global and geographical political and economic factors may adversely affect the value of and any dividends payable on, our H Shares in Hong Kong dollars.

You may encounter difficulty in effecting service of legal process upon, and enforcing foreign judgments against, us, our Directors and senior management.

We are a company incorporated under the laws of the PRC and our assets and subsidiaries are primarily located in the PRC. The majority of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. As a result, it may not be possible to effect service of process upon most of our Directors and senior management outside the PRC. In addition, as the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules upon the [REDACTED] of our H Shares on the Stock Exchange.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas securities offering and listing issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Overseas Listing Trial Measures and five supporting guidelines, which had become effective on March 31, 2023 (the “Overseas Listing Regulations”). The Overseas Listing Regulations are applicable to overseas securities offering and listing conducted by

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issuers who are (i) companies incorporated in the PRC and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. See “Regulatory Overview — Laws and Regulations Relating to Overseas Listing” for details. The Overseas Listing Regulations, or any pertinent rules or regulations promulgated in the future, may subject us, or our financing activities, to additional regulatory requirements in the future. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our future financing activities.

Dividends payable to investors and gains [REDACTED] of H Shares by our investors may be subject to PRC income taxes.

Under the current tax laws and regulations in the PRC, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of our H Shares.

Non-PRC resident individuals are required to pay individual income tax at a rate of 20% under IIT law for the interests, dividends and bonuses they obtain from the PRC. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. Generally, in accordance with the Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 issued by the SAT (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), when a tax rate of 10% is not applicable, the withholding company shall: (i) return the excess tax amount pursuant to due procedures if the applicable tax rate is lower than 10%; (ii) withhold such foreign individual income tax at the effective tax rate agreed on if the applicable tax rate is between 10% and 20%; or (iii) withhold such foreign individual income tax at a rate of 20% if no taxation treaty is applicable.

For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those who have establishments or premises in the PRC but whose income is not related to such establishments or premises under the EIT law, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of Shares are ordinarily subject to PRC enterprise income tax at a rate of 20%. In accordance with the Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT, such tax rate has been reduced to 10%.

If there is any change to applicable tax laws and regulations or in the interpretation or application of such laws and regulations, the value of your [REDACTED] in our H Shares may be materially affected.

RISKS RELATING TO THE [REDACTED]

There has been no prior public trading market for our H Shares, an active trading market for our H Shares may not develop, and their trading price may fluctuate significantly.

Prior to the [REDACTED], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of [REDACTED]. The [REDACTED] may differ significantly from the market price of the H Shares following the [REDACTED]. We have applied to the [REDACTED] for the

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[REDACTED] of, and permission to [REDACTED], the H Shares (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]). However, the [REDACTED] on the [REDACTED] does not guarantee that an active and liquid [REDACTED] market for the H Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the market price of the H Shares will not decline following the [REDACTED]. If an active public market for our H Shares does not develop following the completion of the [REDACTED], the market price and liquidity of our H Shares could be materially and adversely affected.

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could result in substantial losses for [REDACTED] who purchase our H Shares in the [REDACTED].

The [REDACTED] and [REDACTED] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant [REDACTED] and [REDACTED] volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the [REDACTED] and [REDACTED] of our H Shares. In addition to market and industry factors, the [REDACTED] and [REDACTED] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies [REDACTED] on the Stock Exchange with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute dividend in the future.

We have declared dividends in the past. However, there is no assurance that we will declare dividends in the future. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations, and the calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. The declaration, payment and amount of our future dividends will depend upon our earnings and financial condition, operating requirements, capital requirements, applicable laws and regulations and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations, and would require approval at our Shareholders’ meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. See “Financial Information — Dividends” for details. There can be no assurance that dividends of any amount will be declared or distributed in any year in the future. Our historical dividends should not be taken as indicative of our dividend policy in the future.

You will incur immediate and significant dilution if the [REDACTED] is higher than the net tangible asset value per H Share and may experience further dilution if we issue additional Shares in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. In order to expand our business, we may consider [REDACTED] and [REDACTED] additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset

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value per H Share of their H Shares if we [REDACTED] additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may [REDACTED] Shares pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders’ interests in our Company.

Future sales or perceived sales of substantial amounts of our Shares in the public market and conversion of our Domestic Shares into H Shares could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in the dilution of your shareholding.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

Our Single Largest Shareholders may have substantial influence over us and their interests may not be aligned with the interests of other Shareholders.

Our Single Largest Shareholders may have substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately following the completion of the [REDACTED], our Single Largest Shareholders will be entitled to exercise approximately [REDACTED]% of the voting rights of our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their H Shares as part of a sale of our Company and might reduce the price of our H Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interest of our Single Largest Shareholders may differ from the interests of our other Shareholders. It is possible that our Single Largest Shareholders may exercise their influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from official government sources contained in this document.

This Document, particularly the section headed “Industry Overview,” contains information and statistics relating to the fine food industry and other economic data. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We believe that the sources of the information are appropriate, and we have taken reasonable care in extracting and reproducing such information. However, the information derived from official government sources has not been independently verified by us, any of the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information.

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You should read the entire Document carefully, and we caution you to not rely on any information contained in press articles or other media regarding us or the [REDACTED].

There has been, prior to the publication of this Document, and there may be, subsequent to the date of this Document but prior to the completion of the [REDACTED], press and media coverage regarding us and the [REDACTED]. We have not authorized the disclosure of any information concerning the [REDACTED] in the press or media. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this Document, we disclaim responsibility for them. You should rely solely upon the information contained in this Document, the [REDACTED] and any formal announcements made by us in Hong Kong in making your [REDACTED] decision regarding our H Shares. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this Document and any formal announcements made by us in Hong Kong with respect to the [REDACTED].

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 may be waived having regard to, among other considerations, the arrangements for maintaining regular communication with the Stock Exchange.

Since most of the business operations of our Group are managed and conducted outside of Hong Kong, and all of the executive Directors ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not, and does not contemplate in the foreseeable future that we will, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- (a) **Authorized representatives:** we have appointed Mr. Wang and Mr. XU Pengfei (許鵬飛) (“Mr. Xu”), as the authorized representatives (the “**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. We will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives. For more information about our Authorized Representatives, see “Directors and Senior Management” in this Document;
- (b) **Directors:** each of our Authorized Representatives has means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of our Board for any matters. In the event that any Director expects to travel or otherwise be out of office, he/she will provide a contactable phone number of him/her to the Authorized Representatives. Pursuant to Rule 3.20 of the Listing Rules, each of our Directors shall provide their telephone number, mobile phone number, facsimile number (if available), email address (if available), residential address and correspondence address to the Stock Exchange. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;
- (c) **Compliance advisor:** we have appointed Red Solar Capital Limited as our compliance advisor (the “**Compliance Advisor**”) upon the [REDACTED] pursuant to Rules 3A.19 and 19A.05 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor will have access at all times to our Authorized Representatives, the Directors and

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

other senior management and can act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor; and

- (d) **Hong Kong legal advisor:** we will retain a Hong Kong legal advisor to advise us on the on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [REDACTED].

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint as our company secretary an individual, who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (a) length of employment with the issuer and other issuers and the roles he or she played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

We have appointed Mr. Xu as our joint company secretary. As he has extensive experience in investment, corporate finance and corporate governance but presently does not possess any of the qualification required under Rules 3.28 and 8.17 of the Listing Rules, we have appointed Ms. Cheung Hin Kiu (張顯翹) (“**Ms. Cheung**”) of [REDACTED] to provide assistance to Mr. Xu. Ms. Cheung is a member of the Hong Kong Chartered Governance Institute, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Mr. Xu and Ms. Cheung will be jointly discharging the duties and responsibilities of a company secretary. Ms. Cheung will be assisting Mr. Xu in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Also, Mr. Xu will be assisted by (1) the compliance advisor of our Company for the first full financial year starting from the [REDACTED], particularly in relation to Hong Kong corporate governance practice and compliance matters; and (2) the Hong Kong legal advisor of our Company, on matters regarding our Company’s ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr. Xu will endeavor to attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of an [REDACTED] [REDACTED] on the Stock Exchange.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Xu may be appointed as a joint company secretary of our Company.

Pursuant to Chapter 3.10 of the Guide, the waiver will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions: (1) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the Waiver Period; and (2) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of three years on the condition that Ms. Cheung will work closely with, and provide assistance to, Mr. Xu in the discharge of his duties as a company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Cheung ceases to provide assistance to Mr. Xu during the three-year period after [REDACTED].

Our Company will further ensure that Mr. Xu has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws and regulations and the Listing Rules. Before the end of the three-year period, the Company will demonstrate and seek the Stock Exchange’s confirmation that Mr. Xu, having had the benefits of Ms. Cheung’s assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of a company secretary so that a further waiver would not be necessary.

For further information regarding the qualifications of Mr. Xu and Ms. Cheung, see “Directors and Senior Management” in this Document.

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[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Executive Directors

Name	Address	Nationality
Mr. WANG Bin (王斌)	Room 502, Building 11-3 Yongjinli Residential Community Yongdinghe Road Haidian District Beijing PRC	Chinese
Mr. XIA Yongtao (夏永濤)	Room 503, Unit 4, Building 17 Yuquan Xincheng Shijingshan District Beijing PRC	Chinese
Mr. HAN Lei (韓磊)	Room 702, Building 20 Unique Garden Courtyard No. 2 Laiguangying West Road Chaoyang District Beijing PRC	Chinese
Mr. WANG Zhigang (王志剛)	Room 901, Building 7-1 Feicuiwan Community West Area Kecheng District Quzhou Zhejiang Province PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Non-executive Directors

Name	Address	Nationality
Mr. DONG Zhendong (董振東)	Room 1303, Building 5 MixC Shangcheng District Hangzhou Zhejiang Province PRC	Chinese
Mr. KONG Deren (孔德仁)	Room 702, No. 11 Lane 1288 Tianyaoqiao South Road Xuhui District Shanghai PRC	Chinese

Independent non-executive Directors

Name	Address	Nationality
Dr. SUN Song (孫松)	Room 1501, Building 1-1 2 Fengxian Road Shinan District Qingdao Shandong Province PRC	Chinese
Ms. FAN Xinpeng (范新鵬)	82 Greenfield Villa Ngau Liu Sai Kung NT Hong Kong	Chinese (Hong Kong)
Ms. SONG Xiumei (宋秀梅)	No. 7, 10th Floor, Tower 1 No. 24 Zhanlan Road Xicheng District Beijing PRC	Chinese

See “Directors and Senior Management” for further details of our Directors.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

CITIC Securities (Hong Kong) Limited

18/F, One Pacific Place

88 Queensway

Hong Kong

**China Securities (International) Corporate Finance
Company Limited**

18/F, Two Exchange Square

8 Connaught Place, Central

Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal advisors to our Company

As to Hong Kong and United States laws:

Herbert Smith Freehills Kramer

23/F, Gloucester Tower
15 Queen’s Road Central
Hong Kong

As to PRC law:

Tian Yuan Law Firm

Suite 509, Tower A
Corporate Square,
35 Financial Street, Xicheng District
Beijing
PRC

**Legal advisors to the Joint Sponsors and
the [REDACTED]**

As to Hong Kong laws:

Jingtian & Gongcheng LLP

Suites 3203–3207, 32/F, Edinburgh Tower
The Landmark
15 Queen’s Road Central
Hong Kong

As to PRC law:

Grandall Law Firm

25–28/F, Suhe Centre
99 North Shanxi Road
Shanghai
PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditor and Reporting Accountant

PricewaterhouseCoopers

Certified Public Accountants

Registered Public Interest Entity Auditor

22/F, Prince’s Building

Central

Hong Kong

Independent Biological Assets Valuer

AVISTA Asset Appraisal (Beijing) Co., Ltd

Unit 2505, 25/F, Block C

Sino-Ocean Office Park

No. 5 South Jinhua Road

Chaoyang District

Beijing

PRC

Industry Consultant

China Insights Industry Consultancy Limited

10F, Block B, Jing’an International Center

88 Puji Road

Jing’an District

Shanghai

PRC

Compliance Advisor

Red Solar Capital Limited

Unit 402B, 4/F, China Insurance Group Building

No. 141 Des Voeux Road

Central

Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office	2/F 55 Pailing South Road Qiandaohu Town Chunan County Hangzhou Zhejiang Province PRC
Headquarters and Principal Place of Business in the PRC	No.1 Xunlong Road Shishi Township Kecheng District Quzhou Zhejiang Province PRC
Principal Place of Business in Hong Kong	Room 1915, 19/F Lee Garden One, 33 Hysan Avenue Causeway Bay Hong Kong
Company’s Website	<u>www.kalugaqueen.com</u> <i>(The information contained in this website does not form part of this Document)</i>
Joint Company Secretaries	Mr. XU Pengfei (許鵬飛) 2/F 55 Pailing South Road Qiandaohu Town Chunan County Hangzhou Zhejiang Province PRC Ms. CHEUNG Hin Kiu (張顯翹) Room 1915, 19/F Lee Garden One, 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. WANG Bin (王斌) Room 502, Building 11-3 Yongjinli Residential Community Yongdinghe Road Haidian District Beijing PRC

CORPORATE INFORMATION

	Mr. XU Pengfei (許鵬飛) 2/F 55 Pailing South Road Qiandaohu Town Chunan County Hangzhou Zhejiang Province PRC
Audit Committee	Ms. FAN Xinpeng (范新鵬) (<i>Chairlady</i>) Mr. DONG Zhendong (董振東) Ms. SONG Xiumei (宋秀梅)
Nomination Committee	Dr. SUN Song (孫松) (<i>Chairman</i>) Ms. SONG Xiumei (宋秀梅) Mr. KONG Deren (孔德仁)
Remuneration and Appraisal Committee	Ms. SONG Xiumei (宋秀梅) (<i>Chairlady</i>) Ms. FAN Xinpeng (范新鵬) Mr. DONG Zhendong (董振東)
Strategy Committee	Mr. WANG Bin (王斌) (<i>Chairman</i>) Mr. DONG Zhendong (董振東) Mr. KONG Deren (孔德仁) Dr. SUN Song (孫松) Ms. FAN Xinpeng (范新鵬)
	[REDACTED]
Principal Bank	Bank of China Chunan Branch No. 92 Xin'an Street Qiandaohu Town, Chunan County Hangzhou China

INDUSTRY OVERVIEW

The information presented in this section, unless otherwise indicated, is derived from various official government publications and other publications generally believed to be reliable and from the market research report prepared by China Insights Consultancy, which we commissioned. However, information and statistics from official government sources have not been independently verified by us or any other parties involved in the [REDACTED] and no representation is given as to their accuracy.

OVERVIEW OF GLOBAL FINE FOOD INDUSTRY

Market Overview

Fine food refers to premium food products distinguished by superior quality, distinctive flavors, and exceptional nutritional or cultural value. Typical categories include caviar, black truffles, foie gras, bluefin tuna, bird’s nest, abalone, and matsutake mushrooms. These products are often region-specific and relatively scarce, with stringent requirements for selection, production, and processing to ensure quality and safety, thereby commanding premium prices. They emphasize naturalness, health, and traceability, and often embody distinctive cultural or regional characteristics. According to Fondazione Altagamma and CIC, the global fine food market was valued at approximately RMB354.4 billion in 2020 and increased to RMB588.2 billion in 2025, representing a CAGR of 10.7% during this period. With rising income levels and growing health awareness, consumer demand for fine food is increasingly driven not only by taste and status, but also by a desire for products that are healthy, natural, and of high quality. The global fine food market is projected to reach approximately RMB784.7 billion by 2030, representing a CAGR of 5.9% from 2025 to 2030.

Market Drivers

Modern information technology, intelligent equipment, and biological breeding are increasingly promoting the standardization, scalability, and industrialization of fine foods. In addition, breakthroughs in cold-chain logistics and food preservation technologies have significantly improved product freshness and safety, supporting cross-regional and long-distance delivery. At the same time, fine food product development has become increasingly diversified and innovation-driven, featuring cross-category integration and creative forms that stimulate consumer interest and purchase intent.

The continuous expansion of the emerging middle class and the upgrading of consumption attitudes have substantially increased consumer awareness and acceptance of fine foods. Meanwhile, the pursuit of diverse, balanced, and nutrition-oriented diets is fueling demand for fine foods with high nutritional value. Moreover, Generation Z, as an emerging core consumer group, is reshaping consumption patterns through its multicultural perspective, global outlook, confidence in local cultural identity, and preference for self-expression, self-indulgence, and emotion-driven consumption. This generation is accelerating the evolution of food consumption toward personalization, everyday accessibility, refinement, and experiential enjoyment, positioning itself as a leading force in defining future consumption trends.

INDUSTRY OVERVIEW

OVERVIEW OF GLOBAL AND CHINA CAVIAR INDUSTRY

Definition and Classification

Within the fine food category, caviar is distinguished for its exquisite flavor, delicate texture, and refined sensory experience. According to the Codex Alimentarius Commission (CAC), caviar refers exclusively to the roe obtained from mature female sturgeon, which is processed and lightly salted for preservation. Internationally, only roe derived from sturgeon is recognized as true caviar, while products made from the roe of other fish species are considered “caviar substitutes.” These substitutes differ markedly from genuine caviar in terms of texture, flavor, quality, and nutritional composition. Caviar typically appears in shades of black, gray, brown, or yellow, with rare golden varieties. It features firm, glossy grains and a distinctive aroma that varies subtly depending on the sturgeon species. The main categories of caviar include:

- *Beluga caviar*: Derived from the roe of mature beluga sturgeon, pearl-gray or metallic-gray in color, with plump, elastic grains of 3.2 mm or above in diameter and an intense buttery aroma.
- *Kaluga caviar*: Derived from the roe of mature kaluga sturgeon, typically yellowish-brown or brownish-gray, featuring large and uniform grains of 3.2 mm or above, with a rich and mellow flavor with distinct milky notes and long, lingering aftertaste.
- *Russian sturgeon caviar*: Derived from the roe of mature Russian sturgeon, generally brownish-yellow or grayish-yellow, with rounded grains of 3.0 mm or above, elastic membranes, and a layered taste accented by a subtle nutty aroma.
- *Hybrid sturgeon caviar*: Derived from the roe of mature hybrid sturgeon, amber or brownish-yellow in appearance, with resilient grains over 3.0 mm in diameter, a full-bodied, creamy flavor, and lingering richness on the palate.
- *Amur sturgeon caviar*: Derived from the roe of mature Amur sturgeon, deep brownish-gray to grayish-black, with grains exceeding 2.9 mm in diameter, a smooth, delicate texture, and a slightly fruity aroma.
- *Siberian sturgeon caviar*: Derived from the roe of mature Siberian sturgeon, typically grayish-brown and translucent, with grains exceeding 2.8 mm in diameter, a soft, melt-in-the-mouth texture, and a clean, refreshing flavor.

Nutritional Value

Caviar is naturally rich in high-quality proteins, unsaturated fatty acids, essential minerals, trace elements, and vitamins, offering both nutritional and functional value.

According to the USDA, caviar contains approximately 24.6 g of protein per 100 g, primarily comprising soluble yolk proteins, high-phosphorus proteins, and insoluble collagen. Essential amino acids account for about 20% of total protein, while the ratio of semi-essential and non-essential amino acids remains well balanced.

Caviar is an excellent source of high-quality unsaturated fatty acids, including oleic acid, DHA (docosahexaenoic acid, approximately 3.8 g per 100 g) and EPA (eicosapentaenoic acid, approximately 2.7 g per 100 g), according to the USDA. DHA and EPA are vital components of modern nutrition, promoting brain development, protecting vision, regulating lipid metabolism, and supporting cardiovascular health.

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Caviar contains abundant minerals and trace elements, mainly including calcium, iron, copper, magnesium, zinc, potassium, and selenium, which help maintain bone health, enhance haematopoietic function, regulate the nervous system, and strengthen antioxidant defense mechanisms.

Caviar is rich in vitamin A (supports vision and immune function), vitamin D (aids calcium absorption and regulates calcium-phosphorus metabolism), and B vitamins (which support energy metabolism and nerve repair).

Development History

The evolution of caviar from wild capture to modern aquaculture also reflects the shift of the global caviar value chain from overseas to China.

Prior to the 21st century, the global caviar industry depended heavily on wild sturgeon resources, with Russia and Iran along the Caspian Sea serving as the traditional heartlands of production.

In the early 21st century, the rapid depletion of wild sturgeon populations attracted worldwide concern. By 2010, CITES had imposed a global ban on the international trade of wild sturgeon products, followed by legislation in the European Union and the United States prohibiting the sale of wild caviar in domestic markets. Consequently, wild caviar has been phased out from legal market circulation worldwide.

To address the imbalance between supply and demand, CITES allowed the regulated commercial use of sturgeon species listed under Appendix II, encouraging aquaculture as a sustainable alternative. Global farmed sturgeon production has entered a stage of rapid expansion and industrialization. China, in particular, has emerged as a global leader, achieving significant breakthroughs in species breeding, large-scale aquaculture, and fine processing. Today, farmed sturgeon products have entirely replaced wild sources, forming the mainstream supply for the global caviar market.

Industry Chain

The caviar industry chain consists of the following core segments and key participants:

- *Raw material suppliers:* Primarily responsible for providing sturgeon and feed. In addition to external procurement of sturgeon, leading enterprises have established self-operated aquaculture bases, ensuring a stable and traceable supply of high-quality raw materials.
- *Sturgeon aquaculture and processing enterprises:* This segment includes breeding bases and processing facilities responsible for fry breeding, sturgeon aquaculture, disease prevention and control, and product processing. The global high-end caviar market mainly adopts the traditional slaughtering method for roe extraction, which accounts for over 90% globally, while the penetration rate of non-lethal harvesting methods are below 10%. The traditional method takes approximately 10-15 minutes per processing cycle, is suitable for continuous mass production, and is supported by mature techniques and relatively low short-term overall costs. Non-lethal harvesting methods take approximately one hour per fish and requires anaesthesia, hormone induction and post-operative care. Its short-term overall cost is approximately 40%-50% higher than that of the traditional method, and its advantage of repeated harvesting is partially offset by additional operating and maintenance costs. In terms of effectiveness, the traditional method better preserves the integrity, stable flavour and high quality of the roe, meeting the requirements of the high-end market. By contrast, non-lethal harvesting methods are more likely to cause roe breakage and fluid loss, so the flavor and quality are inferior to caviar harvested using traditional methods, making it more difficult to

INDUSTRY OVERVIEW

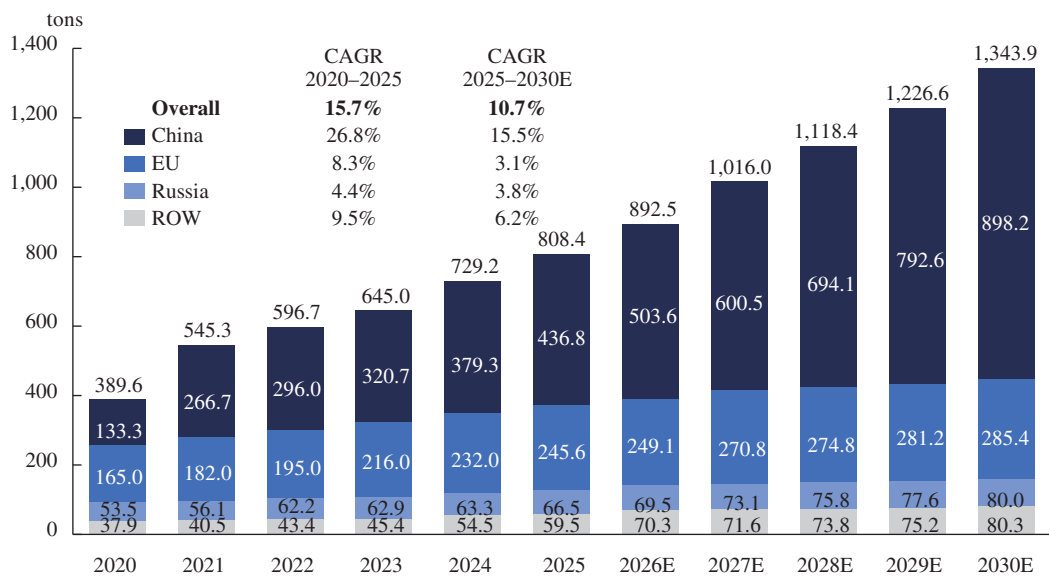
gain acceptance among mainstream high-end customers and accepted only by a small segment of the mid- to low-end market. The industry is characterized by high technical barriers and long production cycles. Leading enterprises typically control access to water surface resources, fishery assets, feed formulations, and aquaculture management technologies, giving rise to a strong concentration effect and a highly consolidated market.

- *Sales channels:* Following processing, producers generally sell either directly to customers or through brand operators and trading companies. Major sales channels include retail, catering, e-commerce, airlines, and luxury cruise lines. The consumer base has expanded to emerging middle-class families seeking refined and quality lifestyles. Meanwhile, the consumption is extending to Generation Z consumers, reflecting a diversified and evolving demand structure.

Market Size

According to FAO, global sturgeon catches reached a historical peak in 1977, with worldwide caviar sales volume totalling approximately 1,988 tons but declining sharply to 280 tons by 1997 due to resource depletion and conservation efforts. Since the beginning of the 21st century, the supply of farmed caviar has gradually expanded; however, due to the long investment cycle and high capital intensity of sturgeon aquaculture, global caviar supply has remained well below historical levels, resulting in a persistent undersupply in the market. Global caviar sales volume amounted to 808.4 tons in 2025 and is projected to reach 1,343.9 tons by 2030, representing a CAGR of 10.7%, which still remains significantly lower than that of 1977, reflecting a substantial supply-demand imbalance. China is currently the world’s largest producer of caviar. In 2025, its sales volume reached 436.8 tons, accounting for 54.0% of global output. China is expected to remain the primary driver of global caviar production growth, with output projected to increase to 898.2 tons by 2030, representing a CAGR of 15.5% and 66.8% of global supply. China’s export price of caviar increased from RMB1,613 per kg in 2020 to RMB2,185 per kg in 2025, and is anticipated to reach RMB2,736 per kg by 2030.

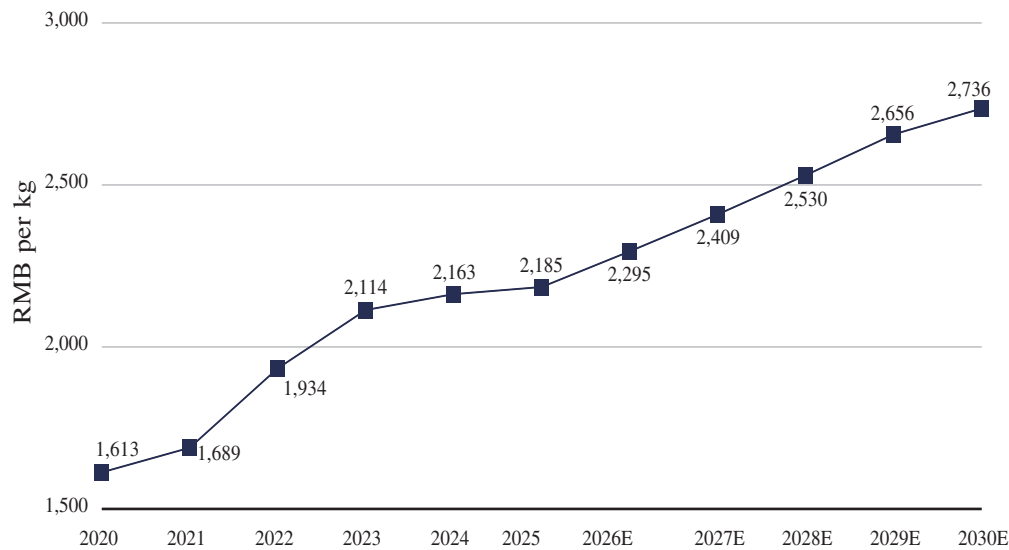
Global caviar market size by production region, in terms of sales volume, 2020–2030E



Sources: FAO, EUMOFA, FEAP, CITES, China Customs, CIC Report

INDUSTRY OVERVIEW

China’s caviar export price, 2020–2030E

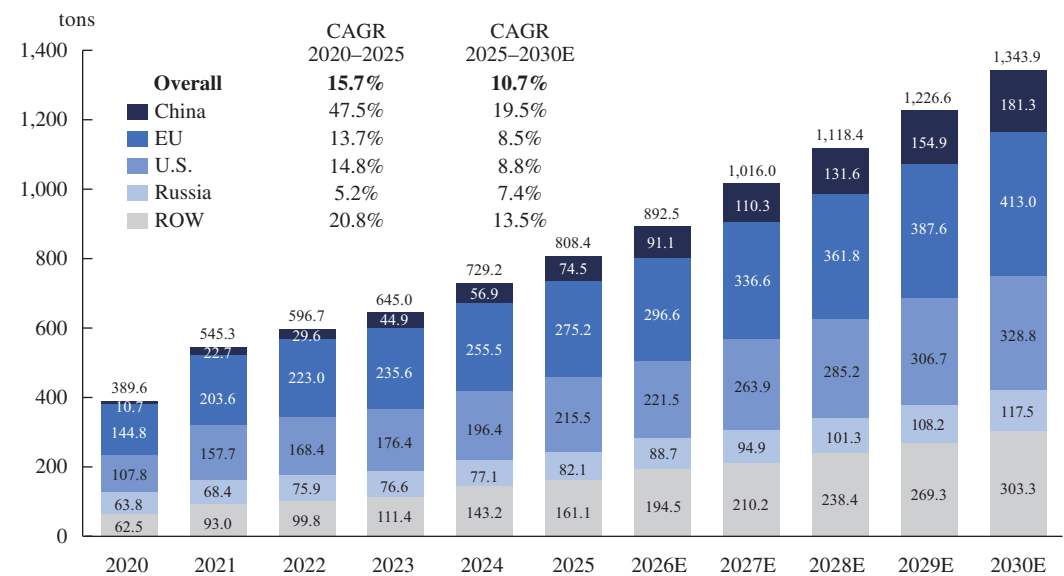


Sources: China Custom, CIC Report

From a consumption perspective, the European Union, the U.S., and Russia represent the traditional caviar consumption markets, where demand has continued to grow steadily. China’s caviar market has grown rapidly, with sales volume rising from 10.7 tons in 2020 to 74.5 tons in 2025, representing a CAGR of 47.5%, and is expected to continue expanding at a CAGR of 19.5% to reach 181.3 tons by 2030. Growing markets — including the Middle East, Japan, Southeast Asia, and South America — are expanding rapidly, supported by economic growth and the increasing popularization of caviar consumption culture. For Middle East, the conflicts and uncertainties may temporarily weaken caviar demand and customs clearance, but as the overall revenue of caviar in this region currently is relatively low, the overall risk remains manageable. As for Japan, although there remains geopolitical tensions between Japan and the PRC, the impacts on the demand of caviar are very limited. Caviar sales in the rest of the world are expected to grow at a CAGR of 13.5% from 2025 to 2030, outpacing the global average growth rate, reaching approximately 303.3 tons by 2030. In the rest of the world, caviar consumption in Japan, Singapore, and the Middle East grew from 18.1 tons, 1.6 tons, and 6.7 tons in 2020 to 42.0 tons, 3.5 tons, and 25.2 tons in 2025, representing a CAGR of 18.3%, 17.0%, and 30.4%, respectively. Projections indicate that consumption will reach 76.8 tons, 5.9 tons, and 52.5 tons by 2030, representing a CAGR of 12.8%, 11.1%, and 15.8% during 2025 to 2030, respectively.

INDUSTRY OVERVIEW

Global caviar market size by consumption region, in terms of sales volume, 2020–2030E



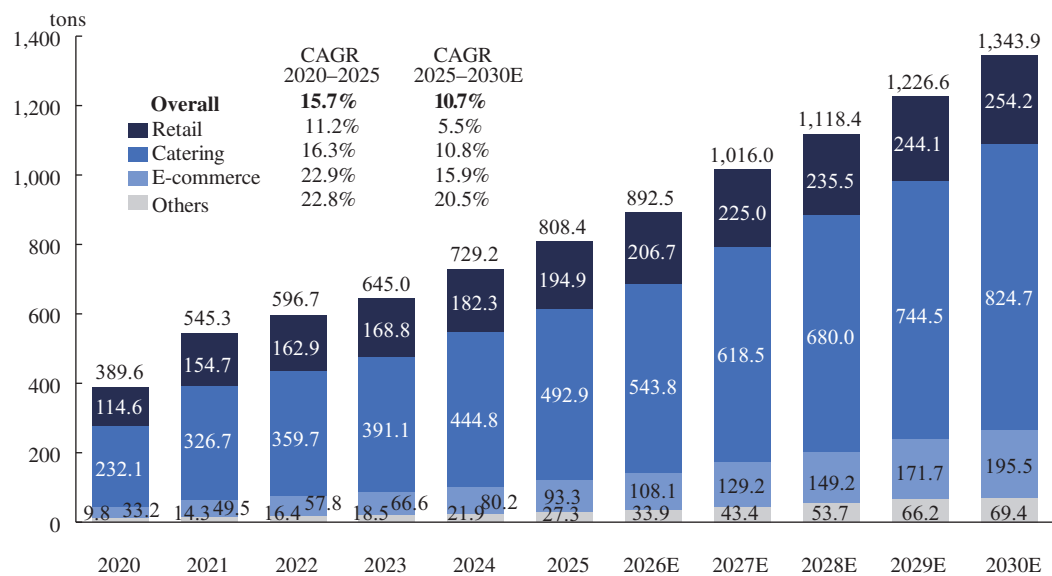
Sources: FAO, EUMOFA, FEAP, CITES, China Customs, CIC Report

China’s caviar consumption is currently in a rapid development phase, with caviar culture still in the process of cultivation. Per capita caviar consumption in China is still significantly lower than in traditional consumption markets: in 2024, it was only 0.04 g, compared with 0.57 g in the European Union, 0.58 g in the U.S., and 0.54 g in Russia, indicating substantial room for growth. With the steady improvement in consumers’ purchasing power, China’s fine food market has been expanding rapidly. As consumers become increasingly receptive to rare and innovative foods, caviar awareness and acceptance have grown notably, and consumption scenarios have expanded from high-end catering to premium supermarkets and e-commerce platforms. Overall, China’s caviar market is transitioning from a “niche luxury” product towards a “refined everyday experience”, with steadily rising market penetration.

Caviar consumption channels are primarily categorized into retail, catering, e-commerce, and others (such as airlines and cruise lines). Catering remains the dominant channel, accounting for 61.0% of global caviar consumption in 2025, with total sales volume of approximately 492.9 tons. Retail sales have also been growing steadily, rising from 114.6 tons in 2020 to 194.9 tons in 2025, representing a CAGR of 11.2% from 2020 to 2025. Driven by end-consumer demand, e-commerce has emerged as a fast-growing channel, with sales volume increasing from 33.2 tons in 2020 to 93.3 tons in 2025, representing a CAGR of 22.9%. With the continued proliferation of e-commerce platforms and growing individual consumption, e-commerce caviar sales are expected to reach 195.5 tons by 2030, representing a CAGR of 15.9%. Other channels, such as airlines and luxury cruise lines, are increasingly incorporating caviar into their offerings as a brand highlight and to enhance customer experience. As supply capacity improves, sales volume through these channels is projected to reach 69.4 tons by 2030, representing a CAGR of 20.5% from 2025 to 2030.

INDUSTRY OVERVIEW

Global caviar market size by sales channel, in terms of sales volume, 2020–2030E

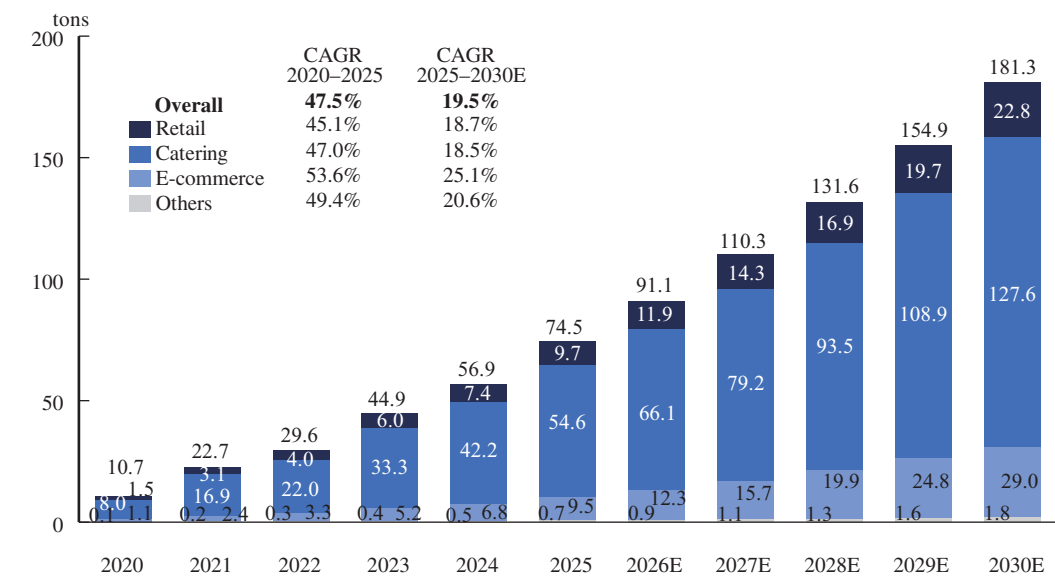


Sources: FAO, EUMOFA, FEAP, CITES, China Customs, CIC Report

In China, the catering channel accounts for approximately 73.3% of total sales in 2025, with a sales volume of 54.6 tons, and is projected to reach 127.6 tons by 2030, representing a CAGR of 18.5%. As consumer awareness and acceptance of caviar continue to increase, consumption is expected to expand further among individual consumers. Retail and e-commerce channels targeting the end-consumer market are anticipated to experience rapid growth. E-commerce sales volume is projected to increase from 9.5 tons in 2025 to 29.0 tons in 2030, representing a CAGR of 25.1%, while retail sales volume is expected to grow from 9.7 tons in 2025 to 22.8 tons in 2030, representing a CAGR of 18.7% over the same period.

INDUSTRY OVERVIEW

Consumption of China’s caviar industry, by sales channels, 2020–2030E



Sources: FAO, EUMOFA, FEAP, CITES, China Customs, CIC Report

Market Drivers

Overall, the industry’s development is driven by supply advancement, demand expansion, channel diversification, product innovation, and policy support.

- *Steady maturation of sturgeon aquaculture systems:* Continuous advances in aquaculture technologies and genetic breeding have completely freed caviar production from dependence on wild resources. Countries such as China and Italy have developed large-scale and well-structured aquaculture systems that enhance production efficiency, roe quality, and supply stability. For example, China’s caviar production has already increased from approximately 133 tons in 2020 to around 437 tons in 2025, and is expected to grow to around 898 tons by 2030. Advanced supply laid a solid foundation for sustainable industry growth.
- *Demand expansion as the key growth driver:* (i) Geographically, mature markets have well-established caviar consumption cultures. In growing markets such as China and Japan, caviar culture is still developing rapidly. (ii) In the to-B segments, as prices become more accessible, caviar consumption has expanded, through restaurants, banquets and other premium dining occasions. China’s caviar consumption through catering has increased by nearly six times over the past five years. In the to-C segments, rising demand from the new middle class pursuing refined lifestyles, together with the promotion of the creative caviar dining by leading enterprises, is fueling experience-driven consumption, particularly among Generation Z, thereby driving robust market expansion. Taking China’s middle-class for example, the population has increased from 144.6 million in 2020 to 329.4 million in 2025 and their caviar consumption has increased from 0.07 g per person in 2020 to 0.23 g per person in 2025, and is expected to rise to 0.37 g per person by 2030.

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- *Product innovation stimulates purchasing desire:* To cater to diverse consumer groups, tastes, and consumption scenarios, caviar products are evolving through diversification and cross-category innovation. New offerings such as caviar skincare products, caviar ice cream, caviar mooncakes, and caviar chocolates are bringing caviar closer to mainstream consumers, effectively stimulating purchase intent, broadening consumption occasions, and nurturing caviar culture. The market size of global and China’s other caviar-related products, in terms of retail sales value, grew from RMB2.6 billion and RMB0.7 billion in 2020 to RMB14.7 billion and RMB4.5 billion in 2025, showing a CAGR of 41.6% and 46.8%, respectively. The market size is projected to increase to RMB26.1 billion and RMB9.1 billion by 2030 at a CAGR of 12.2% and 15.0% during 2025 to 2030, respectively.
- *Policy support underpins industry development:* National policies promoting rural revitalization, modern aquaculture, cold-chain logistics, and agricultural product processing have provided favorable conditions for the caviar industry in areas such as aquaculture base construction, processing capacity enhancement, and brand internationalization. China’s Comprehensive Rural Revitalization Plan (2024–2027) emphasizes accelerating the development of modern agriculture, enhancing agricultural infrastructure, and strengthening agricultural technology. The Ministry of Agriculture and Rural Affairs stated in 2025 that efforts should be made to accelerate the development of facility-based aquaculture and in 2026 proposed advancing the high-quality development of the fisheries sector, including enhancing the supply capacity and quality of farmed aquatic products through the application of related technologies and equipment.

Future Trends

Future development will focus on broadening the consumer base, upgrading consumption scenarios, leveraging technology, promoting sustainable governance, and reshaping the global market landscape.

- *Chinese brands accelerating their expansion into global premium markets:* China is undergoing a structural transformation from “export-oriented contract manufacturing” to “independent brands going global.” Chinese caviar enterprises are actively integrating into international channels through technological upgrades and brand building, targeting high-end markets in Europe, the U.S., Japan, and the Middle East.
- *Innovative caviar consumption experiences expanding the consumer base and redefining consumption scenarios:* This concept bridges the gap between caviar and mainstream consumers, extending its reach from traditional high-net-worth individuals to the new middle class, younger consumers, and experience-driven users. Generation Z, in particular, demonstrates strong purchasing desire and spending power. Continuous product innovation is also reshaping consumption scenarios. For example, caviar sushi and roast duck with caviar have gained popularity in Japanese and creative Chinese cuisine. Overall, caviar consumption is expected to grow steadily across diverse consumer groups and scenarios, driven by continuous innovation and generational renewal.
- *AI and digitalization enhancing industry chain efficiency:* Emerging technologies such as intelligent aquaculture are increasingly penetrating the caviar industry chain. From sturgeon breeding and water quality monitoring to automated feeding, oxygenation, drainage, maturity prediction for roe harvesting, automated roe grading, and cold-chain traceability, intelligent systems are improving both aquaculture efficiency and product consistency. AI-enabled quality digitalized supply chains will drive cost optimization, operational efficiency, and quality enhancement.

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- *Sustainability becoming a core element of brand competitiveness:* The caviar industry is placing greater emphasis on ecological aquaculture, water conservation, and animal welfare. International certifications such as CITES and ASC (Aquaculture Stewardship Council), along with ESG disclosure mechanisms, are increasingly regarded as essential entry credentials for high-end markets. Brands that possess green certifications, traceability systems, and the ability to communicate sustainability values will command greater consumer trust and stronger market competitiveness in the evolving global landscape.

COMPETITIVE LANDSCAPE

The top five global caviar enterprises accounted for approximately 57.7% of total sales volume. Based on sales volume in 2025, the Company was the world’s largest caviar company, with a 36.1% share of global caviar sales. The Company’s caviar sales accounted for over 30% of the global market for five consecutive years from 2021 to 2025, and it ranked first globally in terms of sales volume for 11 consecutive years from 2015 to 2025.

Ranking

Top five companies in the global caviar industry, in terms of sales volume, 2025

Ranking	Company	Caviar sales volume, 2025 (ton)	Market share in the global caviar market, 2025	Headquarters
1	The Company	292	36.1%	China
2	Company A	~65	~8.0%	China
3	Company B	~50	~6.2%	Poland
4	Company C	~35	~4.3%	Italy
5	Company D	~25	~3.1%	France
	Top five companies	~467	~57.7%	
	Total.	808	100%	

Source: CIC Report

Notes: Company A is a non-listed company established in 2006 in Sichuan Province, China and its caviar products mainly cover kaluga caviar, Russian sturgeon caviar, hybrid sturgeon caviar, Amur sturgeon caviar and Siberian sturgeon caviar.
Company B is a non-listed company established in 2014 in Poland, and its caviar products mainly cover Siberian sturgeon caviar and Russian sturgeon caviar.
Company C is a non-listed company established in Italy which began its first caviar production in 1992, and its caviar products mainly cover white sturgeon caviar and beluga caviar.
Company D is a non-listed company established in France which established its own farmed sturgeon plant in the 1990s, and its caviar products mainly cover Siberian sturgeon caviar and Russian sturgeon caviar.

Key Success Factors and Entry Barriers

The sturgeon and caviar industry is typically long-cycle, high-barrier, and technology-intensive. Enterprises must overcome multiple challenges related to technology, environment, capital intensity, product quality, regulatory compliance, and full value-chain integration.

INDUSTRY OVERVIEW

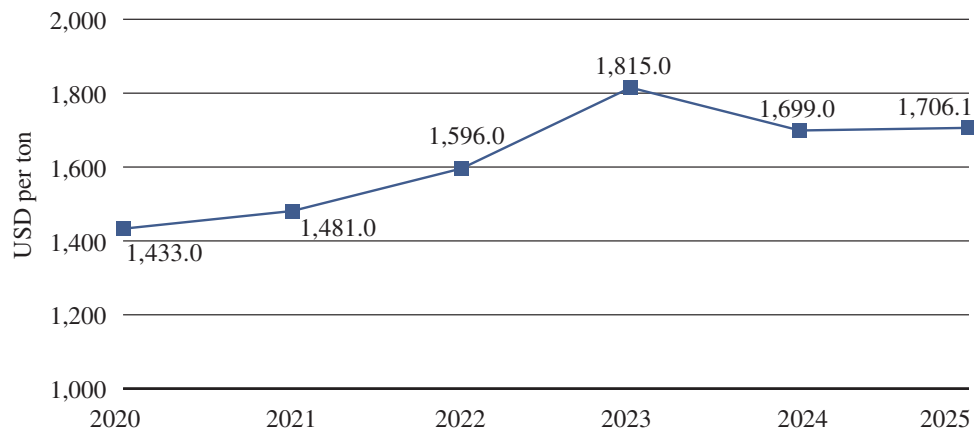
- *Technical barrier:* Sturgeon breeding, ecological aquaculture, and caviar processing require highly specialized expertise and long-term R&D investment. Sturgeon are polyploid species, making genetic improvement extremely complex. Effective breeding requires the integration of traditional family-based selection with modern molecular marker-assisted breeding technologies, both time-consuming and capital-intensive processes. Currently, only a limited number of domestic research institutions and leading enterprises have established stable genetic breeding systems. Moreover, early-stage sex identification and segregation technologies help reduce feed waste and space usage while enabling earlier optimization of production and cash flow.
- *Environmental barrier:* Sturgeon aquaculture is highly region-dependent, with stringent ecological requirements for water bodies, climate, and other environmental conditions. Factors such as water temperature, quality, volume, and ambient air temperature directly affect sturgeon survival and growth rates. As a cold-water species, sturgeon’s best living water temperature is between 18°C to 25°C. Moreover, water quality plays a decisive role in determining the flavor, grain size, and overall quality of caviar. As such, enterprises must rigorously test indicators such as water temperature, dissolved oxygen, flow rate, and water exchange, in order to select high-quality farming environments that best meet the growth conditions of sturgeon.
- *Long aquaculture cycles and high capital barrier:* Sturgeon is a typical long-cycle aquaculture species, requiring seven to 15 years from fry to mature females suitable for caviar processing. This necessitates enterprises to plan their raw material reserves years in advance, continuously investing in capital, feed, and management resources while bearing substantial time and financial costs.
- *Product quality barrier:* As a premium consumer product, caviar quality is the foremost determinant of brand competitiveness. Without consistent high-quality output, a brand cannot gain market recognition. As a globally traded food product, caviar must also comply with stringent import and export regulations and international certifications such as BRC, IFS, and HACCP, as well as full traceability systems required by markets in Europe and the U.S.
- *Regulatory and qualification barrier:* Sturgeons are listed under CITES Appendix II, meaning commercial developments and exports are subject to quota controls and licensing requirements. In China, exporters must comply with the Wildlife Protection Law of the PRC, obtain approvals from the Endangered Species Scientific Commission, and register with the CITES Secretariat. Only enterprises with legitimate breeding sources, high-quality breeding environment, stable aquaculture systems, and full compliance qualifications can engage in international trade, restricting export eligibility to a small number of enterprises.
- *Full value-chain capability barrier:* Mastering the entire chain requires significant time, capital, and interdisciplinary expertise, including both aquaculture know-how and operational management capabilities. Companies with vertically integrated operations across the full value chain are better positioned to maintain long-term competitiveness.

COST ANALYSIS

Feed is the major cost component in sturgeon aquaculture, with fishmeal being the primary raw material of the feed. The price of fishmeal was approximately USD1,433.0 per ton in 2020 and USD1,706.1 per ton in 2025, and is expected to remain relatively stable in the foreseeable future.

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Global fishmeal price, 2020–2025



Source: World Bank

SOURCE OF THE INDUSTRY INFORMATION

We engaged an independent market research consultant, China Insights Consultancy (CIC), to analyze the global caviar market and prepare a report for use in this document. The report was commissioned by us at a fee of RMB700,000. CIC compiled the report using data published by government and non-governmental organizations, as well as through primary and secondary research. CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviews with key industry experts and leading market participants, while secondary research involved analyzing multiple publicly available data sources, such as the China Customs and the World Bank.

The forecasts and assumptions contained in the CIC Report are inherently uncertain, as unforeseen events or combinations of events that cannot be reasonably foreseen, including, but not limited to, actions by governments, consumers, competitors, and other third parties. Specific factors that could cause actual results to differ materially include, among others, inherent risks in the global caviar market, social and economic factors, supply risks, regulatory risks, environmental concerns, labor risks, financing risks, and force majeure or unpredictable events. Unless otherwise stated, all data and forecasts in this section are derived from the CIC Report. After making reasonable and prudent considerations, the directors confirm that, since the date of the CIC Report, there have been no material adverse changes that would constitute significant limitations, conflicts or impacts on the overall market information contained therein.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO THE AQUACULTURE INDUSTRY

Pursuant to the Law of the PRC on Agriculture (《中華人民共和國農業法》), promulgated by the Standing Committee of the National People’s Congress (the “NPCSC”) on July 2, 1993, latest amended on December 28, 2012, and implemented on January 1, 2013, the State shall also support the development of agricultural product processing and food industries to increase the added value of agricultural products.

Aquatic Wildlife Breeding Permit/Domestication and Breeding Permit

The Wildlife Protection Law of the PRC (《中華人民共和國野生動物保護法》) (the “**Wildlife Protection Law**”) was promulgated by the NPCSC on November 8, 1988, and latest amended on December 30, 2022 and implemented on May 1, 2023. According to the Wildlife Protection Law, the artificial breeding of wildlife is subject to classified and hierarchical management. The artificial breeding of wildlife under special state protection is subject to approval by the competent wildlife protection department of the people’s governments at the provincial, autonomous regional, or municipal level, and a Wildlife Breeding Permit must be obtained, with the exception that the State Council stipulates otherwise for the approval departments. An entity or individual that breeds wildlife under special state protection without a Wildlife Breeding Permit will be subject to confiscation of the wild animals and their products by the competent wildlife protection department of the people’s government concerned at or above the county level and will be fined not less than one time but not more than ten times the value of the wildlife and their products.

Pursuant to the Regulations for the Implementation of the Protection of Aquatic Wild Animals of the PRC (2013 Revision) (《中華人民共和國水生野生動物保護實施條例(2013修訂)》), promulgated and implemented by the State Council on December 7, 2013, for domestication and breeding of aquatic wild animals under national Class I protection, a Domestication and Breeding Permit issued by the fisheries administrative department under the State Council shall be held; for domestication and breeding of aquatic wild animals under national Class II protection, a Domestication and Breeding Permit issued by the fisheries administrative department of the people’s government of the province, autonomous region, or municipality directly under the Central Government shall be held. Where wild animals, aquatic wild animals under national key protection are domesticated and bred without obtaining a Domestication and Breeding Permit or beyond the scope specified in the Domestication and Breeding Permit, the fisheries administrative department shall confiscate the illegal gains and impose a fine of up to RMB 3,000, and may concurrently confiscate the aquatic wild animals and revoke the Domestication and Breeding Permit.

Aquatic Wild Animals Operation and Utilization License and Special Identifier

Pursuant to the Administrative Measures of the PRC on the Licensing for the Utilization of Aquatic Wildlife (《中華人民共和國水生野生動物利用特許辦法》), promulgated by the Ministry of Agriculture and Rural Affairs (the “**MARA**”) of the PRC on June 24, 1999, latest amended and implemented on April 25, 2019, the State Council stipulates that for the sale, purchase or utilization of aquatic wildlife under national key protection or their products, which are subject to be approved by the former Ministry of Agriculture (now reorganized as the MARA of the PRC), an entity or individual shall apply to the fishery administrative department of the people’s government at the provincial level for an Aquatic Wild Animals Operation and Utilization License. An entity or individual that obtained a permit for the sale, purchase, or utilization of aquatic wildlife or their products shall, holding the Aquatic Wild Animals Operation and Utilization License, complete filing with the fishery administrative competent department of the people’s government at or above the county level at the place of sale or purchase before conducting such sale, purchase, or utilization activities.

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Pursuant to the Wildlife Protection Law, for the wildlife and their products included in the catalog of artificially bred wildlife under national key protection, an entity or individual holding an artificial breeding permit or filing may, based on the annual production quantity verified by the competent wildlife protection department of the people’s government at the provincial, autonomous regional or municipal level, or by its authorized department, directly obtain special identifier and sell or utilize such wildlife and their products with the corresponding marks, to ensure traceability. Any entity or individual that, without approval, without obtaining or using the special identifier as required, or without holding or attaching a copy of the artificial breeding permit, approval document or the special identifier, sells, purchases, utilizes, transports, carries or posts wildlife under national key protection or their products, will be subject to confiscation of the wildlife, their products and illegal gains by the competent wildlife protection department and the market regulation department of the people’s government at or above the county level, which shall order the closure of the illegal operation site and impose a fine not less than two times but not more than twenty times the value of the wildlife and their products. Where the circumstances are serious, the artificial breeding permit will be revoked, the approval document canceled, and the special identifier withdrawn; where a crime is constituted, criminal liability will be pursued in accordance with the law.

On November 28, 2018, the MARA of the PRC promulgated and implemented the notice on Standardizing the Approval and Management of Aquatic Animal Species in the Appendices of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (《關於規範瀕危野生動植物種國際貿易公約附錄水生動物物種審批管理工作的通知》) (the “**Notice on Standardizing the Approval and Management of Aquatic Animal Species in CITES Appendices**”). According to the Notice on Standardizing the Approval and Management of Aquatic Animal Species in CITES Appendices, for aquatic animal species listed in the International Trade in Endangered Species of Wild Fauna and Flora (the “**CITES**”) appendices but have not yet been included in the list of nationally protected wildlife and have only been approved as nationally protected wildlife in their wild populations, their wild populations will be managed domestically according to their corresponding protection levels, and artificially bred populations will no longer be considered as nationally protected wildlife. Those applying for artificial breeding, sale, purchase and utilization of the above-mentioned species, whether involving wild populations or artificial breeding populations, shall apply for an artificial breeding license or business utilization approval in accordance with the law.

Aquatic Fry and Fingerlings Production Permit

Pursuant to the Fisheries Law of the PRC (《中華人民共和國漁業法》) (the “**Fisheries Law**”), promulgated by the NPCSC on January 20, 1986, latest revised on December 27, 2025 and implemented on May 1, 2026 and the Administrative Measures on Aquatic Seed Production (《水產苗種管理辦法》), promulgated by the former Ministry of Agriculture of the PRC on June 9, 1992, latest amended on January 5, 2005 and implemented on April 1, 2005, an entity or individual engaging in the aquatic fry or fingerlings production shall obtain an Aquatic Fry and Fingerlings Production Permit from the competent fishery administrative department of the people’s government at or above the county level, except for fishery producers that breed and use the aquatic fry or fingerlings for their own use. New aquatic species must be reviewed and approved by the National Committee for the Appraisal of Aquatic Original and Fine Breeds and be promoted only after being announced by the administrative department for fisheries under the State Council.

Pursuant to the Fisheries Law, where any entity engages in the production of aquatic seeds without lawfully obtaining an Aquatic Seed Production License, or produces or trades seeds of new aquatic varieties that have not been approved, it shall be ordered to cease such illegal activities; the aquatic seeds and unlawful proceeds shall be confiscated, and a fine ranging from one to ten times the value of the aquatic seeds shall be imposed.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO THE FOOD INDUSTRY

Food Safety

On February 28, 2009, the NPCSC promulgated the Food Safety Law of the PRC (《中華人民共和國食品安全法》) (the “**Food Safety Law**”). On September 12, 2025, the NPCSC further passed a revised version of the Food Safety Law, and it was implemented on December 1, 2025. The Implementing Regulations of the Food Safety Law of the PRC(《中華人民共和國食品安全法實施條例》) (the “**Implementing Regulations of the Food Safety Law**”) was promulgated by the State Council on July 20, 2009, latest amended on October 11, 2019 and implemented on December 1, 2019. According to the Food Safety Law and the Implementing Regulations of the Food Safety Law, any entity engaging in food manufacturing, food sales, or catering services shall obtain the relevant permits. However, the sale of edible agricultural products and the sale of pre-packaged food are not subject to a permit; food manufacturing and food business operations shall comply with food safety standards and other applicable requirements.

Food Production and Operation Permit or Registration

On January 2, 2020, the State Administration for Market Regulation (the “**SAMR**”) promulgated the Administrative Measures of Food Production Licensing (《食品生產許可管理辦法》) (the “**Administrative Measures of Food Production Licensing**”), which came into effect on March 1, 2020. According to the provisions of the Administrative Measures of Food Production Licensing, the food production license is subject to the principle of one license for one entity, which means a food producer shall obtain a food production license to engage in food production activities. The market supervision authorities shall implement classified licensing for food production.

On June 15, 2023, the Administrative Measures for Food Operation Licensing and Registration (《食品經營許可和備案管理辦法》) was promulgated by the SAMR, which came into effect on December 1, 2023. According to the Administrative Measures for Food Operation Licensing and Registration, the State implements a licensing system for food production and operation. An entity or individual engaging in food production, food sales, or catering services shall obtain the relevant permits in accordance with the law. However, the sale of edible agricultural products and the sale of pre-packaged food are not subject to a permit. An entity or individual that only sells prepackaged food shall file a record with the food safety supervision and administration department of the local people’s government at or above the county level. Any entity or individual engaging in food production or operation without the required food production and operation permit will be subject to confiscation of illegal gains, illegally produced or operated food, and the tools, equipment, and ingredients used for such illegal production or operation. In addition, such entity or individual may be subject to fines, orders of suspension of production and/or operation, detention and even criminal penalties.

Food Recall System

On March 11, 2015, the China Food and Drug Administration (currently merged into the SAMR) promulgated the Administrative Measures for Food Recall (《食品召回管理辦法》) (the “**Administrative Measures for Recall**”) which became effective on September 1, 2015 and amended on October 23, 2020. According to the Administrative Measures for Recall, where food operators find that the food involved thereby is unsafe, they must immediately suspend the operations, inform relevant food producers and operators of the suspension of production and operation, recommend consumers stop eating, and take necessary measures to prevent and control food safety risks. Food producers knowing that any food produced and traded thereby is unsafe must voluntarily recall such food. Food producers

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and operators must faithfully record the name, trademark, specification, production date, batch number, quantity and other contents of unsafe food subject to the suspension of production and operation, recall and disposal. Records must be kept for at least two years.

Where food operators violate the Food Safety Law and the Administrative Measures for Food Recall and do not immediately suspend operation or voluntarily recall unsafe food, follow the prescribed time limit to activate recall procedures, recall unsafe food products in accordance with the recall plan or dispose of unsafe food products, the food and drug administrative authorities shall issue warnings to them and impose fines between RMB5,000 and RMB30,000 on them.

Administration of Food Labels

Pursuant to the Provisions on the Administration of Food Labels (《食品標識管理規定》), promulgated and implemented by the former General Administration of Quality Supervision, Inspection and Quarantine of the PRC on October 22, 2009, food labels shall state description, place of origin of the food, production date, shelf life, net weight, list of ingredients, name, address and contact information of the producer, and the safety standards applied by the producer. Where words such as “nutrition” or “fortified” are indicated in the name or description of the food, the nutrients and calories of the food must be indicated in accordance with relevant provisions of National standards and comply with the quantitative indication requirements prescribed by National standards. For foods that require a production permit, the label shall include the production permit number and the “QS” (Quality Safety) mark.

LAWS AND REGULATIONS RELATING TO ONLINE RETAIL

Pursuant to the E-Commerce Law of the PRC (《中華人民共和國電子商務法》), promulgated by the NPCSC on August 31, 2018 and implemented on January 1, 2019, e-commerce business operators refer to natural persons, legal persons and other non-legal-person organizations that engage in business activities of sale of goods or provision of services through Internet and other information network, including e-commerce platform operators, business operators using the platform, and e-commerce business operators engaging in sale of goods or provision of services through their self-built website or other network services. E-commerce business operators shall complete market entity registration formalities pursuant to the law, except for individuals selling self-produced agricultural products and home-made handicraft products, and individuals using their own skills to engage in convenient labor activities and sporadic small transactions for which licensing is not required by law, as well as e-commerce business operators who are not required to register pursuant to the laws and administrative regulations.

According to the Administrative Measures for Food Operation Licensing and Registration, food producers who obtained a food production permit and sell their self-produced prepackaged food at their production or processing places or via the Internet are not required to file for record separately. Consumers whose legitimate rights and interests are harmed when they purchase foodstuffs through a third-party platform for online transactions of foodstuffs may seek compensation from the participating food business operator or food manufacturer. After the third-party platform provider of online transactions of foodstuffs has made compensation, it has the right to seek recourse from the participating food business operator or food manufacturer. Where the third-party platform provider of online transactions of foodstuffs makes a commitment that is more beneficial to the consumers, it shall perform the commitment.

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LAWS AND REGULATIONS RELATING TO THE UTILIZATION OF NATURAL RESOURCES

Natural Water Taking Management

According to the Water Law of the PRC (《中華人民共和國水法》), promulgated by the NPCSC on January 21, 1988, amended and implemented on July 2, 2016, and the Regulations Governing the Licensing for Water Taking and the Levying of Water Resource Fees (《取水許可和水資源費徵收管理條例》), promulgated by the State Council on February 21, 2006, amended and implemented on March 1, 2017, and the Measures for the Administration of Water Abstraction Licensing (《取水許可管理辦法》), promulgated by the Ministry of Water Resources of the PRC on April 9, 2008, amended and implemented on December 22, 2017, except under specified circumstances, an entity or individual that draws or uses water resources shall apply for and obtain a water taking permit and pay water resource fees. Applicants shall not build water taking engineering structures or facilities without obtaining approval documents for the water taking permit application from the competent department.

An entity or individual that fails to comply with the foregoing provisions relating to the utilization of water resources may be subject to administrative penalties, including fines, orders for rectification, and revocation of the water taking permit.

LAWS AND REGULATIONS RELATING TO THE IMPORT AND EXPORT OF GOODS

Record-Filing of Aquatic Product Raw Material Breeding Farms for Export

Pursuant to the Administrative Measures of the PRC for the Safety of Food for Import or Export (《進出口食品安全管理辦法》), promulgated by the General Administration of Customs (the “GACC”) on April 12, 2021 and implemented on January 1, 2022 and Administrative Measures for the Record-Filing of Raw Material Aquaculture Farms for Export Aquatic Products (《出口水產品原料養殖場備案管理辦法》), promulgated by the General Administration of Customs (the “GACC”) on March 4, 2024 and implemented on April 15, 2024, aquatic product raw material breeding farms for export shall file for record with the local customs department. The record-filing shall remain valid for the duration of the validity period of the lawful aquaculture certification documents and is effective on a long-term basis within such period.

Record-Filing of Export Food Production Enterprises

Pursuant to the Administrative Measures of the PRC for the Safety of Food, export food production enterprises shall file for record with the customs department at their place of registration, where an enterprise exports food produced by an export food production enterprise without duly filing for record, shall be imposed penalties include confiscation of illegal gains and production or operation tools, imposition of fines, and, in serious cases, criminal liability.

Record-Filing of Consignors and Consignees of Imported and Exported Goods with the Customs Department

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the NPCSC on May 12, 1994, revised on December 27, 2025 and implemented on March 1, 2026 and the Customs Law of the PRC (《中華人民共和國海關法》), promulgated by the NPCSC on January 22, 1987, amended and implemented on April 29, 2021, since December 30, 2022, foreign trade operators engaging in the import or export of goods or in technology import and export are no longer required to complete record-filing or registration with the competent foreign trade department of the State Council

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or its authorized agencies, where a consignee or consignor of import or export goods or a Customs clearing enterprise goes through Customs declaration procedures, they shall file a record with the Customs in accordance with the law.

Import and Export Certificate for Wild Fauna and Flora

Pursuant to Measures for the Administration of Import and Export Certificates for Wild Fauna and Flora (《野生動植物進出口證書管理辦法》), promulgated by the former State Forestry Administration and the GACC on February 9, 2014, and implemented on May 1, 2014, the import and export of wild fauna and flora and their products conducted in accordance with the law are subject to an import and export certificate administration system. The import and export certificates for wild fauna and flora include the Permit for Import and Export and the Species Certificate. For the import and export of endangered wild fauna and flora and their products listed in the “Catalog of Commodities of Import and Export Wild Fauna and Flora Species” (《進出口野生動植物種商品目錄》) (the “**Commodity Catalog**”) restricted by the CITES, and for the export of wild fauna and flora and their products under national key protection listed in the Commodity Catalog, the administration of the Permit for Import and Export applies. For the import and export of other wild fauna and flora and their products listed in the preceding Commodity Catalog, the administration of the Species Certificate applies. The Commodity Catalog is jointly formulated, adjusted, and published by the Endangered Species Import and Export Management Office of the PRC and the GACC. The validity period of the Permit for Import and Export shall not exceed 180 days. Where the permit holder needs to extend the validity period of the Permit for Import and Export, a written application for extension must be submitted to the original issuing department fifteen days before the expiry of the validity period of the Permit for Import and Export.

Pursuant to the Regulations of the PRC on Administration of the Imports and Exports of Endangered Wildlife (《中華人民共和國瀕危野生動植物進出口管理條例》), promulgated and implemented by the State Council on March 2, 2019, the competent department of agriculture (fisheries) under the State Council, in accordance with the division of responsibilities, is responsible for the administration of the import and export of endangered wild animals and their products nationwide, and for coordinating matters related to the implementation of the CITES. The Office of Endangered Species Management, acting on behalf of the Chinese Government, performs the obligations under CITES and, in accordance with these Regulations, issue Permits for Import and Export for wild animals and their products under special state protection approved for export by the competent department of wild fauna and flora under the State Council, and endangered wild fauna and flora and their products whose import or export is restricted under CITES and approved by the same department for import or export. After obtaining the import or export approval document issued by the competent department of wild fauna and flora under the State Council, the applicant shall apply to the Office of Endangered Species Management for the issuance of a Permit for Import and Export within the validity period specified in the approval document.

Registration for Aquatic Animal Breeding Farm for Export

Pursuant to the Measures for the Inspection, Quarantine and Supervision of Aquatic Animals for Export (《出境水生動物檢驗檢疫監督管理辦法》), promulgated by the GACC on August 27, 2007, amended and implemented on November 23, 2018, an entity or individual engaging in the farming, capture, transshipment, packaging, transportation, or trade of aquatic animals for export shall comply with the relevant measures on the inspection and quarantine of aquatic animals for exportation. Where the importing country or region requires China to register the production, processing, and storage establishments exporting aquatic animals to it, the GACC implements a registration system for breeding farms and transshipment centers of aquatic animals for export. For applicants seeking registration, the directly subordinate customs shall make a decision on whether to grant registration within 20 days from

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the date of accepting the application. Where registration is granted, the Certificate of Inspection and Quarantine Registration for Aquatic Animal Breeding Farm/Transshipment Center for Export (the “**Registration Certificate**”) will be issued. The Registration Certificate is valid for five years from the date of issuance. Customs implements a system of routine supervision and annual review for registered breeding farms and transshipment centers of aquatic animals for export within their jurisdictions.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY AND PRODUCT LIABILITY

General Provisions on Product Quality

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “**Product Quality Law**”), promulgated by the NPCSC on February 22, 1993, amended and implemented on December 29, 2018, the Product Quality Law is the principal legislation governing the supervision and administration of product quality in China and applies to all product manufacturing and sales activities within the territory of the PRC.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), promulgated by the National People’s Congress (the “NPC”) on May 28, 2020, and implemented on January 1, 2021, in the event of product defects that have caused damage to others, the manufacturer shall bear tortious liability. Where a product is found to be defective after it is put into circulation, the manufacturer and the seller shall promptly adopt remedial measures such as stopping sale, issuing a warning, and recalling the product etc.; where the damage is aggravated as a result of failure to adopt remedial measures promptly or ineffective remedial measures, the manufacturer and the seller shall also bear tortious liability for the aggravated damage.

Agriculture Product Quality Safety

The Law of the PRC on Agricultural Product Quality Safety (《中華人民共和國農產品質量安全法》) (the “**Agricultural Product Quality Safety Law**”), promulgated by the NPCSC on April 29, 2006, amended on September 2, 2022, and implemented on January 1, 2023, provides for regulatory oversight of agricultural products in the following aspects: (i) quality and safety standards of agricultural products; (ii) agricultural product origins; (iii) agricultural production; and (iv) agricultural product sales. According to the Agricultural Product Quality Safety Law, agricultural producers shall use pesticides, veterinary drugs, fertilizers, agricultural films, and other agricultural inputs scientifically and rationally, to avoid polluting the places of production of agricultural products. Anti-staling agents, preservatives, additives, and packaging materials, etc., used in the process of packaging, preservation, storage, and transport of agricultural products shall comply with the relevant mandatory standards and other provisions on agricultural product quality safety.

Quality and Safety of Aquaculture

Pursuant to the Provisions on the Administration of the Quality and Safety of Aquaculture (《水產養殖質量安全管理規定》), promulgated by the former Ministry of Agriculture of the PRC on July 24, 2003, and implemented on September 1, 2003, aquaculture production shall comply with relevant national operating requirements for aquaculture technical specifications. Seed and fry used in aquaculture shall comply with national or local quality standards. Professional technical personnel engaging in aquaculture shall take vocational skill training and obtain vocational qualification certificates before taking up their posts. Aquatic feed used by aquaculture enterprises shall comply with

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applicable standards. Aquaculture entities and individuals shall accept sampling inspection for drug residues in cultured aquatic products organized by the fishery administrative departments of the people’s governments at or above the county level.

Product Liability

Producers and sellers that manufacture or sell defective products in China may be held liable for any losses or damages caused by such defective products. Pursuant to the Law of the PRC on the Protection of Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) (the “**Consumer Rights Protection Law**”), promulgated by the NPCSC on October 31, 1993, amended on October 25, 2013, and implemented on March 15, 2014, consumers or other victims suffering losses or damages caused by product defects may claim compensation either from the seller or from the producer.

Pursuant to the foregoing laws and regulations, product manufacturers and sellers are required to ensure that their products comply with the standards safeguarding human health and the safety of persons and property. Failure to do so may result in a range of penalties, including orders to cease production and sales, confiscation of products and illegal gains, fines, revocation of business permits, and/or criminal liability. In addition, where a product causes personal injury or other forms of tortious damage, the manufacturer and seller may be subject to tort liability.

Protection of Rights and Interests of Consumers

Pursuant to the Consumer Protection Law, business operators must guarantee that the commodities they sell satisfy the requirements for personal or property safety, provide consumers with authentic information about the commodities, and guarantee the quality, function, usage, and term of validity of the commodities. Failure to comply with the Consumer Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacing or repairing the commodities, mitigating the damages, compensation, and restoring the reputation, and subject the business operators or the responsible individuals to criminal penalties if business operators commit crimes by infringing the legitimate rights and interests of customers.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION, PRODUCTION SAFETY AND FIRE PREVENTION

Environmental Impact Assessment

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) (the “**EIA**”), promulgated by the NPCSC on October 28, 2002, amended on December 29, 2018, the state implements classified management of environmental impact assessments based on the extent of a construction project’s impact on the environment. The construction unit shall organize the preparation of an Environmental Impact Report, Environmental Impact Statement, or Environmental Impact Registration Form in accordance with the Category-based Administration Directory for the Environmental Impact Assessment of Construction Projects (the “**Catalog for EIA Classified Management**”), promulgated by the Ministry of Ecology and Environment on September 2, 2008, amended on November 30, 2020, and implemented January 1, 2021.

According to the Catalog for EIA Classified Management, inland aquaculture projects involving cage culture, net-enclosure baited farming, or located in environmentally sensitive areas shall prepare an Environmental Impact Statement. Other inland aquaculture projects not falling into the categories shall submit an Environmental Impact Registration Form.

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According to the Interim Measures for the Acceptance Inspection for Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), promulgated and implemented by the former Ministry of Environmental Protection of the PRC on November 20, 2017, the construction unit is the responsible party for the environmental protection acceptance of a completed construction project. The construction unit shall organize the acceptance inspection of supporting environmental protection facilities, prepare an acceptance report, disclose relevant information, and accept public supervision.

Pollution Discharge Permit and Registration for Stationary Pollution Discharge

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by NPCSC on September 13, 1979 and most recently amended on April 24, 2014, the Administrative Measures for Pollutant Discharge Permit (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024 and implemented on July 1, 2024, and the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the Ministry of Ecology and Environment on December 20, 2019, the State implements key management, simplified management and registration management of pollutant discharge permits based on factors such as the amount of pollutants generated and discharged, the degree of impact on the environment. The pollutant discharge entity that generates or discharges very small amount of pollutants and has small impact on the environment shall be implemented registration management, and is not required to apply for a pollutant discharge license, but shall fill in the pollutant discharge registration form on the national pollutant discharge license management information platform.

Work Safety

According to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) (the “**Work Safety Law**”), promulgated by the NPCSC on June 29, 2002, amended on June 10, 2021, and implemented on September 1, 2021, production and business operators shall possess the safety conditions required by relevant laws, administrative regulations, national standards, or industry standards before engaging in production and business activities, violation of the Work Safety Law may result in fines, administrative penalties, suspension or cessation of operations, and in severe cases, criminal liability.

Fire Control

According to the Fire Control Law of the PRC (《中華人民共和國消防法》) (the “**Fire Control Law**”), promulgated by the NPCSC on April 29, 1998, amended and implemented on April 29, 2021, and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (the “**MOHURD**”) on April 1, 2020, amended on August 21, 2023, and implemented on October 30, 2023 (the “**Interim Fire Provisions**”), special construction projects specified under the Interim Fire Provisions must undergo fire protection design review before commencement and fire protection acceptance before being put into use. For construction projects other than special construction projects, a fire protection acceptance filing is required, and the competent administrative department responsible for fire control design review and acceptance shall conduct spot checks. If a construction project fails the on-site inspection, the project will be prohibited from use and must implement corrective measures before applying for re-inspection.

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LAWS AND REGULATIONS RELATING TO WATER AREAS, TIDAL FLATS AND LAND USE

Aquaculture Rights in Water Areas and Tidal Flats

Pursuant to the Fisheries Law and the Measures for the Issuance and Registration of the Aquaculture Certificates for Water and Tidal Flats (《水域灘塗養殖發證登記辦法》), promulgated by the former Ministry of Agriculture on May 24, 2010 and implemented on July 1, 2010, an entity or individual that uses state-owned water areas or tidal flats designated for aquaculture in national plans shall apply to the fishery administrative department of the local people’s government at or above the county level, and upon approval by the people’s government at the same level, an aquaculture permit must be issued, permitting such entity or individual to use the designated water areas or tidal flats for aquaculture production.

Pursuant to the Fisheries Law, an entity or individual who uses the waters or tidal flats for aquaculture owned by the whole people, lets the waters or tidal flats lie wasted for a year without justifiable reasons, will be ordered by the department that issues the aquaculture permit to develop and utilize the waters and tidal flats within a time limit. If he fails to do so at the expiration of the time limit, his aquaculture permit will be revoked, and he may also be fined not more than RMB 10,000. An entity or individual who has not obtained an aquaculture permit legally but engages in aquacultural production in the waters owned by the whole people will be ordered to stop doing so, apply for an aquaculture permit, or demolish the aquaculture facilities within a time limit. An entity or individual who has not obtained an aquaculture permit legally but engages in aquacultural production in the waters owned by the whole people beyond the scope specified in the permit, thus obstructing navigation or flood diversion, will be ordered to demolish the aquaculture facilities within a time limit and may also be fined not more than RMB10,000.

Utilization of State-Owned Land

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) (the “**Land Administration Law**”), promulgated by the NPCSC on June 25, 1986, amended on August 26, 2019, and implemented on January 1, 2020, the Implementing Regulation for the Land Administration Law of the PRC, amended by the State Council on July 2, 2021 and implemented on September 1, 2021, and the Provisional Regulations of the PRC for the Grant and Assignment of the Right to Use State Land in Urban Areas, promulgated by the State Council on May 19, 1990, amended and implemented on November 29, 2020, except for state-owned land use rights allocated by the state within the scope prescribed by law, the state implements a system of paid use of state-owned land. The main methods of paid use of state-owned land include: granting of state-owned land use rights, leasing of state-owned land, and contributing or investing using state-owned land use rights. The granting of land use rights may be conducted by agreement, bidding, or auction, and a land use rights grant contract must be signed and the land use rights transfer fee paid.

Contracting and Circulation of Collectively Owned Land

According to the Land Administration Law, assignment, leasing etc of collectively-operated development land stipulated in the preceding paragraph shall be subject to consent by more than two-thirds of the members of the rural collective economic organization or more than two-thirds of villager representatives.

According to the Law of the PRC on Land Contract in Rural Areas (《中華人民共和國農村土地承包法》) (the “**Rural Land Contracting Law**”), promulgated by the NPCSC on August 29, 2002, amended on December 29, 2018 and implemented on January 1, 2019, and the Organic Law of the

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Villagers Committees of the PRC, 《中華人民共和國村民委員會組織法》) promulgated by the NPCSC on November 4, 1998, most recently amended on October 28, 2025 and implemented on January 1, 2026, where the party giving out contracts gives out the contracts for rural land to units or individuals other than the ones of the collective economic organization concerned, the matter shall first subject to consent by not less than two-thirds of the members of the villagers assembly, or of the villagers’ representatives, of the collective economic organization concerned and it is submitted to the township (town) people’s government for approval.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademark

Trademarks are protected under the Trademark Law of the PRC (《中華人民共和國商標法》), promulgated by the NPCSC on August 23, 1982, most recently amended on April 23, 2019, and implemented on November 1, 2019, and the Implementation Regulations for the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), promulgated by the State Council on August 3, 2002, amended on April 29, 2014, and implemented on May 1, 2014. The Trademark Office of the National Intellectual Property Administration is responsible for trademark registration and grants a validity period of ten years for registered trademarks. Upon application by the trademark owner, the registration may be renewed consecutively for ten-year periods.

Patent

Patents are protected under the Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the NPCSC on March 12, 1984, most recently amended on October 17, 2020, and implemented on June 1, 2021, and the Implementing Rules for the Patent Law of the PRC (《中華人民共和國專利法實施細則》), promulgated by the State Council on June 15, 2001, amended on December 11, 2023, and implemented on January 20, 2024. Granted, invention and utility model patents must possess novelty, inventiveness, and practical applicability. Starting from their respective filing dates, the protection period for invention patents is 20 years, for utility model patents 10 years, and for design patents 15 years. Any entity or individual intending to exploit another’s patent must enter into a permit agreement with the patentee and pay patent royalties. Using a patent without the patentee’s permission constitutes patent infringement.

LAWS AND REGULATIONS RELATING TO LABOR PROTECTION AND SOCIAL INSURANCE

General Labor Contract Rules

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, and last amended on December 29, 2018, employers shall establish and improve their rules and systems to safeguard the rights and interests of employees.

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the NPCSC on October 28, 2010, amended and implemented on December 29, 2018, an employer in the PRC shall complete social insurance registration with the local social insurance handling institution and make social insurance contributions on behalf of its employees. An employer who fails to pay social insurance contributions will be ordered to pay or supplement within a prescribed period, and an overdue

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payment fine at the rate of 5 per 10,000 will be levied from the due date of payment. When the payment is not made at the expiry of the prescribed period, a fine above the overdue amount but less than its triple will be imposed by the relevant administrative department.

Pursuant to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》), promulgated by the State Council on April 3, 1999, amended and implemented on March 24, 2019, an employer shall make registration of contributions to the housing provident fund with the housing provident fund management center, and go through the formalities of opening housing provident fund accounts on behalf of its employees. An employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people’s court for compulsory enforcement.

On July 20, 2018, the General Office of the CPC Central Committee and the General Office of the State Council jointly issued the Plan for Deepening the Reform of the National and Local Tax Administration System (《國稅地稅徵管體制改革方案》), pursuant to which the tax departments have been responsible for the collection of social insurance contributions in the PRC since January 1, 2019. In September 2018, the State Taxation Administration (the “STA”) issued the Notice on Prudently and Orderly Carrying Out Work Related to the Collection and Administration of Social Insurance Contributions Taxation (《關於穩妥有序做好社會保險費徵管有關工作的通知》). These notices expressly prohibit local departments from independently organizing a concentrated collection of historical social insurance contribution arrears from enterprises.

LAWS AND REGULATIONS RELATED TO INFORMATION SECURITY AND DATA PROTECTION

On December 28, 2021, the Cyberspace Administration of China (the “CAC”), jointly with 12 other administrative authorities, promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》). According to the Measures for Cybersecurity Review, critical information infrastructure operators that purchase network products and services, and network platform operators engaging in data processing activities that affect or may affect national security are subject to cybersecurity review under the Measures for Cybersecurity Review. In addition, network platform operators with personal information of over one million users shall be subject to cybersecurity review before listing abroad. The competent administrative authorities may also initiate a cybersecurity review against the operators if the authorities believe that the network product or service or data processing activities of such operators affect or may affect national security. According to the Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), a data handler that is not a critical information infrastructure operator, will be exempted from declaring for security assessment for outbound data transfer, signing a standard contract with overseas recipient or passing the personal protection certification, if such data handler accumulatively transfers overseas ordinary personal information of less than 100,000 individuals since the January 1 of the current year.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE AND DIVIDEND DISTRIBUTION

Pursuant to the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資金結匯管理方式的通知》), promulgated by the SAFE on March 30, 2015, amended and implemented on March 23, 2023, and the Notice of the State Administration of Foreign Exchange on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), promulgated on

REGULATORY OVERVIEW

June 9, 2016, and amended and implemented on December 4, 2023, the discretionary settlement of foreign exchange income under the capital account refers to the system under which capital account foreign exchange income explicitly permitted to be settled at discretion (including foreign exchange capital contributions, foreign debt funds, and funds repatriated from overseas listings, etc.) may be settled at banks based on the actual operational needs of domestic entities. The proportion of discretionary settlement of foreign exchange income under the capital account for domestic entities is currently set at 100%, and the SAFE may adjust this proportion in due course in light of the balance of payments situation.

According to the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues concerning the Management of Funds for Overseas Listings by Domestic Enterprises (《中國人民銀行 國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) issued by the People’s Bank of China and the SAFE, domestic enterprises that list overseas must apply to a bank in the provincial-level or separately listed municipal jurisdiction where they are registered to complete the overseas listing registration within 30 business days from the first trading day of the overseas listing or the completion of the over-allotment.

The principal regulations governing distribution of dividends of foreign-invested enterprises include the PRC Company Law which was promulgated by the NPCSC on December 29, 1993, effective as of July 1, 1994, and most recently revised on December 29, 2023, effective as of July 1, 2024. Under these regulations, joint stock limited companies (including foreign-invested enterprises) in the PRC may pay dividends only out of their accumulated profits, if any, determined in accordance with the PRC accounting standards and regulations. In addition, companies are required to allocate at least 10% of their accumulated profits each year, if any, to fund certain reserve funds unless these reserves have reached 50% of the registered capital of the enterprises.

LAWS AND REGULATIONS RELATING TO MAJOR TAXES APPLICABLE TO THE COMPANY IN THE PRC

Pursuant to the Law of the PRC on Enterprise Income Tax (《中華人民共和國企業所得稅法》), promulgated by the NPC on March 16, 2007, and amended by the NPCSC on December 29, 2018, and the Implementing Regulations for the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective on January 20, 2025, enterprises are classified into resident enterprises and non-resident enterprises. The rate of enterprise income tax is 25%. Income earned by enterprises from livestock and poultry farming, as well as from the primary processing of agricultural products, is exempt from corporate income tax. Enterprises that qualify as high-tech enterprises enjoy a reduced corporate income tax rate of 15%.

Pursuant to Value-added Tax Law of the People’s Republic of China (《中華人民共和國增值稅法》), promulgated by the NPCSC on December 25, 2024 and implemented on January 1, 2026, a company registered as a general taxpayer applies VAT rates of 13%, 9%, 6%, or 0% depending on the type of business. Sales of self-produced agricultural products by agricultural producers are exempt from VAT.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

On February 17, 2023, the China Securities Regulatory Commission (the “**CSRC**”) released the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), together with five interpretative guidelines thereof (collectively, the “**Trial Measures**”), which became effective on March 31, 2023.

Pursuant to the Trial Measures, domestic companies seek to offer or list securities overseas, both directly and indirectly, shall complete the filing procedures and report relevant information to the CSRC.

Pursuant to the Guidelines for the Application of “Full Circulation” of Unlisted Domestic Shares of H-share Companies (《H股公司境內未上市股份申請「全流通」業務指引》), promulgated by the CSRC on November 14, 2019, most recently revised and implemented on August 10, 2023, and Trial Measures, shareholders who hold domestic unlisted shares of H-share issuers may apply to convert their unlisted shares into listed shares for trading on the Stock Exchange. Issuer will be authorized to file with CSRC on behalf of those shareholders. The filing of the H-share full circulation scheme may proceed simultaneously with the application for the overseas listing and offering filing with CSRC, or separately after the IPO. After the unlisted domestic shares are listed and circulated on the Hong Kong Stock Exchange, they cannot be transferred back to the domestic market.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Established in April 2003 in the PRC, our Company has over the years evolved to become the world’s largest caviar company in terms of sales volume since 2015. Led by Mr. Wang, who is the chairman of our Board, an executive Director, our general manager and a Single Largest Shareholder, and leveraging over 20 years of industry experience and development of our Company, we have gradually built an integrated sturgeon and caviar value chain encompassing sturgeon breeding and aquaculture, caviar processing, and sales and marketing and we have established an international caviar brand *KALUGA QUEEN* (卡露伽).

Our Company was converted into a joint stock company with limited liability in July 2010. Our Company was listed on the NEEQ on March 1, 2024, and then voluntarily delisted from the NEEQ on August 6, 2025. For details, see “— Previous Listing on the NEEQ and A-Share Listing Attempts” in this section.

KEY DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

Year	Key development milestone event
2003 . . .	We were established in April as a limited liability company in the PRC under our former name, Hangzhou Qiandao Hu Xunlong Technology Development Co., Ltd. (杭州千島湖鱘龍科技開發有限公司).
2005 . . .	We launched the <i>KALUGA QUEEN</i> (卡露伽) brand.
2009 . . .	We were awarded the Second Prize of the State Scientific and Technological Progress Award (國家科技進步二等獎).
2011 . . .	We began to supply caviar products to Lufthansa’s first-class cabin.
2015 . . .	We ranked first in the global caviar market by sales volume.
2016 . . .	We supplied caviar to the G20 Summit in September.
2019 . . .	We first achieved over 10,000 tons in terms of farming volume in sturgeon aquaculture.
2021 . . .	We re-launched and upgraded our <i>KALUGA QUEEN</i> (卡露伽) brand.
2022 . . .	We first achieved 200 tons in terms of annual caviar production and sales volume.
2023 . . .	We were recognized as the National Key Leading Enterprise in Agricultural Industrialization (農業產業化國家重點龍頭企業).
2024 . . .	We were recognized as the National Demonstration Base for Green and Healthy Aquaculture (國家級水產健康養殖和生態養殖示範區). We were listed on the NEEQ in March.
2025 . . .	We were delisted from the NEEQ in August.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES

The following table summarizes our five principal subsidiaries which are of strategical importance to us or made material contributions to our results of operations during the Track Record Period:

<u>Name of subsidiary</u>	<u>Principal business activities</u>	<u>Date and jurisdiction of establishment</u>
Quzhou Sturgeon Aquatic Food Technology Development Co., Ltd. (衢州鱈龍水產食品科技開發有限公司)	Sturgeon aquaculture, caviar and sturgeon product processing and domestic and overseas sale of caviar and sturgeon products	September 11, 2009, the PRC
Chunan Qiandao Lake Sturgeon Import and Export Co., Ltd. (淳安千島湖鱈龍進出口有限公司)	Overseas sale of caviar and sturgeon products	May 30, 2008, the PRC
Sichuan Kalujia Technology Development Co., Ltd. (四川卡露伽科技發展有限公司) . . .	Sturgeon aquaculture	December 9, 2021, the PRC
Liaoning Xunlong Technology Development Co., Ltd. (遼寧鱈龍科技發展有限公司)	Sturgeon aquaculture	April 30, 2020, the PRC
Jiangxi Ruoxi Ecological Agriculture Co., Ltd. (江西省箬溪生態農業有限公司)	Sturgeon aquaculture and caviar and sturgeon product processing	April 3, 2008, the PRC

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Incorporation and Early History

Our Company was established on April 18, 2003 in the PRC under its former name, Hangzhou Qiandao Lake Xunlong Technology Development Co., Ltd. (杭州千島湖鱈龍科技開發有限公司) under the direction of the Chinese Academy of Fishery Sciences (中國水產科學研究院). At the time of establishment, our Company had an initial registered capital of RMB6,600,000, which was held by Mr. Wang as to 6%, Chinese Academy of Fishery Sciences as to 30%, Qianfa Group as to 25%, Chinese Academy of Fishery Sciences East China Sea Fishery Research Institute (中國水產科學研究院東海水產研究所) as to 20%, Zhejiang Provincial Aquatic Technology Promotion Station (Zhejiang Provincial Fishery Inspection and Quarantine and Epidemic Prevention and Control Center) (浙江省水產技術推廣總站(浙江省漁業檢驗檢測與疫病防控中心)) as to 10%, and three other then existing shareholders as to 5%, 2% and 2%, respectively. In April 2005, our Company was converted into a Sino-foreign equity joint venture and underwent several rounds of increases in registered capital and equity transfers from April 2005 to November 2009.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Conversion into a Joint Stock Company in July 2010

On July 2, 2010, our Company was converted into a joint stock company with a registered capital of RMB58 million and was renamed as Hangzhou Qiandao Lake Red Apple Investment Co., Ltd. (杭州千島湖紅蘋果股份有限公司). The audited net assets of RMB88,469,400 of our Company as at December 31, 2009 was converted into 58,000,000 Shares of RMB1.00 per Share, with the remaining RMB30,469,400 recorded in our Company’s capital reserve.

Upon completion of the conversion on July 2, 2010, the registered capital in our Company became RMB58,000,000 divided into 58,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by the then Shareholders in proportion to their respective equity interests in our Company before the conversion. The then shareholding structure of our Company is set forth in the table below:

<u>Shareholder</u>	<u>Number of Shares</u>	<u>Ownership Percentage</u> (%)
William Francis Holst II	14,530,400	25.05
Chunan Qiandao Lake Red Apple Investment Co., Ltd. (淳安千島湖紅蘋果投資有限公司) (“Chunan Hongpingguo”)	7,083,200	12.21
Mr. Wang	5,883,600	10.14
Qianfa Group	5,171,900	8.92
Chinese Academy of Fishery Sciences East China Sea Fishery Research Institute (中國水產科學研究院東海水產研究所)	3,752,900	6.47
Chinese Academy of Fishery Sciences (中國水產科學研究院)	3,583,300	6.18
Newline Media	3,257,500	5.62
Zhejiang Yidu Venture Capital Co., Ltd. (浙江億都創業投資有限公司)	3,076,600	5.30
Gaojing Luoke	2,895,600	4.99
Hangzhou Lingfeng Cybnaut Venture Capital Partnership (Limited Partnership) (杭州靈峰賽伯樂創業投資合夥企業(有限合夥))	2,171,700	3.74
Hangzhou Tianhai Holding Group Co., Ltd. (杭州天海控股集團有限公司)	1,809,700	3.12
Zhejiang Free Trade Zone Yuehai Enterprise Management Co., Ltd. (浙江自貿區悅海企業管理有限公司)	1,447,800	2.50
Tibet Fumao Industrial Co., Ltd. (西藏福茂實業有限公司)	1,266,800	2.18
Zhejiang Provincial Fisheries Technology Promotion Center (浙江省水產技術推廣總站)	1,194,400	2.06
Beijing Liantian Technology Development Co., Ltd. (北京聯天科技發展有限責任公司)	874,600	1.51
Total	58,000,000	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Capital Increase and Share Allotment in 2010 and Share Transfer in November 2013

On October 10, 2010, our Company entered into an investment agreement with Zixing Liangmei, pursuant to which Zixing Liangmei agreed to subscribe for 3,050,000 Shares, representing 4.99% of the equity interest in our Company upon the completion of the subscription, at a consideration of RMB11,895,000. Upon completion of the aforesaid transaction in December 2010, the registered share capital of our Company increased from RMB58,000,000 to RMB61,050,000.

On November 25, 2013, a share transfer agreement was entered into between Hangzhou Tianhai Holding Group Co., Ltd. (杭州天海控股集團有限公司) and Tianchao Shuichan, pursuant to which Hangzhou Tianhai Holding Group Co., Ltd. agreed to transfer 1,809,700 Shares in our Company to Tianchao Shuichan at a total consideration of RMB9,048,500.

Capital Increases, Share Allotments and Share Transfers in 2018

In September 2018, the following transfers of Shares were effected:

<u>Date of agreement</u>	<u>Transferor</u>	<u>Transferee</u>	<u>Number of Shares transferred</u>	<u>Consideration (RMB)</u>
September 2, 2018	William Francis Holst II	Ningbo Xingxun Venture Capital Investment Partnership (Limited Partnership) (寧波興鱗創業投資合夥企業(有限合夥))	8,036,586	63,398,240
September 2, 2018	William Francis Holst II	Chunan Kalujiaren	5,883,314	46,411,716

In August 2018, our Company entered into share subscription agreements with several Shareholders. The details of respective share subscriptions are set out below:

<u>Date of agreement</u>	<u>Subscriber</u>	<u>Number of Shares allotted</u>	<u>Consideration (RMB)</u>
August 30, 2018	Ningbo Xingxun Venture Capital Investment Partnership (Limited Partnership) (寧波興鱗創業投資合夥企業(有限合夥))	7,663,414	60,454,397
August 30, 2018	Chunan Kalujiaren	5,986,586	47,226,399
August 30, 2018	Beijing Liantian Technology Development Co., Ltd. (北京聯天科技發展有限公司)	300,000	2,366,611

Upon completion of the aforesaid transactions, the registered share capital of our Company increased from RMB61,050,000 to RMB75,000,000.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Change in Company Type, Capital Increases, Share Allotments and Share Transfers from December 2018 to January 2019

From December 2018 to January 2019, the following transfer of Shares were effected:

<u>Date of agreement</u>	<u>Transferor</u>	<u>Transferee</u>	<u>Number of Shares transferred</u>	<u>Consideration (RMB)</u>
December 13, 2018	William Francis Holst II	Chunan Kalujiaren	610,500	4,816,051
December 13, 2018	Zhejiang Yidu Venture Capital Co., Ltd. (浙江億都創業投資有限公司)	Zhouyang Venture	3,076,600	32,365,832
December 13, 2018	Zhejiang Free Trade Zone Yuehai Enterprise Management Co., Ltd. (浙江自貿區悅海企業管理有限公司)	QIU Shenlin (邱沈林)	1,447,800	15,230,856
	Zixing Liangmei		1,000,000	10,520,000
	Hangzhou Lingfeng Cybernaut Venture Capital Partnership (Limited Partnership) (杭州靈峰賽伯樂創業投資合夥企業(有限合夥))		879,200	9,249,184

Upon completion of the share transfer from William Francis Holst II to Chunan Kalujiaren, William Francis Holst II ceased to hold any Shares of our Company. Accordingly, in January 2019, our Company was converted from a Sino-foreign joint stock company to a domestic joint stock company.

Furthermore, in December 2018, our Company entered into share subscription agreements with two investors, the details of respective share subscriptions are set out below:

<u>Date of agreement</u>	<u>Subscriber</u>	<u>Number of Shares allotted</u>	<u>Consideration (RMB)</u>
December 13, 2018	QIU Shenlin (邱沈林)	1,901,500	15,000,363
December 13, 2018	Zhouyang Venture	1,758,300	13,870,701

Upon completion of the aforesaid transactions in January 2019, the registered share capital of our Company increased from RMB75,000,000 to RMB78,659,800.

As both Chunan Kalujiaren and Chunan Hongpingguo were our shareholding platforms, to streamline shareholding arrangement, on January 10, 2019, Chunan Kalujiaren and Chunan Hongpingguo entered into a merger agreement, pursuant to which the latter would be consolidated into the former. Upon completion of the merger, all 7,083,200 Shares of our Company held by Chunan Hongpingguo were transferred in full to Chunan Kalujiaren, and the then shareholders of Chunan Hongpingguo became the shareholders of Chunan Kalujiaren.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Capital Increases, Share Allotments and Share Transfers in 2020

From June 2020 to December 2020, the following transfer of Shares were effected:

<u>Date of agreement</u>	<u>Transferor</u>	<u>Transferee</u>	<u>Number of Shares transferred</u>	<u>Consideration (RMB)</u>
June 30, 2020	Tibet Fumao Industrial Co., Ltd. (西藏福茂實業有限公司)	LIU Yu (劉宇)	1,266,800	2,800,000
September 10, 2020	Chinese Academy of Fishery Sciences (中國水產科學研究院)	Fengshi Jinghe	3,583,300	37,136,541
September 10, 2020	Chinese Academy of Fishery Sciences East China Sea Fishery Research Institute (中國水產科學研究院 東海水產研究所)	Fengshi Jinghe	3,752,900	38,894,233
December 20, 2020	Beijing Liantian Technology Development Co., Ltd. (北京聯天 科技發展有限責任公司)	GUO Quanqing (國全慶)	1,174,600	12,163,453

Further, during the same period, our Company entered into share subscription agreements with certain Shareholders and investors. The details of respective share subscriptions are set out below:

<u>Date of agreement</u>	<u>Subscriber</u>	<u>Number of Shares allotted</u>	<u>Consideration (RMB)</u>
July 8, 2020	Zixing Liangmei	615,000	5,232,358
August 3, 2020	Tianchao Shuichan	542,910	4,619,024
August 17, 2020	Gaojing Luoke	520,000	4,424,108
August 17, 2020	LIU Yu (劉宇)	380,000	3,233,002
August 17, 2020	Newline Media	977,250	8,314,345
August 17, 2020	Hangzhou Lingfeng Cybernaut Venture Capital Partnership (Limited Partnership) (杭州靈峰賽伯樂創業投資合夥企業 (有限合夥))	387,750	3,299,000
December 7, 2020	CITIC Securities Investment Co., Ltd. (中信證券投資有限公司)	1,931,360	20,000,000
December 7, 2020	Jinshi Kunxiang	1,931,360	20,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of the aforesaid transactions in December 2020, the registered share capital of our Company increased from RMB78,659,800 to RMB85,945,430. In June 2022, our Company entered into separate termination agreements with CITIC Securities Investment Co., Ltd. and Jinshi Kunxiang, pursuant to which the redemption rights, anti-dilution rights and certain other rights were irreversibly terminated from the date of the termination agreement, which was before the Track Record Period, and such redemption rights terminated will not be reinstated upon occurrence of events which are beyond control of the Company.

Capital Increase, Share allotment and Share Transfer in 2023

On July 5, 2023, our Board passed resolutions approving, among other matters, the restricted share incentive scheme (the “**2023 Restricted Share Incentive Scheme**”). Subsequently, the 2023 Restricted Share Incentive Scheme was approved at the shareholders’ meeting held on July 20, 2023.

On October 13, 2023 and December 3, 2023, our Company entered into share incentive and capital increase agreements with Hangzhou Kalujiaren. Pursuant to the share incentive and capital increase agreements, Hangzhou Kalujiaren agreed to subscribe an increased share capital of 4,297,270 newly issued Shares of our Company at a consideration of RMB36,966,500, in accordance with the 2023 Restricted Share Incentive Scheme. The consideration was determined based on our Company’s audited net asset value per Share as of June 30, 2023, which was RMB8.60 per Share. Upon completion of the share allotment in December 2023, the registered share capital of our Company increased from RMB85,945,430 to RMB90,242,700.

On November 29, 2023, a share transfer agreement was entered into between Zhouyang Venture and Ningbo Xingxun Venture Capital Investment Partnership (Limited Partnership) (寧波興鱗創業投資合夥企業(有限合夥)), pursuant to which Zhouyang Venture agreed to transfer 1,650,000 Shares in our Company to Ningbo Xingxun Venture Capital Investment Partnership (Limited Partnership) at a total consideration of RMB46,200,000. The consideration was determined with reference to the appraised net asset value per Share of our Company as at June 30, 2023. The consideration was fully settled on January 29, 2024.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Listing on the NEEQ in March 2024 and the Delisting in August 2025

Our Company was listed on the NEEQ on March 1, 2024 and was subsequently delisted on August 6, 2025. For details, see “— Previous Listing on the NEEQ and A-Share Listing Attempts” in this section. Immediately after the delisting from the NEEQ, our Company’s shareholding was as follows:

Shareholder	Number of Shares	Ownership Percentage (%)
Chunan Kalujiaren	19,563,600	21.68
CHEN Xiaxin (陳夏鑫)	11,726,041	12.99
Fengshi Jinghe	7,336,200	8.13
Mr. Wang	5,883,600	6.52
Qianfa Group	5,171,900	5.73
ZHOU Junliang (周俊良)	4,763,719	5.28
Hangzhou Kalujiaren	4,297,270	4.76
Newline Media	4,234,750	4.69
QIU Shenlin (邱沈林)	4,228,200	4.69
Gaojing Luoke	3,415,600	3.78
Zhouyang Venture	3,184,900	3.53
Zixing Liangmei	2,665,000	2.95
Qihui Runjin	2,450,250	2.72
CITIC Securities Investment Co., Ltd. (中信證券投資有限公司)	1,931,360	2.14
Jinshi Kunxiang	1,931,360	2.14
LIU Yu (劉宇)	1,646,800	1.82
Tianchao Shuichan	1,252,610	1.39
Zhejiang Rural Development Group Limited (浙江省農村 發展集團有限公司) ^(note)	1,194,400	1.32
GUO Quanqing (國全慶)	1,174,600	1.30
RUAN Xinhong (阮新宏)	372,001	0.41
SHEN Huifeng (沈慧芬)	350,239	0.39
Hangzhou Lingfeng Cybnaut Venture Capital Partnership (Limited Partnership) (杭州靈峰賽伯樂創業投資合夥 企業(有限合夥))	330,000	0.37
DONG Zhendong (董振東)	280,175	0.31
QIAN Huilong (錢會龍)	280,175	0.31
CHEN Chunmei (陳春妹)	280,175	0.31
WU Nanping (吳南平)	280,175	0.31
FU Haiying (傅海英)	17,300	0.02
YAN Feng (顏峰)	100	0.0001
ZHAN Jiadi (詹嘉迪)	100	0.0001
HE Mu (何慕)	100	0.0001
Total	90,242,700	100.00

Note: Pursuant to the arrangement of the Zhejiang Provincial Department of Finance, the equity interest in the Company held by the Zhejiang Provincial Fisheries Technology Promotion Center (浙江省水產技術推廣總站) was transferred to Zhejiang Rural Development Group Limited (浙江省農村發展集團有限公司) without consideration in April 2022.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Share Transfers, Capital Increase and Share Allotment from August to September 2025

In August 2025, the following transfer of Shares were effected:

<u>Date of agreement</u>	<u>Transferor</u>	<u>Transferee</u>	<u>Number of shares transferred</u>	<u>Consideration (RMB)</u>
August 15, 2025	Zhejiang Rural Development Group Limited(浙江省農村發展集團有限公司) ⁽¹⁾	Zhejiang Zhongye	1,194,400	15,682,472
August 16, 2025	QIU Shenlin (邱沈林) ⁽²⁾	Yuansheng Jiahao	1,144,400	41,999,480
August 19, 2025	QIU Shenlin (邱沈林) ⁽²⁾	Shanghai Fengshi Hechuang Enterprise Development Partnership (Limited Partnership) (上海豐石合創企業發展合夥企業(有限合夥)) (“ Fengshi Hechuang ”)	855,600	31,400,520
August 20, 2025	ZHAN Jiadi (詹嘉迪) ⁽³⁾	Mr. Wang	100	7,599
August 20, 2025	HE Mu (何慕) ⁽³⁾	Mr. Wang	100	4,000
September 25, 2025	Zhouyang Venture ⁽⁴⁾	Shiyue Venture	1,000,000	32,000,000
September 30, 2025	YAN Feng (顏峰) ⁽³⁾	Mr. Wang	100	5,531

Notes:

- (1) Zhejiang Rural Development Group Limited, being the controlling shareholder of Zhejiang Zhongye, effected the share transfer as part of their intra-group restructuring arrangement. The consideration was determined through intra-group negotiations and was fully settled on August 27, 2025.
- (2) For details, see “— [REDACTED] Investments” in this section.
- (3) ZHAN Jiadi, HE Mu and YAN Feng invested in our Company during its listing on the NEEQ. To streamline our Company’s shareholding structure prior to the [REDACTED], pursuant to the share transfer agreements dated August 20, 2025 and September 30, 2025, Mr. Wang agreed to acquire the equity interests held by ZHAN Jiadi, HE Mu and YAN Feng in our Company at their respective purchase prices on the NEEQ. The considerations were fully settled on October 12, 2025.
- (4) Zhouyang Venture and Shiyue Venture are ultimately controlled by Mr. JIA Zhongxing (賈中興), an Independent Third Party. The consideration was determined with reference to the valuation based on the audited financial statements of the Company as at December 31, 2024. The consideration was fully settled on September 26, 2025.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

In addition, on August 18, 2025, the Board passed resolutions approving, among others, the restricted share incentive scheme (“**2025 Restricted Share Incentive Scheme**”). Subsequently, the 2025 Restricted Share Incentive Scheme was approved at the shareholders’ meeting held on September 3, 2025. In September 2025, Our Company entered into a share incentive and capital increase agreement with Hangzhou Xunlongren, pursuant to which Hangzhou Xunlongren agreed to subscribe 2,310,000 newly issued Shares of our Company at a consideration of RMB31,647,000 in accordance with the 2025 Restricted Share Incentive Scheme. The consideration was determined based on our Company’s audited net asset value per Share as of December 31, 2024, which was RMB13.7. The share allotment was completed on September 18, 2025.

Upon the completion of the aforesaid transactions, the shareholding structure of our Company is set forth in the table below:

Shareholder	Number of Shares	Ownership Percentage (%)
Chunan Kalujiaren	19,563,600	21.14
CHEN Xiaxin (陳夏鑫)	11,726,041	12.67
Fengshi Jinghe	7,336,200	7.93
Mr. Wang	5,883,900	6.36
Qianfa Group	5,171,900	5.59
ZHOU Junliang (周俊良)	4,763,719	5.15
Hangzhou Kalujiaren	4,297,270	4.64
Newline Media	4,234,750	4.58
Gaojing Luoke	3,415,600	3.69
Zhouyang Venture	2,184,900	2.36
Zixing Liangmei	2,665,000	2.88
Qihui Runjin	2,450,250	2.65
Hangzhou Xunlongren	2,310,000	2.50
QIU Shenlin (邱沈林)	2,228,200	2.41
CITIC Securities Investment Co., Ltd. (中信證券投資有限公司)	1,931,360	2.09
Jinshi Kunxiang	1,931,360	2.09
LIU Yu (劉宇)	1,646,800	1.78
Tianchao Shuichan	1,252,610	1.35
Zhejiang Zhongye	1,194,400	1.29
GUO Quanqing (國全慶)	1,174,600	1.27
Yuansheng Jiahao	1,144,400	1.24
Shiyue Venture	1,000,000	1.08
Fengshi Hechuang	855,600	0.92
RUAN Xinhong (阮新宏)	372,001	0.40
SHEN Huifeng (沈慧芬)	350,239	0.38
Hangzhou Lingfeng Cybernaut Venture Capital Partnership (Limited Partnership) (杭州靈峰賽伯樂 創業投資合夥企業(有限合夥))	330,000	0.36
DONG Zhendong (董振東)	280,175	0.30
QIAN Huilong (錢會龍)	280,175	0.30
CHEN Chunmei (陳春妹)	280,175	0.30
WU Nanping (吳南平)	280,175	0.30
FU Haiying (傅海英)	17,300	0.02
Total	92,552,700	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED] INVESTMENTS

Details and Principal Terms of the [REDACTED] Investments and [REDACTED] Investors’ Rights

The following table summarizes the key terms of the [REDACTED] Investments to our Company made by the [REDACTED] Investors.

	<u>Transfer to Yuansheng Jiahao</u>	<u>Transfer to Fengshi Hechuang</u>
Name of investor(s)	Yuansheng Jiahao	Fengshi Hechuang
Name of transferor	QIU Shenlin (邱沈林)	QIU Shenlin (邱沈林)
Date of agreement	August 16, 2025	August 19, 2025
Settlement Date	September 26, 2025	September 27, 2025
Number of shares transferred	1,144,400	855,600
Amount of consideration paid (RMB)	41,999,480	31,400,520
Approximate cost per Share paid (RMB)⁽¹⁾	36.70	36.70
Discount to the [REDACTED]⁽²⁾	[REDACTED]%	[REDACTED]%
Basis of determination of the consideration	To the best of our Directors’ knowledge, the basis of consideration was made after arm’s length negotiations between the parties and determined with reference to the valuation based on the audited net profit attributable to shareholders of the Company for the year ended December 31, 2024.	
Lock-up Period	Pursuant to the PRC Company Law, Shares issued by our Company prior to the [REDACTED] (including those held by the [REDACTED] Investors) will be subject to a lock-up period of one year from the [REDACTED].	
Use of [REDACTED] from the [REDACTED] Investments	No proceed was received by our Company in relation to the share transfers.	
Strategic benefits of the investor brought to our Company	Our Directors were of the view that the [REDACTED] Investors’ [REDACTED] in our Company was an endorsement of our Company’s strength and prospects, and that our Company would benefit from the strengthened and diverse Shareholder base.	

Notes:

- (1) The cost per Share was calculated based on the amount of investment made by the relevant [REDACTED] Investors and the number of Shares held by them immediately before the completion of the [REDACTED].
- (2) The discount to the [REDACTED] is calculated based on the [REDACTED] of HK\$[REDACTED] per H Share.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

No special rights were granted to the [REDACTED] Investors under relevant agreement of the [REDACTED] Investments.

Compliance with the Guide for New Listing Applicants

On the basis that (i) the consideration for [REDACTED] Investments was settled more than 28 clear days before the date of first submission of the [REDACTED] to the Stock Exchange or no less than 120 clear days before the [REDACTED]; and (ii) no special rights had been granted to the [REDACTED] Investors, the Joint Sponsors confirm that the [REDACTED] Investments are in compliance with Chapter 4.2 of the Guide.

Information about the [REDACTED] Investors

The following sets forth background information of our [REDACTED] Investors:

Yuansheng Jiahao

Yuansheng Jiahao is a limited partnership established in the PRC on November 26, 2021. As a private equity fund, Yuansheng Jiahao is principally engaged in equity investment, investment management and asset management. Yuansheng Jiahao’s general partner is Gongqingcheng Yuansheng Dechuang Investment Partnership (Limited Partnership) (共青城元生德創投資合夥企業(有限合伙)) (“**Yuansheng Dechuang**”), holding 1.21% of the partnership interest in Yuansheng Jiahao. Yuansheng Dechuang, as a limited partnership, is managed by Gongqingcheng Yuansheng Investment Management Co., Ltd (共青城元生投資管理有限公司) (“**Yuansheng Investment**”) as the general partner, which in turn is owned by PENG Xueqin (彭學勤) and PENG Xinmin (彭新民) as to 50%, respectively, each being an Independent Third Party.

As of the Latest Practicable Date, Yuansheng Jiahao has 9 limited partners, each holding less than 30% partnership interest therein. To the best knowledge of our Directors, each of Yuansheng Jiahao, Yuansheng Dechuang and Yuansheng Investment is an Independent Third Party.

Fengshi Hechuang

Fengshi Hechuang is a limited partnership established in the PRC on August 19, 2025, primarily engaged in enterprise management and consulting services. Fengshi Hechuang’s general partner is CHEN Xi (陳希), who held 15.95% of the partnership interest therein. As of the Latest Practicable Date, Fengshi Hechuang is owned as to 30.25% by Mr. KONG Deren (孔德仁) and four other limited partners, each holding less than 30% partnership interest therein. Mr. KONG Deren is a non-executive Director of our Company. See “Directors and Senior Management — Board of Directors — Non-Executive Directors” in this Document for details of his biography. Save as disclosed above, to the best knowledge of our Directors, each of CHEN Xi and the limited partners (other than Mr. KONG Deren) is an Independent Third Party.

To the best knowledge of our Directors having made due and careful enquiries, save for any past or present relationship with our Company disclosed above, our [REDACTED] Investors, including their respective general partners and/or limited partners (if applicable), and their ultimate beneficial owners are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

EMPLOYEE INCENTIVE PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, Hangzhou Kalujiaren and Hangzhou Xunlongren were each established in the PRC as our Employee Incentive Platforms which directly hold Shares in our Company.

(1) Hangzhou Kalujiaren

Hangzhou Kalujiaren was established as a limited liability partnership under the laws of the PRC on August 8, 2023. As of the Latest Practicable Date, Hangzhou Kalujiaren directly holds approximately 4.64% of the equity interest in our Company. As of the Latest Practicable Date, Hangzhou Kalujiaren has 37 partners, including Directors, senior management and other employee participants.

As of the Latest Practicable Date, the percentage of ownership interest of all the core connected persons of the Group in Hangzhou Kalujiaren are set out below:

<u>Name of partner</u>	<u>Nature of core connected person</u>	<u>Approximate percentage of ownership interest in Hangzhou Kalujiaren</u>
Mr. Wang	Executive Director	31.42%
Mr. XIA Yongtao	Executive Director	6.98%
Mr. HAN Lei	Executive Director	9.31%
Mr. WANG Zhigang	Executive Director	1.86%
Mr. XU Yongjian	Chief financial officer and supervisor of certain subsidiaries	1.86%
Mr. HE Liming	Supervisor of certain subsidiaries	1.40%
Mr. ZHAN Shili	Supervisor of Quzhou Xunlong	1.16%
Mr. ZHANG Dahai	Director of certain subsidiaries	0.47%
Total		54.46%

Mr. Wang is the general partner and executive partner responsible for the management of Hangzhou Kalujiaren. The voting rights attached to the Shares held by Hangzhou Kalujiaren are exercised by Mr. Wang, the executive partner of Hangzhou Kalujiaren, in accordance with the partnership agreement entered into among the general and limited partners of Hangzhou Kalujiaren.

As of the Latest Practicable Date, each of the remaining 29 partners, who are current employees of the Group, held interests in Hangzhou Kalujiaren in the range of approximately 0.23% to 5.82%.

(2) Hangzhou Xunlongren

Hangzhou Xunlongren was established as a limited liability partnership under the laws of the PRC on September 4, 2025. As of the Latest Practicable Date, Hangzhou Xunlongren directly holds approximately 2.50% of the equity interest in our Company. As of the Latest Practicable Date, Hangzhou Xunlongren has 44 partners, including Directors, senior management and other employee participants.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

As of the Latest Practicable Date, the percentage of ownership interest of all the core connected persons of the Group in Hangzhou Xunlongren are set out below:

<u>Name of partner</u>	<u>Nature of core connected person</u>	<u>Approximate percentage of ownership interest in Hangzhou Xunlongren</u>
Mr. Wang	Executive Director	2.03%
Mr. XIA Yongtao	Executive Director	12.99%
Mr. HAN Lei	Executive Director	12.99%
Mr. WANG Zhigang	Executive Director	3.46%
Mr. XU Yongjian	Chief financial officer and supervisor of certain subsidiaries	12.99%
Mr. ZHANG Dahai	Directors of certain subsidiaries	3.46%
Total		47.92%

As of the Latest Practicable Date, the eligible participants individually holding more than 10% interests in Hangzhou Xunlongren (other than as stated in the above table) are set out below:

<u>Name of partner</u>	<u>Nature of eligible participants</u>	<u>Approximate percentage of Ownership interest in Hangzhou Xunlongren</u>
Mr. XU Pengfei	Secretary of our Board	12.99%

Mr. Wang is the general partner and executive partner responsible for the management of Hangzhou Xunlongren. The voting rights attached to the Shares held by Hangzhou Xunlongren are exercised by the executive partner of Hangzhou Xunlongren in accordance with the partnership agreement entered into among the general and limited partners of Hangzhou Xunlongren.

As of the Latest Practicable Date, each of the remaining 37 partners, who are current employees of the Group, held interests in Hangzhou Xunlongren in the range of approximately 0.43% to 3.46%.

COMPLIANCE WITH LAWS AND REGULATIONS

As advised by our PRC Legal Advisor, our Company has made all necessary registrations with the relevant local branch of SAMR in respect to all of the aforesaid capital increases, equity transfers, share subscriptions, changes in registered capital, conversion into a joint stock company with limited liability.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any material acquisitions, mergers or disposals that we considered significant to us.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CONCERT PARTY ARRANGEMENTS

Mr. Wang has entered (i) a concert party agreement dated August 30, 2018 and a supplemental concert party agreement dated October 21, 2021 with Chunan Kalujiaren; (ii) a concert party agreement dated October 13, 2023 with Hangzhou Kalujiaren and our Company; and (iii) a concert party agreement dated September 28, 2025 with Hangzhou Xunlongren and our Company. Pursuant to aforesaid concert party agreements (the “**Concert Party Agreements**”), each of Chunan Kalujiaren, Hangzhou Kalujiaren and Hangzhou Xunlongren agreed to act in concert with Mr. Wang and they will act in accordance with Mr. Wang’s instructions if a consensus cannot be reached.

PUBLIC FLOAT AND FREE FLOAT

Our Company has applied for H-share full circulation to convert all Unlisted Shares into H Shares after the [REDACTED]. The Conversion of Unlisted Shares into H Shares will involve an aggregate of [REDACTED] Unlisted Shares, being all of our issued share capital of our Company as of the Latest Practicable Date. Following the Conversion of the Unlisted Shares into H Shares and upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised):

- (i) a total of [REDACTED] H Shares held by our core connected persons, being our Single Largest Shareholders, Mr. CHEN Xiaxin, Mr. DONG Zhendong and Fengshi Hechuang, will not be counted towards the public float, representing approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED];
- (ii) a total of [REDACTED] H Shares held by the other existing Shareholders as a result of the Conversion of Unlisted Shares into H Shares will be counted as part of the public float, representing approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED]. None of such remaining existing Shareholders is accustomed to take instructions from our Company (or any of its subsidiaries) or any of our core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and none of their acquisition of the Shares were financed directly or indirectly by our Company (or any of its subsidiaries) or our core connected person; and
- (iii) a total of [REDACTED] H Shares to be issued pursuant to the [REDACTED] will be counted as part of the public float, representing [REDACTED]% of our total issued Shares upon the completion of the [REDACTED].

Based on the above, it is expected that immediately following the Conversion of the Unlisted Shares into H Shares and upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), a total of [REDACTED] H Shares, representing approximately [REDACTED]% of our total issued Shares, will be counted as part of the public float, which is higher than the prescribed percentage of H Shares required to be held in public hands of approximately [REDACTED]% under Rule 19A.13A(1) of the Listing Rules (on the basis of the [REDACTED] of HK\$[REDACTED] per H Share and the expected market value of the total issued share capital of our Company being [REDACTED]).

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FREE FLOAT

Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK\$50,000,000; or (b) have an expected market value at the time of [REDACTED] of not less than HK\$600,000,000.

Assuming the [REDACTED] is not exercised and based on an [REDACTED] of HK\$[REDACTED] per H Share, the Company will satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

PREVIOUS LISTING ON THE NEEQ AND A-SHARE LISTING ATTEMPTS

Listing of our Company on the NEEQ

On January 31, 2024, our Company received approval for our Shares to be listed on the NEEQ in the PRC (stock code: 873394), and our Shares began trading on the NEEQ on March 1, 2024.

Delisting of our Company from the NEEQ

Based on the development status of the industry in which our Company is located and the overall planning of its own strategic development, in order to better concentrate on our Company business management, reduce our Company’s operating costs, improve the efficiency of business decision-making, and maximize the interests of our Company and shareholders, after careful consideration, we voluntarily applied to delist our Shares from the NEEQ in August 2025. The delisting was completed on August 6, 2025.

Compliance during listing on the NEEQ

Our Directors confirmed that, to the best of their knowledge and belief:

- (i) during the period that our Company was listed on the NEEQ:
 - a. our Company had been in compliance in all material respects with all applicable rules and regulations of the NEEQ and the Securities Law; and
 - b. our Company had not been subject to any administrative penalty by the NEEQ and/or any relevant law enforcement authority or regulator related to securities supervision; and
- (ii) there are no further matters in relation to the prior listing of our Company on the NEEQ and the subsequent delisting that needs to be brought to the attention of the Stock Exchange, our Shareholders or the potential investors.

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Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would reasonably cause it to disagree with the Directors’ views mentioned above.

A-Share Listing Attempts

In October 2011, our Company submitted the first application to CSRC for listing on ChiNext (the “**First Attempt**”). Subsequently, the Public Offering Review Committee (發行審核委員會) (the “**PORC**”) reviewed our Company’s first ChiNext listing application in its meeting in July 2012. Upon the PORC’s review, our listing application was not approved primarily due to their concern in relation to the amount of certain related party transactions in terms of the then total revenue and net profit of our Company.

The concerns raised by the PORC in relation to the related party transactions in the First Attempt have been addressed in our Company’s current listing application. The relevant related party was only a minority shareholder of our Company, holding approximately 4.99% equity interest in 2012 and approximately 2.88% equity interest as of the Latest Practicable Date. We terminated its procurement relationship with the relevant related party in 2013, and there has been no transaction or business relationship with them since then. Since its establishment, our Company has primarily adopted a self-breeding model for sturgeon production, supplemented by procurement from a diversified base of external suppliers, and has not materially relied on any single external supplier. The relevant related party was engaged only as one of our Company’s external sturgeon suppliers during the period from 2010 to 2012. Accordingly, the termination of such procurement relationship had no material adverse impact on our production or operations, nor did it result in any change to our business strategy. In addition, our Company has adopted appropriate internal control measures and policies governing related party transactions to ensure that any such transactions are conducted on normal commercial terms, on an arm’s length basis, and in compliance with applicable requirements under the Listing Rules.

In September 2014, our Company submitted the second application to CSRC for listing on ChiNext (the “**Second Attempt**”), and the CSRC accepted our application in October 2014. Our Company received and responded to inquiries from the CSRC after the submission of the listing application and subsequently, the PORC reviewed our second ChiNext listing application in January 2018. Upon the PORC’s review, our second ChiNext listing application was not approved mainly due to concerns in relation to our overseas sales, inventory level and our then ownership structure.

The concerns raised by the PORC in the Second Attempt have been comprehensively addressed and fully resolved in our Company’s current listing application. In particular, (i) the authenticity of revenue from overseas sales through distributors have been resolved, as our Directors confirm that, throughout the Track Record Period and up to the Latest Practicable Date, our Group consistently adopted a direct sales model and did not sell its products, whether locally or overseas, through distributors; (ii) reasonableness of measurement of consumable biological assets is supported by AVISTA Asset Appraisal (Beijing) Co., Ltd’s independent valuation, which is in compliance with IFRS 13 and IAS 41 with reasonable basis, together with our comprehensive internal controls to ensure data accuracy and completeness during the Track Record Period; and (iii) absence of controlling shareholder and actual controller has been resolved by our full disclosure under the section headed “Relationship with our Single Largest Shareholders” of this Document, which together clarifies the allocation of control and decision-making authority within our Group and confirms that Mr. Wang has established control over our Group through his direct shareholding and his controlled entities and will be our Single Largest Shareholder upon Listing.

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In December 2022, our Company submitted the third application to CSRC for the listing on the Main Board of Shenzhen Stock Exchange (“SZSE”). Since our submission of listing application, we did not receive the notice of acceptance from the CSRC, nor did we receive any comments or feedback regarding the listing application process of our Company from either the SZSE or the CSRC. Under the applicable SZSE listing rules, as formal acceptance by the CSRC is a prerequisite for a listing application to enter into the review process and become subject to any lapse, such listing application did not proceed to a stage where a lapse could have occurred.

During our previous A-share listing attempts, pursuant to the applicable PRC laws and regulations then in force, A-share listing applications were only subject to review and approval by the CSRC, while the relevant stock exchange, including the SZSE, was not the regulatory authority responsible for such review. Accordingly, save for inquiries from the CSRC, we did not receive any inquiries from the SZSE or other regulatory authorities in respect of the relevant listing applications.

Our Directors confirm that there have not been any disagreements or disputes between our Company and the professional parties involved in the A-share listing attempts. Furthermore, our Directors are of the view that the concerns raised in the previous three A-share listing attempts (the “**Previous Concerns**”) were satisfactorily resolved in our current listing applications and no matters relating to the previous listing attempts that would have a material adverse implication on the Listing or may materially and adversely affect our Company’s suitability for Listing for the following reasons:

- (i) as of the Latest Practicable Date, the related party in issue is a minority shareholder of our Company, and there has been no transactions between our Company and the relevant related party since 2013, which is believed to be directly resolving the PRC Regulators’ previous concerns regarding reliance on related-party transactions;
- (ii) our Company has maintained stringent and comprehensive internal control policies and procedures in relation to, among others, related-party transactions, and has further established sound accounting, management and compliance systems to ensure ongoing compliance with the Listing Rules and applicable laws and regulations;
- (iii) during the Track Record Period and up to the Latest Practicable Date, our Company has not been and is not subject to any material litigation, arbitration, or administrative proceedings;
- (iv) since the First and Second Attempts, which were more than a decade ago, our Company has achieved more and more robust revenue growth, sustainable profitability, healthy cash flow, and industry-leading performance during the Track Record Period, supported by a strong supply chain, improved production efficiency and enhanced financial discipline, thereby meeting the relevant listing requirements; and
- (v) throughout the years, our Company’s customer base has been significantly optimized and currently comprised of long-term and reputable as well as strategically aligned clients across over 40 countries and regions.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On such basis, our Directors are of the view that there are no matters relating to the listing applications on ChiNext and on the Main Board of SZSE (i) that are relevant to the [REDACTED] and should be disclosed in this Document for [REDACTED] to form an informed assessment of our Company; (ii) which would have a material adverse implication on the [REDACTED] or may materially and adversely affect the suitability of our Company for the [REDACTED], or (iii) which should be brought to the attention of the Stock Exchange or potential [REDACTED] in the [REDACTED]. In addition, our Directors believe that the [REDACTED] will be in the interest of our Group’s business development strategies, and would be beneficial to us and our Shareholders as a whole for the following reasons: (i) the Stock Exchange, as a leading player of the international financial markets, could offer us a direct access to the international capital markets, enhance our fund-raising capabilities and broaden our fund-raising channels and our Shareholders base as well as strengthen our international exposure; (ii) the [REDACTED] would give us a better platform for our development in our business in the international market; and (iii) the [REDACTED] on the Stock Exchange will further raise our brand awareness, business profile and thus, enhance our corporate image to attract new customers, business partners and strategic investors as well as to recruit, motivate and retain key management personnel for our Group’s business.

Based on the due diligence conducted by the Joint Sponsors, nothing material has come to the attention of the Joint Sponsors that would cause them to disagree with the Directors’ views with regard to the A-share listing attempts and the rectification of the key concerns raised in the A-share listing attempts as disclosed above.

Notwithstanding that, as of the Latest Practicable Date, the CSRC has requested information in relation to our previous listing on the NEEQ, including the reasons for such delisting, whether the Company intends to pursue an A-share listing and the relevant arrangements, and whether such matters would have any material adverse impact on the current [REDACTED], no comments have been raised by the CSRC in relation to the Previous Concerns.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of the Unlisted Shares into H Shares:

Name of Shareholder	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and Conversion of Unlisted Shares into H shares		
	Number of Unlisted Shares	% as to the total issued share capital of our Company (%)	Number of Shares		% as to the total issued share capital of our Company (%)
			H Shares	Unlisted Shares	
Single Largest Shareholders					
Mr. Wang	5,883,900	6.36	[REDACTED]	[REDACTED]	[REDACTED]
Chunan Kalujiaren	19,563,600	21.14	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Kalujiaren	4,297,270	4.64	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Xunlongren	2,310,000	2.50	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	32,054,770	34.64	[REDACTED]	[REDACTED]	[REDACTED]
SOEs					
Qianfa Group	5,171,900	5.59	[REDACTED]	[REDACTED]	[REDACTED]
Newline Media	4,234,750	4.58	[REDACTED]	[REDACTED]	[REDACTED]
Zhejiang Zhongye	1,194,400	1.29	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	10,601,050	11.46	[REDACTED]	[REDACTED]	[REDACTED]
CITIC Securities Company Limited (中信証券股份有限公司)					
CITIC Securities Investment Co., Ltd. (中信證券投資有限公司) ^(Note 1)	1,931,360	2.09	[REDACTED]	[REDACTED]	[REDACTED]
Jinshi Kunxiang ^(Note 2)	1,931,360	2.09	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	3,862,720	4.18	[REDACTED]	[REDACTED]	[REDACTED]
Others					
CHEN Xiabin (陳夏鑫)	11,726,041	12.67	[REDACTED]	[REDACTED]	[REDACTED]
Fengshi Jinghe	7,336,200	7.93	[REDACTED]	[REDACTED]	[REDACTED]
ZHOU Junliang (周俊良)	4,763,719	5.15	[REDACTED]	[REDACTED]	[REDACTED]
Gaojing Luoke	3,415,600	3.69	[REDACTED]	[REDACTED]	[REDACTED]
Zixing Liangmei	2,665,000	2.88	[REDACTED]	[REDACTED]	[REDACTED]
Qihui Runjin	2,450,250	2.65	[REDACTED]	[REDACTED]	[REDACTED]
QIU Shenlin (邱沈林)	2,228,200	2.41	[REDACTED]	[REDACTED]	[REDACTED]
Zhouyang Venture	2,184,900	2.36	[REDACTED]	[REDACTED]	[REDACTED]
LIU Yu (劉宇)	1,646,800	1.78	[REDACTED]	[REDACTED]	[REDACTED]
Tianchao Shuichan	1,252,610	1.35	[REDACTED]	[REDACTED]	[REDACTED]
GUO Quanghai (國全慶)	1,174,600	1.27	[REDACTED]	[REDACTED]	[REDACTED]
Yuansheng Jiahao	1,144,400	1.24	[REDACTED]	[REDACTED]	[REDACTED]
Shiyue Venture	1,000,000	1.08	[REDACTED]	[REDACTED]	[REDACTED]
Fengshi Hechuang	855,600	0.92	[REDACTED]	[REDACTED]	[REDACTED]
RUAN Xinhong (阮新宏)	372,001	0.40	[REDACTED]	[REDACTED]	[REDACTED]
SHEN Huifeng (沈慧芬)	350,239	0.38	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Lingfeng Cybertaut Venture Capital Partnership (Limited Partnership) (杭州靈峰賽伯樂創業投資合夥企業(有限合夥))	330,000	0.36	[REDACTED]	[REDACTED]	[REDACTED]

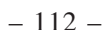
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Shareholder	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and Conversion of Unlisted Shares into H shares		
	Number of Unlisted Shares	% as to the total issued share capital of our Company (%)	Number of Shares		% as to the total issued share capital of our Company (%)
			H Shares	Unlisted Shares	
DONG Zhendong (董振東)	280,175	0.30	[REDACTED]	[REDACTED]	[REDACTED]
QIAN Huilong (錢會龍)	280,175	0.30	[REDACTED]	[REDACTED]	[REDACTED]
CHEN Chunmei (陳春妹)	280,175	0.30	[REDACTED]	[REDACTED]	[REDACTED]
WU Nanping (吳南平)	280,175	0.30	[REDACTED]	[REDACTED]	[REDACTED]
FU Haiying (傅海英)	17,300	0.02	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	46,034,160	49.74	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] from the [REDACTED]	—	—	[REDACTED]	[REDACTED]	[REDACTED]
Total	92,552,700	100.00	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- (1) As of the Latest Practicable Date, CITIC Securities Investment Co., Ltd. (中信證券投資有限公司) was wholly owned by CITIC Securities Company Limited (中信証券股份有限公司) (a company listed on the Shanghai Stock Exchange under the stock code: 600030 and on the Hong Kong Stock Exchange under the stock code: 06030).
- (2) Jinshi Kunxiang is a limited partnership, which, at of the Latest Practicable Date, was owned as to 0.16% by CITIC Goldstone Investment Co., Ltd. (中信金石投資有限公司) as its general partner, a wholly owned subsidiary of CITIC Securities Company Limited (中信証券股份有限公司).

The chart below illustrates the corporate structure of our Group immediately prior to the completion of the [REDACTED]:



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

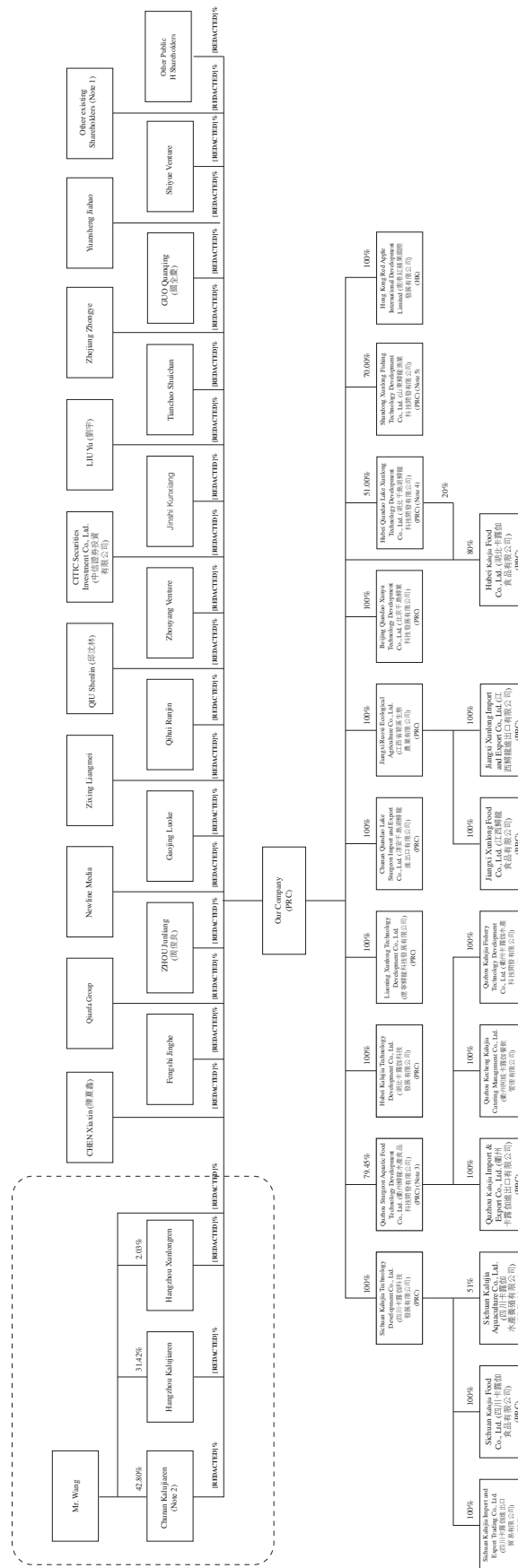
Notes:

- (1) As of the Latest Practicable Date, other existing shareholders include Fengshi Hechuang (0.92%), Ruan Xinhong (阮新宏) (0.40%), Shen Huifen (沈慧芬) (0.38%), Hangzhou Lingfeng Cybernaut Venture Capital Partnership (Limited Partnership) (杭州靈峰賽伯樂創業投資合夥企業(有限合夥)) (0.36%), Dong Zhendong (董振東) (0.30%), Qian Huilong (錢會龍) (0.30%), Chen Chunmei (陳春妹) (0.30%), Wu Nanping (吳南平) (0.30%) and Fu Haiying (傅海英) (0.02%).
- (2) As of the Latest Practicable Date, the equity interests of Chunan Kalujiaren were held by 31 shareholders, out of which Mr. Wang (Executive Director) held approximately 42.80% interests, Mr. Xia Yongtao (Executive Director) held approximately 34.86% interests, Mr. Han Lei (Executive Director) held approximately 6.80% interests, Ms. Xu Liyun (Deputy general manager) held approximately 1.02% interests, Mr. He Liming (Supervisor of certain subsidiaries) held approximately 0.51% interests, Mr. Xu Yongjian (Chief financial officer) held approximately 0.26% interests, a former employee of the Group held approximately 0.33% interests and each of the remaining 24 shareholders, who are current employees of the Group and are neither a Director nor a member of senior management of the Group, held interests in Chunan Kalujiaren in the range of approximately 0.19% to 1.97%. Pursuant to the voting rights entrustment agreement dated October 31, 2022 entered into between Mr. Xia Yongtao and Mr. Wang, Mr. Xia Yongtao has appointed Mr. Wang as his sole and exclusive proxy to exercise all voting rights attached to his interests in Chunan Kalujiaren on his behalf. Accordingly, Chunan Kalujiaren was controlled by Mr. Wang by virtue of such de facto proxy agreement, and Mr. Xia Yongtao and the other shareholders of Chunan Kalujiaren were not included in the group of Single Largest Shareholders, as Mr. Xia Yongtao did not exercise control over Chunan Kalujiaren and each of the other shareholders held less than 10% interests, with no contractual, voting or other arrangements to act in concert or jointly influence Chunan Kalujiaren.
- (3) Remaining 20.55% held by Zhejiang Rural Revitalization Investment Fund Co., Ltd. (浙江省鄉村振興投資基金有限公司) (“**Revitalization Fund**”). Pursuant to an investment agreement dated July 30, 2025 entered into among the Company, Quzhou Xunlong, Mr. Wang, Chunan Kalujiaren and Revitalization Fund, certain customary investor protection rights have been granted to Revitalization Fund, including, among others, anti-dilution rights, redemption rights, rights of first refusal and information rights. Pursuant to the information rights, our Company is required to disclose certain material information to Revitalization Fund. Such information rights will be terminated prior to the **[REDACTED]**. The remaining investor protection rights concern matters relating to Quzhou Sturgeon Aquatic Food Technology Development Co., Ltd. only and are not subject to the guidance set out in Chapter 4.2 of the Guide.
- (4) Remaining 49% held by ZHAO Guangming (趙光明), an Independent Third Party.
- (5) Remaining 30% held by Sishui County Yurun Fishery Co., Ltd. (泗水縣雨潤漁業有限公司), which were held by 10 individual shareholders, each being an Independent Third Party.
- (6) Remaining 49% held by CHEN Yulin (陳玉林), an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR STRUCTURE UPON COMPLETION OF THE [REDACTED]

The chart below illustrates the corporate structure of our Group immediately following the completion of the [REDACTED] (assuming the [REDACTED] has not been exercised):



Notes (1)–(6): see notes to the corporate chart in “— Our Structure Immediately Prior to the [REDACTED]”.

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OVERVIEW

Who We Are



Notes: (1) In terms of sales volume, according to CIC; (2) As of the Latest Practicable Date; (3) As of December 31, 2025, according to CIC; (4) In 2025; (5) Since 2014; (6) During the Track Record Period; (7) In the global caviar industry, according to CIC.

We are the world’s largest caviar company. According to CIC, we ranked first in the global caviar market by sales volume for 11 consecutive years since 2015. Our caviar sales volume accounted for over 30% of the global caviar market from 2021 to 2025, reaching 36.1% in 2025, which was more than four times that of the second largest player. Leveraging over 20 years of industry experience and development, we have built an integrated sturgeon and caviar value chain encompassing sturgeon breeding and aquaculture, caviar processing, and sales and marketing. We have established an international caviar brand *KALUGA QUEEN* (卡露伽). Driven by continuous technological advancement, we are committed to delivering premium caviar products to consumers worldwide.

Caviar, known for its rarity, distinctive flavor and rich cultural heritage, is widely recognized as a fine food worldwide. According to the Codex Alimentarius Commission (CAC), caviar refers exclusively to the roe obtained from mature female sturgeon, which is processed and lightly salted for preservation. In response to the global depletion of wild sturgeon resources, we led the technological breakthroughs in sturgeon genetic breeding and aquaculture, and pioneered sturgeon aquaculture and caviar exportation in China. We have played a leading role in the development of China’s sturgeon industry, from inception to a comprehensive value chain covering aquaculture and processing, and have become a key contributor to the formulation of industry standards.

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Our Products and Brand

Our core product is caviar. Our own brand *KALUGA QUEEN* (卡露伽) established an international presence and is recognized by a wide range of customers. In addition to our sales to global caviar houses and fine food companies, our caviar products are also served in the first-class cabins of major international airlines and fine dining establishments worldwide.

Our brand *KALUGA QUEEN* (卡露伽) has been featured in leading media outlets such as People’s Daily, Global Times, The Wall Street Journal, Bloomberg and TIME Magazine. We also received multiple industry accolades during the Track Record Period, such as “Bloomberg Green ESG Pioneers — Brand of the Year,” “Target — Selected Global Caviar Brand of the Year,” “THE BEST BANG — Influential Caviar Brand,” and “Voyage Awards — Selected Caviar Brand of the Year.”

According to CIC, the global caviar industry does not have a uniform grading system and the product quality is generally assessed based on factors such as sturgeon species, processing methods and the egg size, color and texture of the roe. The strengths of our products lie in our standardized and ecological aquaculture practices and stringent processing workflow.

For our sturgeon resources, according to CIC, we maintain the world’s largest and most diverse sturgeon broodstock reserve in terms of scale and species variety, and we are among the few caviar producers who can provide caviar from six major sturgeon species. Our self-owned aquaculture bases and standardized processing workflows reduce external sourcing risks and enhance quality stability. For processing methods, our caviar processing combines traditional craftsmanship with modern processing technologies to process roes within its optimal window and preserve rich flavor profiles. Key quality indicators of our products, such as caviar shape, egg size and freshness, are maintained at a high level, reinforcing our quality positioning in the industry. For product safety, in addition to complying with international food safety standards, including ISO 22000 and HACCP, we have also obtained the globally recognized certifications, such as BRC Global Standard for Food Safety and IFS Food Standard, which involve comprehensive assessments of production, quality control and traceability. In addition, we are the only caviar producer in China that has obtained Friend of the Sea (FOS) certification, according to CIC. Leveraging our scaled aquaculture operations and consistent product quality, we are able to adopt a pricing model that combines cost efficiency with premium positioning. The pricing of our products is benchmarked against leading international brands, and both the export prices and retail prices of our caviar products are above the industry average, according to CIC. For details of the price range of our products, see “— Our Brands and Products — Core Product: Caviar.”

Our Market Opportunities

Caviar production historically depended on wild sturgeon. According to the Food and Agriculture Organization of the United Nations (FAO), wild caviar output peaked at 1,988 tons in 1977 but declined sharply to 280 tons by 1997 due to resource depletion and conservation efforts. By 2010, CITES had imposed a global ban on the international trade of wild sturgeon products, followed by legislation in the European Union and the United States prohibiting the sale of wild caviar, removing it from global supply. Since the 1980s, the emergence of sturgeon aquaculture has enabled aquaculture caviar to gradually replace wild-sourced supply, driving sustained growth in both global production and consumption. According to CIC, the global caviar sales increased from 389.6 tons in 2020 to 808.4 tons in 2025, representing a CAGR of 15.7%. There remains significant potential for growth as compared with historical peak levels. As the leader in the global caviar industry, we are well positioned to capture substantial market opportunities.

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Caviar consumption has shown an upward trend in recent years across all regional markets. China has witnessed rapid development of its caviar market, with estimated consumption volume growing at a CAGR of 19.5% from 2025 to 2030, and its market size is expected to reach 181.3 tons in 2030. The market size of traditional markets such as Europe and the U.S. is expected to maintain a CAGR of over 8.0% from 2025 to 2030. In addition, other overseas markets including the Middle East, other areas in Asia such as Japan and Singapore, and South America are also experiencing accelerated growth, with caviar consumption volume expected to reach 303.3 tons in 2030, at a CAGR of 13.5% from 2025 to 2030. The global caviar consumption is expected to reach 1,343.9 tons in 2030, at a CAGR of 10.7% from 2025 to 2030. The farming cycle for sturgeons, from juveniles to female mature fish suitable for caviar production, typically requires seven to 15 years, depending on the sturgeon species. Given the long farming cycle and slow growth rate of sturgeon, global caviar demand is expected to outpace supply, resulting in a sustained structural undersupply over the medium to long term. As an industry leader, we benefit from a sizable addressable market and strong growth potential, providing a solid foundation for the continued growth and long-term success of our business.

Our Financial Performance

We have achieved industry-leading performance in both revenue growth and profitability and recorded a stable cash flow position during the Track Record Period.

Our revenue increased from RMB577.2 million in 2023 to RMB769.0 million in 2025, representing a CAGR of 15.4%. We have also recorded ongoing improvements in profitability and operational efficiency. Our net profit increased from RMB272.9 million in 2023 to RMB365.0 million in 2025, representing a CAGR of 15.7%. Meanwhile, our net profit margin remained above 47% throughout the Track Record Period. Our net cash generated from operating activities increased from RMB259.8 million in 2023 to RMB270.3 million in 2025. Our EBITDA (non-IFRS measure) increased from RMB393.8 million in 2023 to RMB515.2 million in 2025, representing a CAGR of 14.4%. We value the long-term trust of our shareholders and are committed to consistently creating value for them. During the Track Record Period, we paid an aggregate of RMB217.0 million in dividends, representing 22.6% of our aggregate net profit for the same period.

OUR COMPETITIVE STRENGTHS

World’s Largest Caviar Company with Integrated Operations

We are the world’s largest caviar company, with integrated operations encompassing sturgeon breeding and aquaculture, caviar processing, and sales and marketing. Our vertically integrated business model enables seamless coordination across the upstream breeding and aquaculture activities and downstream processing and marketing operations, allowing us to maintain consistent quality and supply reliability. This integrated approach, supported by a comprehensive and standardized management system, ensures full traceability and strong food safety controls throughout our operations, consolidating our position as the global industry leader.

According to CIC, we ranked first in the global caviar market by sales volume for 11 consecutive years since 2015, exporting our products to 46 countries and regions worldwide as of the Latest Practicable Date. Our caviar sales volume accounted for over 30% of the global caviar market from 2021 to 2025. In 2025, our caviar sales volume accounted for 36.1% of the global market, with a market share more than four times that of the second largest player, making caviar one of the few fine food categories dominated by a Chinese company. Our caviar brand, *KALUGA QUEEN* (卡露伽), has earned

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wide international recognition and is regarded as a benchmark for premium caviar globally. It is trusted by top-tier clientele across regions, including first-class airline cabins, Michelin-starred restaurants and international culinary events, underscoring its reputation for exceptional quality and value.

While maintaining our leading scale and market position, we also demonstrated strong growth momentum. We achieved industry-leading revenue growth. Our revenue increased from RMB577.2 million in 2023 to RMB769.0 million in 2025, at a CAGR of 15.4%, the highest among the top five global caviar companies. We are committed to high-quality growth while maintaining strong profitability. From 2023 to 2025, our net profit recorded a CAGR of 15.7%, with net profit margin of 47.3%, 48.4% and 47.5% in 2023, 2024 and 2025, respectively, significantly exceeding the industry average.

Leading Player in the Caviar Industry with Extensive Sturgeon Resources and Distinctive Ecological Advantages

Extensive Sturgeon Resources and First-Mover Advantages

Since our establishment in 2003, we have been dedicated to the production of aquaculture caviar and the early-stage development of a sustainable sturgeon reserve system. Over the years, we have built a sturgeon stock with a broad and balanced age range from one to 15 years, covering all major commercial species such as hybrid sturgeon, Russian sturgeon, kaluga sturgeon and beluga sturgeon. We have the world’s largest and most diverse sturgeon broodstock reserve in terms of scale and species variety. Our total live fish stock reached over 14,000 tons as of December 31, 2025, ranked first in global sturgeon live stock and far exceeding the second largest player, according to CIC.

Farm-raised sturgeons have a long maturation cycle, typically ranging from seven to 15 years. The development of a sustainable broodstock system requires early-stage planning and long-term cultivation efforts. The majority of sturgeons available in the market are at early juvenile stages (between one to three years of age), while mature female sturgeons aged four years and above are predominantly held by established caviar producers. Industry participants seeking to establish a comparable broodstock reserve would require a farming and breeding cycle of four to 12 years, which cannot be realized through short-term capital investment. Our early entry and sustained commitment to sturgeon aquaculture have given us a material first-mover advantage, enabling us to secure scarce long-cycle biological resources and ensure long-term production stability and supply continuity.

Distinctive Ecological Resource Advantages

As of December 31, 2025, we had eight aquaculture bases located in high-quality natural waters, including Qiandao Lake (千島湖) and Wuxijiang (烏溪江) in Zhejiang, Zhelin Lake (柘林湖) in Jiangxi, Qingshan Lake (青山湖) in Liaoning, Weishui River (滬水河) in Hunan, and Yingjing River (滎經河) in Sichuan. These water areas offer optimal environmental conditions, providing a solid foundation for the healthy growth of our broodstock and the consistent quality of our caviar products.

Sturgeon aquaculture is highly sensitive to ecological conditions and requires stringent environmental parameters, such as water temperature, water quality, water clarity and favorable climatic conditions. These factors are critical in determining sturgeon survival rates, growth efficiency, and ultimately, the quality of caviar. Based on the biological characteristics of sturgeon, we have conducted comprehensive testing of hydrological conditions across the aquaculture sites, including water temperature profiles, current velocities, dissolved oxygen concentration, water depth and volume and

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exchange rates, among others. Through this data-driven site selection and continuous monitoring process, we ensure that each aquaculture base operates under optimal conditions for the healthy development of female broodstock and the consistent production of premium-grade caviar.

These carefully selected and managed natural water systems not only enhance sturgeon health and survival rates but also contribute to the distinctive taste and premium quality of our caviar, strengthening our competitive edge in the global market.

Proprietary Technologies with Industry-Leading Capabilities, Receiving Multiple Accolades Including the Second Prize of the State Scientific and Technological Progress Award

Aquaculture caviar has become the mainstream due to the global depletion of wild sturgeon resources. The successful breeding, sustainable aquaculture and processing of high-quality caviar require persistent technological innovation and long-term accumulation. We were the first company in China to export aquaculture caviar to the global market, marking the country’s entry into the global caviar industry. We led the technology development and innovation in the sturgeon and caviar industry. Over the past two decades, we have established a proprietary full-chain technology system covering all key stages of the sturgeon and caviar value chain, including artificial breeding and strain selection of sturgeon, molecular sex identification, ecological aquaculture, comprehensive disease prevention and control, high-quality caviar processing, and integrated utilization of by-products.

Selective Breeding and Strain Innovation

Breeding high-quality sturgeon strains is a long-term and technically challenging process. Leveraging our full-chain operations and sustained R&D efforts, we have achieved several breakthroughs in breeding:

- We have established the world’s most extensive sturgeon germplasm resource bank, encompassing over 100,000 broodstock across sturgeon species, according to CIC. It provides a strong foundation for ongoing selective breeding.
- Through advanced hybrid breeding and molecular genetic breeding techniques, we have increased the average ovulation rate of female sturgeon from 8% in 2006 to 17% in 2025, notably above the industry average of around 10%, according to CIC. This enhancement has led to the improvement in reproductive performance of sturgeons, thereby enhancing our production efficiency and profitability.
- We independently bred “Xunlong No.1 (鱘龍1號),” China’s first sturgeon variety recognized by the National Appraisal Committee of Aquatic Protospecies and Improved Varieties (全國水產原種和良種審定委員會), which features rapid growth, high ovulation rate, early maturity and stable caviar quality, making it one of the best-selling varieties globally.

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Ecological and Scientific Aquaculture System

Sturgeon aquaculture involves long maturation cycles and stringent environmental requirements, setting high technology barriers for efficient and healthy cultivation. The maturation cycle for sturgeons from juveniles to female mature fish suitable for caviar production typically requires seven to 15 years. Based on decades of experience and technological advancement, we have developed a robust ecological aquaculture system:

- *Early-stage Sex Identification Technologies.* We pioneered in China a method combining ultrasound, minimally invasive surgery and endoscopy to identify sex at an early stage. In 2020, we jointly developed and introduced a molecular sex identification technology that advanced the age for sex identification from 24 to 36 months to as early as six months, with an accuracy rate of over 97%. It effectively addresses the global challenge of early-stage sex identification in sturgeons, significantly improving production efficiency and reducing costs.
- *Scientific Aquaculture Models.* Drawing on the natural habits of sturgeon and the characteristics of China’s water resources, we have developed a scientific aquaculture approach combining three models: eco-net cage aquaculture model, land-based flow-through aquaculture model, and industrialized recirculating aquaculture system model. These models are flexibly adopted at different growth stages to enhance the growth rate of female broodstock and improve the quality of caviar. In addition, following the principle of “prevention over treatment,” we provide sturgeons with an environment close to their natural habitat and have jointly developed vaccines to promote healthy growth. Our average annual survival rate of sturgeon has remained above 97% since 2014 and during the Track Record Period, maintaining a leading level globally and notably above the industry average of below 90%, according to CIC.
- *Intelligent Aquaculture Management.* We practice the philosophy of “industrialized management approach for agricultural enterprises” and have established a set of standardized and replicable operational protocols. Our aquaculture operations are professionally managed, digitally monitored and fully traceable through our digital platforms. We have introduced AI-powered tracking and automated inventory technologies using drones, smart sensors and big data models to significantly enhance the efficiency and precision of biomass management. As a result, we have maintained a biological asset inventory accuracy rate above 99.7% for 11 consecutive years since 2015.

Standardized Processing and Quality Control System

Due to the complexity of sturgeon ovary maturation and the short processing window for premium caviar, precision in timing is critical to ensure caviar quality. Caviar processing imposes stringent requirements on the size, firmness and overall quality of sturgeon roe. The roe becomes suitable for processing only when the sturgeon reaches an optimal stage of gonadal maturity, during which the roe exhibit ideal texture, flavor and elasticity. The roe needs to be harvested and processed within this limited timeframe of one to two weeks to ensure product quality and consistency. With our scientific processing technologies and strong commitment to quality, we maintain strict control over processing:

- *Mature Sturgeon Selection.* By studying gonadal development patterns, we developed predictive models for sturgeon maturity across different species and age groups. Using ultrasound sampling and minimally invasive sampling, we can identify the optimal harvest window to ensure premium caviar output.

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- *Standardized Processing.* Our caviar production process comprises 16 key steps, each governed by standardized operating procedures. We adhere to traditional craftsmanship, rigorous HACCP-based food safety protocols, and internal SOPs to preserve authentic flavor and consistent quality. We are the only caviar producer in China certified by the Friend of the Sea (FOS), according to CIC.
- *Rigorous Quality Inspection.* We operate a dedicated quality control lab to conduct comprehensive testing for chemical residues, physicochemical parameters and microbiological safety. In cooperation with reputable and accredited third-party testing institutions, we ensure that our products consistently comply with the applicable food safety standards in China and the regulatory requirements of overseas markets.

Our technology system, which covers the entire sturgeon and caviar value chain from breeding and aquaculture, caviar processing to standardized management and quality control, is at the forefront of the industry. We have received multiple national-level accolades. See “— Awards and Recognition” for details.

Diversified Sales Channels to Capture Global Market Opportunities

We have established a strong brand presence and market influence for our caviar under the internationally recognized brand *KALUGA QUEEN* (卡露伽). We are committed to delivering high-quality products and promoting the culture of caviar in the global market.

As of the Latest Practicable Date, we have built long-term and stable cooperations with over 100 overseas customers, exporting to 46 countries and regions, covering all major caviar consumption markets. We are continuously expanding our global footprint in both mature markets, such as Europe and the U.S., and in emerging regions including Asia, the Middle East and Caspian countries. Our products are marketed under our brand *KALUGA QUEEN* (卡露伽) through both direct sales and co-branding initiatives. We have established in-depth and long-standing collaborations with international airlines including Lufthansa, Singapore Airlines and Cathay Pacific, promoting our brand through their premium cabin services. We also serve high-end consumers via cruise lines and premium sales channels in markets including Japan and Singapore, further enhancing the global recognition of our brand.

In China, we operate under our own brand through direct sales, with five major sales centers in Beijing, Shanghai, Shenzhen, Zhejiang and Chengdu. Our nationwide sales network covers over 2,000 partners, including a vast majority of Michelin- and Black Pearl-rated restaurant brands in China, leading five-star hotel chains and major supermarket groups. We have actively expanded into emerging and online channels, aligning with the rapid growth of fresh food e-commerce. We have built a comprehensive online sales network across major platforms including Tmall, JD.com and Douyin. To further penetrate the retail consumer market, we have also launched offline brand experience stores to attract younger consumers and promote our *KALUGA QUEEN* (卡露伽) brand and caviar culture.

Extensive Consumer Reach Through a Diversified Product Portfolio and Innovative Marketing Strategies

Diversified and Rare Caviar Offerings

In addition to commonly available species such as Russian sturgeon and Siberian sturgeon, which are widely used by overseas caviar producers, we also supply caviar derived from Kaluga sturgeon, an endemic species of the Heilongjiang River Basin, and “Xunlong No. 1 (鱘龍1號),” our hybrid sturgeon breed developed in-house. While most international caviar producers typically offer only one or two

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caviar series, we provide caviar from six major sturgeon species, enabling us to meet diverse customer preferences and consumption scenarios. Our rich and rare product portfolio has earned wide consumer recognition.

Building on our core caviar products, we have further developed a series of creative caviar-based offerings, such as caviar ice cream, caviar chocolates, caviar mooncakes and caviar cakes. These products represent innovative extensions of caviar consumption and diversify the application into broader lifestyle scenarios.

Innovative and Effective Marketing Strategies

Our marketing initiatives integrate both online and offline campaigns to promote our brand *KALUGA QUEEN* (卡露伽), elevating the cultural experience associated with caviar consumption and continuously enhancing consumer awareness and engagement at the end-user level.

- *Online Engagement and Youth Outreach.* We promote our brand through a comprehensive digital strategy, combining lifestyle-themed content, social media matrix, KOL campaigns and user-generated content to drive awareness and engagement. As of December 31, 2025, our brand had recorded over 11 million views on Xiaohongshu, with the majority of engagement originating from younger demographics. Among younger consumers, caviar has emerged as a symbol of self-reward and social expression. Popular content featuring recipes and creative consumption scenarios has integrated caviar into everyday life and elevated its cultural relevance.
- *Offline Engagement and Consumer Experience.* We enhance consumer connection through curated offline events, including chef collaborations, brand roadshows, city pop-ups and themed banquets. Signature campaigns like the “Sturgeon-Seeking Journey” and pop-up stores in locations such as Sanlitun, Beijing, have brought caviar to lifestyle and dining spaces. We have also explored innovative consumption scenarios, including co-branded afternoon tea menus and wedding banquets that draw on the auspicious symbolism of caviar, continually extending the boundaries of caviar consumption.

Driven by our innovative marketing strategies, our caviar products’ consumer penetration in China has steadily increased. In 2025, the GMV generated through our *KALUGA QUEEN* (卡露伽) products on Douyin and JD.com increased by over 150% and over 60%, respectively, as compared to 2024; and click-through indices for “caviar” on major e-commerce platforms have shown a clear upward trend, as compared to 2024, according to CIC. These results underscore our brand’s growing resonance with younger demographics and continued expansion across both online and offline channels.

Experienced Management Team with Global Vision and Entrepreneurial Mindset, Supported by a Collaborative and Inclusive Corporate Culture

We are led by an experienced and visionary management team with deep industry expertise, global perspective and strong execution capabilities. Our founder, Mr. Wang, has over 30 years of experience in the caviar industry and has played a pivotal role in the establishment and development of China’s sturgeon and caviar industry. Our senior management team is highly stable and has more than 20 years of experience on average in sturgeon aquaculture and caviar processing. A number of our senior team members have participated in the formulation of industry standards. As of December 31, 2025, our management team had an average age of around 40, representing a well-balanced combination of seasoned expertise and youthful vigor. Under the leadership of our founder and management team, we have consistently delivered strong performance in terms of scale, profitability and growth.

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We embrace a people-oriented and performance-driven culture that values shared success and fair development. Committed to cultivating and empowering a robust talent pipeline, we have established comprehensive incentive mechanisms to attract, retain and motivate key personnel. In particular, we have implemented multiple employee equity incentive schemes, covering over 60 key middle and senior management personnel, fostering long-term collaboration and sustainable value creation with us.

Sustainable and Environment Friendly Aquaculture Model

As a global leader in the caviar industry, we are committed to sustainable development, ecological protection and social responsibility. We have developed a green aquaculture system that integrates environment protection, technological advancement, inclusive development and rural empowerment initiatives.

Innovative and Environment Friendly Aquaculture Technologies. We pioneered the eco-net cage waste collection system, which automatically collects and solidifies over 85% of fish waste and residual feed through an under-cage recycling device. This system, combined with biological recycling, precision feeding and rotational farming technologies, forms a four-in-one environmentally sustainable model that has been recognized by the MARA. For the land-based flow-through aquaculture model, we developed an automated, mechanized and digital waste collection system that enables real-time monitoring and ensures full compliance with discharge standards, further demonstrating our commitment to green aquaculture practices. In addition, we have established a circular ecological utilization model in partnership with local farmers and agricultural enterprises. Under this model, collected fish waste and residual feed are collected and distributed free of charge to local farmers and agricultural enterprises as organic fertilizer, promoting sustainable agriculture. This initiative has earned recognition from both local governments and farming communities.

Supporting Farmers and Promoting Inclusive Growth. We have established a mutually beneficial partnership model with local farmers through a “company + facilities + farmers + standardization” cooperation framework. Under this model, we provide high-quality sturgeon fry, technical training and guaranteed procurement, which reduces farmers’ operational risks. Over the past five years, our initiatives have increased local farmers’ annual income by over RMB50 million, promoting sustainable agricultural practices, boosting rural income, and advancing inclusive local economic growth.

Commitment to the Conservation of Wild Sturgeon Resources. We are dedicated to supporting biodiversity conservation and the protection of wild sturgeon populations. We maintain strategic partnerships with organizations such as the Heilongjiang Sustainable Nature Resources Protection Foundation and regularly participate in restocking and release programs. These efforts align with the guidelines of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and contribute to the preservation of wild sturgeon, restoration of biodiversity and maintenance of ecological balance.

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OUR STRATEGIES

Accelerate Global Channel Expansion and Brand Enhancement to Broaden Consumer Reach

Penetrate Traditional Markets with Strategic Collaborations

In mature markets such as Europe and the U.S., we plan to further enhance the brand recognition and influence of *KALUGA QUEEN* (卡露伽) by entering into joint ventures or acquiring reputable local brands. This approach aims to strengthen our downstream coverage, expand market share, and improve profit margins in these key regions. For details of our plans on strategic investment and acquisitions, see “Future Plans and [REDACTED] — [REDACTED].”

Deepen Market Reach in China

In China, we intend to maintain stable sales growth to corporate customers while expanding our presence among individual consumers. For the offline channels, we plan to gradually open *KALUGA QUEEN* (卡露伽) flagship stores in selected first and second tier cities across China, such as Beijing, Shanghai, Shenzhen, Hangzhou, Chengdu and Xi’an. These stores will serve as immersive platforms to promote caviar culture, cultivate a culturally distinctive brand identity, enhance product value, optimize consumer experience and shape consumer perception, thereby improving customer engagement and purchasing desire and boosting growth of the consumer-end market. For the online channels, we will continue to strengthen our presence on major e-commerce platforms such as Tmall and JD.com, while deepening our content-driven and live-streaming efforts on social platforms such as Douyin and Xiaohongshu. Meanwhile, we will build and refine private domain traffic pools and high-end membership communities, providing exclusive services and experiences to enhance repurchase rate and customer loyalty.

Tap into Growing Markets through Localized Engagement

We plan to adopt highly localized strategies to build global competitive moats. In growing markets such as Southeast Asia, the Middle East and Japan, we will strengthen brand presence through experiential marketing initiatives including caviar masterclasses, tasting events, chef collaborations and high-end restaurant channel penetration. We will also launch customized product lines and open offline stores in countries and cities such as Singapore, Japan and Dubai to accelerate our consumer-facing retail network, enabling more consumers to experience premium caviar from China firsthand. We plan to open approximately 50 retail stores in China and in selected overseas markets with strong growth potential over the next five years, targeting around ten new store openings each year.

Expand Presence in Premium Consumption Scenarios

We will continue to increase our presence in premium consumption channels such as international airlines, cruise lines and high-end supermarkets. These exclusive touchpoints serve not only as core platforms for brand exposure, but also as key venues for reinforcing our premium brand positioning.

Expand and Optimize Global Production Capacity to Enhance Supply Chain Efficiency

Upgrade and Expand Facilities in China

We plan to build and upgrade large-scale aquaculture and processing bases in key regions such as Hubei, Zhejiang, Jiangxi and Sichuan. These facilities are expected to enhance our caviar processing capacity and improve supply capabilities. For details, see “Future Plans and [REDACTED] —

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[REDACTED].” In addition, we will upgrade existing processing bases through smart transformation initiatives, thereby enhancing automation, streamlining operations, improving efficiency and reducing costs. We aim to undertake intelligent manufacturing upgrades across our production and warehousing operations. In particular, we are implementing automation to replace manual steps such as sealing, portioning, labeling and packaging, thereby optimizing production workflows and improving cost efficiency. In warehousing, we will continue to upgrade traditional racking systems to smart shelving capable of automated rotation of caviar containers, which helps ensure consistent flavor and product quality. We are also building an automated logistics system to improve inventory management and enhance responsiveness to customer orders.

Establish Global Production Footprint

We aim to build a global production network by assessing global resource availability and capacity potential in the long term. We plan to establish aquaculture and processing bases, either through acquisitions or by setting up new operations, in resource-rich regions with strategic proximity to key consumption markets, such as Romania, Bulgaria, Kazakhstan and Kyrgyzstan. According to CIC, these regions have established aquaculture and caviar production systems supported by abundant water resources and mature industry infrastructure. Leveraging our proven expertise in sturgeon aquaculture and processing, we believe we are well positioned to scale and adapt our operational capabilities and know-how to these locations. We may explore strategic cooperation with local sturgeon aquaculture companies to locate and establish aquaculture and processing bases in areas with favorable climate conditions and suitable water resources that meet our requirements in water volume, temperature and quality, while factoring in local regulatory framework and approval processes as a part of our site selection and execution planning. This approach will allow us to enhance supply responsiveness, improve operational flexibility and diversify farming risks across geographies.

Increase Investment in Technology to Drive Full-Chain Innovation and Solidify Industry Leadership

Advance Core Breeding Technologies

We will strengthen technological innovation in sturgeon breeding by establishing an industry-leading breeding platform that integrates family-based selective breeding, hybridization and gynogenesis techniques. These initiatives aim to shorten the breeding cycle, enhance breeding efficiency, and strengthen China’s core competitiveness in the sturgeon industry. By establishing a robust sturgeon germplasm resource bank and promoting industry-academia-research integration, we seek to secure a stable genetic foundation for sustainable caviar production.

Upgrade Smart Aquaculture Capabilities

We plan to comprehensively promote the application of cutting-edge technologies across our aquaculture, processing and logistics operations and continue to invest in research on mechanization, automation and digitalization throughout the entire value chain. Through the integration of advanced technologies, such as automated feeding systems, digitalized processing and marketing solutions, and AI-powered inventory tracking, we aim to improve survival rates, accelerate fish growth, enhance resource utilization efficiency, and continuously lead the development of China’s sturgeon industry.

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Increase R&D Investment to Accelerate Product Portfolio Expansion

We are committed to developing innovative crossover products that resonate with younger consumers and diversify consumption scenarios. We intend to cooperate with qualified third-party partners in skincare and health industries and invest in the development of functional products targeting high-potential skincare and health segments, including caviar-based serums and nutritional supplements formulated with sturgeon-derived bioactive ingredients and protein peptides. In addition, we aim to maximize the utilization of sturgeon by-products, such as sturgeon skin, bones, cartilage and internal organs, by leveraging their rich protein content, specific fatty acids and rare minerals. We plan to invest in the R&D of functional food products targeting specific consumer segments such as fitness and sports nutrition, maternal and infant health, and anti-aging. For details, see “Future Plans and [REDACTED] — [REDACTED].”

Consistently Attract, Develop and Retain Top Talent

We regard talent as a core pillar of our long-term competitiveness and are committed to strengthening human resources through effective recruitment and retention strategies. We will continuously improve our recruitment and training systems to attract high-caliber candidates with strong educational backgrounds, professional expertise and international perspectives. To enhance employee engagement and retention, we will offer competitive compensation packages and comprehensive benefits. We are also continuously optimizing our equity incentive programs to encourage long-term value creation and ensure the stability of our core management and technical personnel.

OUR BRANDS AND PRODUCTS

Leveraging over 20 years of industry experience and development, we have built an integrated sturgeon and caviar value chain encompassing sturgeon breeding and aquaculture, caviar processing, and sales and marketing. According to CIC, we ranked first globally in caviar sales volume for 11 consecutive years, exporting our products to 46 countries and regions worldwide as of the Latest Practicable Date. In 2023, 2024 and 2025, our caviar sales volume amounted to 219.9 tons, 258.3 tons and 291.5 tons, respectively. From 2021 to 2025, our caviar sales volume consistently accounted for over 30% of the global caviar market, consolidating our position as the global industry leader. Our flagship brand *KALUGA QUEEN* (卡露伽) has achieved significant recognition in international markets and has become a key supplier to premium dining establishments and boutique retail channels worldwide.

During the Track Record Period, caviar remained our core product, serving as both our principal revenue source and a key embodiment of our brand value and international presence. To improve the overall utilization of raw materials and expand our market coverage, we also introduced sturgeon products and other caviar-based offerings, thereby broadening our product portfolio and catering to diversified consumer demands.

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

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

Notes:

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

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

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

Notes:

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

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Our overseas customers market our caviar and sturgeon products using third-party brands or our own brand. The following table sets forth a breakdown of our revenue by type of brand, in an absolute amount and as a percentage of our total revenue, for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except percentages)					
Caviar	523,116	90.6	614,423	91.8	698,442	90.8
Third-party brand	353,408	61.2	427,353	63.9	522,314	67.9
Own brand	169,708	29.4	187,070	27.9	176,128	22.9
Sturgeon products	47,351	8.2	51,549	7.7	65,623	8.5
Third-party brand	746	0.2	954	0.1	4,915	0.7
Own brand	46,605	8.0	50,595	7.6	60,708	7.8
Others⁽¹⁾	6,774	1.2	3,321	0.5	4,941	0.7
Total	577,241	100.0	669,293	100.0	769,006	100.0

Note:

(1) Others mainly represent live sturgeons, and other caviar-based products under our own brand.

The following tables set forth a breakdown of the sales volume and average selling price by product category and by type of brand for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	Kilogram	RMB/Kilogram	Kilogram	RMB/Kilogram	Kilogram	RMB/Kilogram
Caviar:	219,926	2,379	258,260	2,379	291,461	2,396
Hybrid sturgeon caviar	71,253	2,248	80,436	2,385	87,506	2,496
Russian sturgeon caviar	123,567	2,206	154,725	2,189	188,221	2,196
Kaluga caviar	13,738	3,740	13,426	3,658	8,999 ⁽¹⁾	3,664
Beluga caviar ⁽²⁾	2,390	7,368	2,125	7,295	2,980	7,486
Amur sturgeon caviar	4,868	2,564	4,603	2,866	2,703 ⁽¹⁾	3,283
Siberian sturgeon caviar	1,761	2,944	1,650	2,309	941 ⁽¹⁾	2,332
Other caviar ⁽⁴⁾	2,349	1,566	1,295	1,719	111 ⁽¹⁾	3,246 ⁽³⁾
Sturgeon products:	1,454,334	33	1,685,178	31	2,230,883	29
Sturgeon meat	1,063,443	32	1,092,592	35	1,458,505	35
Processed sturgeon products	390,891	34	592,586	22	772,378	18
Others⁽⁵⁾	271,465	25	333,916	10	480,992	10
Total	1,945,725	297	2,277,354	294	3,003,336	256

Notes:

(1) The decrease in sales volume of such caviar products in 2025 was primarily attributable to adjustments in our product mix and capacity allocation, as well as changes in customer demand patterns. In particular, we continued to prioritize Russian sturgeon caviar and hybrid sturgeon caviar as our core products. During 2023 and 2024, as the production capacity and supply of Russian sturgeon caviar and hybrid sturgeon caviar were insufficient to meet

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customer demand, we promoted other caviar varieties, including Kaluga caviar, Amur sturgeon caviar and Siberian sturgeon caviar, to customers as alternative product offerings, with the relevant sturgeon species clearly identified to customers. In 2025, as the production volume and supply of Russian sturgeon caviar and hybrid sturgeon caviar recovered and became better aligned with market demand, we adjusted our supply strategy by reallocating capacity and sales efforts towards our core products. According to CIC, it is common in the industry for certain players to adopt similar strategic optimizations and capacity allocation adjustments to increase sales of core caviar products while reducing sales of non-core products. As a result, sales of other non-core varieties correspondingly declined. The fluctuation thus primarily reflected our internal operational and product strategy adjustments.

- (2) The average selling price of Beluga caviar was generally higher than that of other caviar products during the Track Record Period, primarily due to its substantially longer farming cycle, limited supply and premium quality. Beluga sturgeon requires a significantly longer maturation period (20 years in average) before roe extraction compared to other species, resulting in higher production costs and naturally constrained output. In addition, Beluga caviar is widely recognized as a premium product within the caviar market, which supports a higher market price.
- (3) The increase in the average selling price of other caviar in 2025 was primarily due to a change as we strengthened grading and processing controls and, as a result, other caviar comprised entirely higher-priced Sevruga caviar in 2025, compared with prior years when the category included certain lower-priced products in product mix, as we strengthened grading and processing controls and, as a result, other caviar comprised entirely higher-priced Shining sturgeon caviar in 2025, compared with prior years when the category included certain second-grade products that lowered the average price.
- (4) “Other caviar” consists of caviar of several additional sturgeon species.
- (5) “Others” mainly represents (i) sales of live sturgeons and (ii) sales of other caviar-based products.

	For the year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	Kilogram	RMB/ Kilogram	Kilogram	RMB/ Kilogram	Kilogram	RMB/ Kilogram
Caviar	219,926	2,379	258,260	2,379	291,461	2,396
Third-party brand	158,273	2,233	187,036	2,285	229,091	2,280
Own brand	61,653	2,753	71,224	2,627	62,370	2,824
Sturgeon products	1,454,334	33	1,685,178	31	2,230,883	29
Third-party brand	21,661	34	22,799	42	111,658	44
Own brand	1,432,673	33	1,662,379	30	2,119,225	29
Others⁽¹⁾	271,465	25	333,916	10	480,992	10
Total	1,945,725	297	2,277,354	294	3,003,336	256

Note:

- (1) Others mainly represent live sturgeons, and other caviar-based products under our own brand.

Core Product: Caviar

Caviar is our core product. Recognized as one of the three most renowned delicacies worldwide, it is often referred to as “black gold” for its exceptional rarity, rich texture and distinctive flavor. Our caviar products are defined by stringent aquaculture conditions, high-purity sourcing, and consistently superior quality, resulting in a refined flavor profile with a clean, natural finish. These attributes have set a distinctive benchmark in international markets, positioning our caviar products as a leading representative of Chinese fine food products in the global landscape. In 2023, 2024 and 2025, our caviar sales volume amounted to 219.9 tons, 258.3 tons and 291.5 tons, respectively. In 2025, our caviar sales volume accounted for 36.1% of the global market, with a market share more than four times that of the second largest player, making caviar one of the few fine food categories dominated by a Chinese company in the world. During the Track Record Period, our caviar products under the flagship brand

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KALUGA QUEEN (卡露伽) were exported to premium markets in Europe, America and Asia Pacific. We have long been the exclusive caviar supplier under our own brand to the first-class cabins of major international airlines including Lufthansa, Singapore Airlines and Cathay Pacific. Our caviar products are widely offered by various Michelin-starred restaurants worldwide and have been featured at the Academy Awards banquet, underscoring their exceptional quality and unique standing.

According to the Codex Alimentarius Commission (CAC), caviar refers exclusively to the roe obtained from mature female sturgeon, which is processed and lightly salted for preservation. All of our caviar products strictly adhere to this standard, with no chemical preservatives or artificial additives, and we do not engage in the production of caviar substitutes.

Based on the classification of sturgeon species used in processing, our caviar products have been classified into six major series. Specifically, for domestic sales, we additionally label our caviar products by the average maturity age of the sturgeon at the time of roe extraction. This labeling is intended to provide domestic consumers with a more intuitive understanding of product characteristics, thereby promoting the dissemination and appreciation of caviar culture in China.

Hybrid Sturgeon Caviar



Hybrid sturgeon caviar is derived from mature female hybrid sturgeons with an average maturity age of nine years and a body weight ranging from 30 to 50 kilograms. We independently bred hybrid sturgeon under the name “Xunlong No.1 (鱘龍1號)”, China’s first nationally recognized sturgeon variety. Our hybrid sturgeons are bred using Kaluga sturgeon as the female parent, which typically matures after more than 15 years, and Amur sturgeon as the male parent, which typically matures at approximately eight years, resulting in a hybrid variety with a shortened maturity cycle of approximately nine years that balances product quality and farming efficiency. The roe is relatively large, with a diameter of over 3.0 millimeters, amber to brownish-yellow in color, featuring resilient membranes and delivering a rich, full-bodied flavor with a lingering creamy aroma. It is a long-standing preferred choice for premium customers both domestically and internationally. During the Track Record Period, the selling price of our hybrid sturgeon caviar products ranged from RMB2,248 per kilogram to RMB2,496 per kilogram. According to CIC, in 2025, the retail selling price of hybrid sturgeon caviar products ranged from RMB100 to RMB174 per 10 grams, while the retail selling price of our hybrid sturgeon caviar products was approximately RMB160 per 10 grams.

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Russian Sturgeon Caviar



Russian sturgeon caviar is derived from mature female Russian sturgeons with an average maturity age of ten years and a body weight ranging from 20 to 40 kilograms. The roe is round and firm, with a diameter of over 3.0 millimeters, typically brownish-yellow or grayish-yellow, with notable elasticity. Its flavor is layered and complex, with a subtle nutty aroma, making it a mainstream variety with high acceptance in traditional international consumer markets. For domestic sales, we label this product as “ten-year Russian sturgeon caviar.” During the Track Record Period, the selling price of our Russian sturgeon caviar products ranged from RMB2,189 per kilogram to RMB2,206 per kilogram. According to CIC, in 2025, the retail selling price of Russian sturgeon caviar products ranged from RMB138 to RMB224 per 10 grams, while the retail selling price of our Russian sturgeon caviar products was approximately RMB 180 per 10 grams.

Kaluga Caviar



Kaluga caviar is derived from mature female kaluga sturgeons with an average maturity age of 15 years and a body weight ranging from 80 to 200 kilograms. The roe is large and uniform, with a diameter of over 3.2 millimeters, typically brownish-gray or yellowish-brown in color. The flavor is rich and mellow with pronounced milky notes and a long-lasting aftertaste. It is a highly scarce premium variety with consistently strong demand. For domestic sales, we label this product as “15-year kaluga caviar.” During the Track Record Period, the selling price of our kaluga caviar products ranged from RMB3,658 per kilogram to RMB3,740 per kilogram. According to CIC, in 2025, the retail selling price of Kaluga caviar products ranged from RMB315 to RMB400 per 10 grams, while the retail selling price of our kaluga caviar products was approximately RMB380 per 10 grams.

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Beluga Caviar



Beluga caviar is derived from mature female beluga sturgeons with an average maturity age of 20 years and a body weight ranging from 80 to 200 kilograms. The roe is pearl-gray or metallic-gray in color, plump with elastic membranes, with a diameter of over 3.2 millimeters. It features an intense buttery aroma and a memorable flavor profile. As a limited-edition product for premium customized clients, it is often used in exclusive banquets and collaborations with luxury brands. For domestic sales, we label this product as “20-year beluga caviar.” During the Track Record Period, the selling price of our beluga caviar products ranged from RMB7,295 per kilogram to RMB7,486 per kilogram. According to CIC, in 2025, the retail selling price of Beluga caviar products ranged from RMB400 to RMB1,620 per 10 grams, while the retail selling price of our beluga caviar products was approximately RMB1,600 per 10 grams.

Amur Sturgeon Caviar



Amur sturgeon caviar is derived from mature female Amur sturgeons with an average maturity age of eight years and a body weight ranging from 15 to 40 kilograms. The roe is deep brownish-gray to grayish-black in color, with a diameter of over 2.9 millimeters. It features a smooth and delicate texture with a subtle fruity aroma. For domestic sales, we label this product as “eight-year Amur sturgeon caviar.” During the Track Record Period, the selling price of our Amur sturgeon caviar products ranged from RMB2,564 per kilogram to RMB3,283 per kilogram. According to CIC, in 2025, the retail selling price of Amur sturgeon caviar products ranged from RMB87 to RMB135 per 10 grams, while the retail selling price of our Amur sturgeon caviar products was approximately RMB120 per 10 grams.

Siberian Sturgeon Caviar



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Siberian sturgeon caviar is derived from mature female Siberian sturgeons with an average maturity age of seven years and a body weight ranging from 10 to 20 kilograms. The roe is translucent with a grayish-brown color, generally with a diameter of over 2.8 millimeters. The taste is delicate and melts in the mouth, with a refreshing marine note. It is particularly suited to the flavor preferences of Asian consumers and is commonly used in high-end gifting and retail channels. For domestic sales, we label this product as “seven-year Siberian sturgeon caviar.” During the Track Record Period, the selling price of our Siberian sturgeon caviar products ranged from RMB2,309 per kilogram to RMB2,944 per kilogram. According to CIC, in 2025, the retail selling price of Siberian sturgeon caviar products ranged from RMB86 to RMB130 per 10 grams, while the retail selling price of our Siberian sturgeon caviar products was approximately RMB120 per 10 grams.

Sturgeon Products

In addition to our core caviar products, we have gradually established a processing system for sturgeon products to enhance the overall utilization of raw materials and maximize the value of each sturgeon. This business segment enriches our product portfolio and provides strong support for closing the loop of our integrated sturgeon industry chain. Overseas customers of our sturgeon products are mainly food processing enterprises, food importers, and traders; domestic customers are primarily catering companies, chain restaurants, and fresh food and grocery retailers.

During the Track Record Period, our sturgeon products primarily comprised the following:

- **Sturgeon meat:** Derived from male sturgeons and female sturgeons after roe extraction, processed under standardized procedures (removal of head, tail, and viscera) and subsequently quick-frozen into sturgeon meat. Different sturgeon strains exhibit varying levels of environmental adaptability, survival performance and farming characteristics. Hybrid sturgeons, Amur sturgeons and Siberian sturgeons generally demonstrate stronger adaptability and disease resistance and, as a result, achieve relatively higher overall survival rates. Russian sturgeons have comparatively higher requirements for water quality and farming conditions, leading to a slightly lower survival rate. Kaluga sturgeons and Beluga sturgeons have longer growth cycles and higher farming complexity. They are more sensitive to environmental changes and generally exhibit lower survival rates, which correspondingly entail higher farming risks and costs. Sturgeon meat is primarily differentiated among strains by body size and harvest weight, while differences in taste are relatively minor and mainly influenced by the length of the farming period rather than species.

Our raw sturgeon meat products are primarily exported to overseas markets, where they are further processed through hot smoking, cold smoking and other methods before being sold. During the Track Record Period, the selling price of our sturgeon meat products ranged from RMB32 per kilogram to RMB35 per kilogram.

- **Processed sturgeon products:** Primarily include (i) smoked sturgeon filets, made from premium sturgeon loins using traditional smoking techniques, refrigerated for preservation and ready for consumption. These products are well-suited for premium retail and gifting channels; and (ii) tempura sturgeon meat, which is deboned and molded to deliver a firm texture and delicate taste. Stored frozen, it is widely used in school canteens, restaurants and other catering scenarios, serving as a key product to support our expansion into mass-market dining segments. Our processed sturgeon products are primarily sold domestically to restaurants, hotels and individual consumers. During the Track Record Period, the selling price of our processed sturgeon products ranged from RMB18 per kilogram to RMB34 per kilogram.

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Others

Building on our core caviar products, we have further developed a series of creative caviar-based offerings, such as caviar ice cream, chocolates, mooncakes and cakes. These products represent innovative extensions of caviar consumption and diversify its application into broader lifestyle scenarios. Our caviar-based products are sold exclusively in the domestic market and are primarily supplied to individual consumers, supermarkets and other retail channels.



Caviar ice cream



Caviar chocolates



Caviar mooncakes



Caviar cakes

In addition, we also sold live sturgeons during the Track Record Period. These live sturgeons we sold are primarily male immature sturgeons identified through sex identification which, due to their lower body weight, do not meet the specifications for processing into export-grade sturgeon meat products. Customers of our live sturgeons mainly include domestic sturgeon farming enterprises and individual buyers.

OUR PRODUCTION

We have established an integrated value chain covering the entire life cycle of sturgeon. Our production process comprises two main stages, aquaculture and processing. Through continuous improvement of aquaculture technologies and processing techniques, stringent control over food safety, and emphasis on environmental protection, we have built an end-to-end operation from broodstock breeding to the processing of caviar and sturgeon products, providing a solid foundation for the stable increase of our production volume and market share.

Aquaculture System

We engaged in self-operated sturgeon aquaculture, breeding and farming activities conducted at our wholly self-managed aquaculture bases.

Scientific Aquaculture Models

Based on the growth characteristics and biological needs of sturgeons, and drawing on years of exploration and technological accumulation, we have developed a scientific aquaculture approach combining three models: eco-net cage aquaculture model, land-based flow-through aquaculture model and industrialized recirculating aquaculture system model. To meet the differentiated requirements of each model, we have strategically established aquaculture bases across China, ensuring the high quality of female broodstock and laying a solid foundation for producing premium caviar.

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Eco-net cage aquaculture model (生態網箱養殖模式)

Our eco-net cage aquaculture model is applied primarily during the growth stage for sturgeons aged one to six years. This model utilizes low-density stocking, continuous water exchange and sufficient dissolved oxygen to simulate natural, wild-like conditions, thereby improving growth rate and body weight of sturgeons. We have established aquaculture bases in high-quality natural waters such as Qiandao Lake (千島湖) in Zhejiang, Zhelin Lake (柘林湖) in Jiangxi and Qingshan Lake (青山湖) in Liaoning, all of which meet Class I national water quality standards. The diagram below illustrates our eco-net cage aquaculture model.



Land-based flow-through aquaculture model (陸地流水養殖模式)

Our land-based flow-through aquaculture model is applied mainly during the gonadal development stage for sturgeons aged six years and above. By simulating natural flowing water environments and feeding with specially formulated diets, this model promotes gonadal development and roe maturity. We have established aquaculture bases in areas such as Wuxi River (烏溪江) in Zhejiang, Weishui River (為水河) in Hunan, South River (南河) in Hubei and Yingjing River (榮經河) in Sichuan, sourcing high-quality, cold water and applying aeration and other measures to improve both the quantity and quality of roe production. The diagram below illustrates our land-based flow-through aquaculture model.



Industrialized recirculating aquaculture system model (工廠化循環水養殖模式)

Our industrialized recirculating aquaculture system model is characterized by standardized aquaculture environments, automated water quality regulation and high controllability of aquaculture conditions. We use computer systems for remote monitoring of water temperature, quality and feeding, enabling real-time data tracking. This model is primarily applied to the long-term rearing and artificial

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reproduction of broodstock. By precisely controlling water temperature, breeding requirements can be met in different seasons, thereby ensuring the sustainability of sturgeon population development. The diagram below illustrates our industrialized recirculating aquaculture system model.



We have adopted a centralized approach of rearing sturgeons at different growth stages at different aquaculture bases because sturgeons have a long growth cycle, generally requiring approximately seven to 15 years to grow from juveniles to mature female sturgeons suitable for caviar production, and their farming requirements vary significantly by growth stage. Sturgeons aged one to approximately seven years are in a rapid growth stage and require low-density waters with high dissolved oxygen, good water quality and sufficient activity space. We therefore rear sturgeons at this stage at aquaculture bases such as Zhelin Lake (柘林湖) in Jiangxi, Qiandao Lake (千岛湖) in Zhejiang, and Qingshan Lake (青山湖) in Liaoning, which provide growth conditions closer to their natural habitat and support faster and healthier growth. After approximately seven years of age, female sturgeons enter the gonadal development stage and require more controlled conditions, including water temperature adjustment, water-flow stimulation and specially formulated feed to promote the quantity and quality of roe. We therefore transfer older female sturgeons to other bases specialized in farming mature sturgeons, such as our Quzhou Aquaculture Base in Zhejiang, where water temperature and water flow are easier to control. Our processing bases are also adjacent to our Quzhou Aquaculture Base in Zhejiang and our Zhelin Lake Aquaculture Base in Jiangxi, enabling timely roe extraction and processing during the short processing window. Accordingly, this arrangement has allowed us to match each growth stage with the most suitable farming conditions, improve fish growth and roe quality, and enhance overall operating efficiency.

We have formulated base-specific operating guidelines having regard to the hydrological environment and climatic conditions of each base, which set out detailed procedures for the transfer-in and transfer-out of sturgeons at such base. For transfers among our aquaculture bases, the timing and criteria are determined primarily by the age, species and developmental condition of the sturgeons. We rear sturgeons by species and age cohort and, once younger sturgeons have generally reached around seven years of age, we transfer them in batches to other bases specialized in farming mature sturgeons, such as our Quzhou Aquaculture Base for further rearing. For transfers from our Quzhou Aquaculture Base to our processing bases, the timing and criteria are determined primarily by the development of the sturgeons' gonads and roe. We inspect and select sturgeons whose gonads and roe have matured and are suitable for processing, and then transport them in batches to our processing bases for roe extraction and processing. All transfers are conducted in accordance with our operating guidelines, using our own transportation vehicles or third-party logistics providers with whom we have long-term and stable cooperation arrangements. The vehicles are equipped with sealed live-water tanks or oxygenated insulated containers. During transportation, oxygen is continuously supplied and water is replaced periodically to maintain a suitable transportation environment and ensure the safety of the sturgeons during transit.

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Technical Advantages and Management Practices

We have established a comprehensive set of technical advantages and management practices in sturgeon aquaculture. These measures enhance the quality and survival rate of sturgeons, improve aquaculture efficiency and risk resilience, and ensure sustainable and environmentally friendly development of our aquaculture operations.

Sturgeon aquaculture technologies

Our systematic technological advantages across breeding, selective genetics, sex identification, processing window management, and disease prevention have created an industry-leading sturgeon aquaculture system, providing a solid foundation for sustainable and large-scale caviar production.

- ***Full artificial breeding technologies:*** As the cornerstone of our aquaculture system, we have developed a complete technical pathway covering broodstock gonadal development monitoring, low-temperature cultivation, minimally invasive ovum extraction, hatching, and post-spawning recovery. These technologies significantly improve fertilization rates, hatching rates, and fry survival rates. Leveraging these advancements, we have established the world’s most extensive sturgeon germplasm resource bank, encompassing over 100,000 broodstock across sturgeon species, according to CIC. We have also built a national-level sturgeon breeding farm, ensuring a sustainable and high-quality source of broodstock for caviar production.
- ***Selective breeding and strain innovation:*** Building on artificial breeding, we have actively applied hybrid breeding and molecular genetic techniques to shorten the conventional breeding cycle and improve reproductive performance. Our efforts have increased the average ovulation rate from 8% in 2006 to approximately 17% in 2025, well above the industry average of around 10%, according to CIC. Notably, we independently bred “Xunlong No.1 (鱘龍1號),” China’s first nationally recognized sturgeon variety, which features rapid growth, high ovulation rate, early maturity, and stable caviar quality, making it one of the best-selling varieties globally.
- ***Early-stage sex identification technologies:*** Given the long gonadal development cycle of sturgeon and the lack of obvious secondary sexual characteristics, in 2020, we jointly developed and introduced a molecular sex identification technology that advanced the age for distinguishing male and female sturgeons from 24–36 months to as early as six months, with an accuracy rate of over 97%. This internationally leading technology effectively addressed the global challenge of early-stage sex identification in sturgeons, significantly enhancing production efficiency and reducing farming costs.
- ***Processing window management:*** As the optimal processing window for high-quality caviar is typically no longer than one week, we have developed mathematical models based on long-term observations of gonadal development in broodstock. These models allow us to predict the maturation timing of different sturgeon species and ages with high precision, ensuring that ovulated eggs are harvested at their peak maturity. In addition, by leveraging temperature differences across our aquaculture bases, we have studied gonadal development patterns under low-temperature environments and developed corresponding control models to regulate broodstock development speed, thereby addressing seasonal supply shortages during summer months and ensuring stable year-round production.

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- ***Integrated disease prevention and treatment technologies:*** We provide sturgeons with an environment close to their natural habitat to promote healthy growth and higher survival rates, and have established a comprehensive prevention, monitoring, and treatment system. In parallel, we cooperate with scientific institutes to develop dedicated vaccines to ensure safe and reliable disease control. Each aquaculture base assigns responsible personnel and implements duty systems to oversee disease prevention. Through these combined measures, our average annual survival rate of sturgeon has remained above 97% since 2014 and during the Track Record Period, among the highest internationally and notably above the industry average of below 90%, according to CIC, supporting both sustainable development and cost efficiency. Based on relevant industry benchmarks, large-scale disease outbreaks are not a common occurrence in sturgeon aquaculture, and disease risks, where they arise, are generally associated with water temperature fluctuations, water quality issues, low dissolved oxygen levels, parasitic or bacterial infections and transportation-related stress. The risk of large-scale disease outbreaks or overall deterioration of sturgeon health across our aquaculture bases is even lower, taking into account our historical operating track record, our multi-base layout across different water systems and climatic regions with independent water sources, as well as our standardized prevention and control measures implemented, including vaccination, water quality and temperature control, regular disinfection, dissolved oxygen management, laboratory testing, and prompt isolation and treatment of affected fish.

Intelligent management

We have established a digital production management platform for sturgeon aquaculture, which encompasses an online environmental monitoring system, a production management system, a remote fish disease diagnosis system and an intelligent fishery management system. By interconnecting the aquaculture production management system, processing traceability system, and marketing system, we are able to achieve real-time and accurate control over every stage of our operations.

At the same time, we have introduced AI-powered tracking and inventory technologies, leveraging drones and big data models to significantly improve the efficiency of biomass management and stocktaking. In practice, drones equipped with high-speed intelligent cameras capture dynamic aerial videos of our aquaculture bases, which are then processed through AI-based image recognition algorithms to identify and count individual sturgeons. This technology enables efficient and scalable inventory operations with an accuracy rate exceeding 97%. The drone-based image collection and algorithm-driven recognition allow stocktaking to be automated, independent and objective, with video evidence simultaneously generated for third-party verification, thereby reducing human intervention. In addition, it offers high operational efficiency and ease of deployment, enabling rapid stocktaking and timely reconciliation of biological assets, significantly improving the timeliness and reliability of biomass management across our aquaculture bases.

Standardized management

We have formulated and enforced a series of operational guidelines, including the Healthy Sturgeon Aquaculture Operation Manual (《鱘魚健康養殖操作規程》) and the Sturgeon Transportation Guidelines (《鱘魚運輸作業指導書》), resulting in a standardized and replicable management system. Through continuous training, we have effectively reduced uncertainties arising from inconsistent manual operations, thereby ensuring stable survival rates and product quality.

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Scientific site selection and response mechanisms for natural disasters

Based on the biological characteristics of sturgeon, we have developed comprehensive criteria for selecting aquaculture base locations. Site selection involves a thorough assessment of factors such as geographic location, geological conditions, water quality, water volume, water temperature, land use, and surrounding infrastructure, with full consideration of natural disasters such as typhoons, floods, earthquakes, and droughts to effectively prevent large-scale natural hazards.

In addition, we have formulated and continuously refined our Work Safety Management System (《安全生產管理制度》) and Emergency Management System for Major Incidents (《重大突發事件應急管理制度》). Tailored risk assessments are conducted for each aquaculture base, supported by specific emergency response plans and related measures to mitigate natural disaster risks. These mechanisms ensure rapid and effective responses to emergencies and safeguard safe and stable business operations.

Flood control: Reinforcement of facilities and cages is carried out before the flood season, together with the installation of drainage and pumping equipment and real-time inspections, to minimize the risk of facility damage and fish loss.

Drought resistance: Supplementary water sources are secured from reservoirs with additional pumps installed to ensure water replenishment. Aeration and recycling systems are deployed to maintain dissolved oxygen, and water allocation is prioritized for broodstock ponds to safeguard survival and reproductive quality. These measures ensure that production can be maintained even during prolonged dry seasons.

Other extreme events: Landslides, snowstorms and lightning strikes are mitigated by strengthening infrastructure, preparing backup power supplies and stockpiling essential materials to ensure operational continuity.

To ensure the effectiveness of these measures, we also organize regular training and drills across all bases, clarifying responsibilities, simulating emergency responses and refining contingency plans, thereby improving the overall resilience of our aquaculture system.

During the Track Record Period and up to the Latest Practicable Date, we did not suffer from any material loss resulted from any major disruptions, contamination to the aquacultures, acts of God or other calamities associated with our sturgeon aquaculture bases.

Environmental protection and resource utilization

For the residual feed and excreta generated during aquaculture, we have established differentiated treatment measures for different aquaculture models. Under the eco-net cage aquaculture model, we apply multiple environmental protection technologies such as waste collection, biological recycling, precision feeding, rotational stocking and disease prevention, effectively reducing water pollution and ensuring compliance with water quality standards; Under the land-based flow-through aquaculture model, we have researched and adopted technologies such as micro-filtration of aquaculture water and micro-flocculation phosphorus removal from effluent, achieving compliance with local environmental discharge standards; Under the industrialized recirculating aquaculture system model, we strictly comply with environmental requirements by building dedicated wastewater treatment facilities and applying biofilm treatment processes, ensuring that all discharges meet applicable standards.

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In addition, we have established a circular ecological utilization model with local farmers and agricultural enterprises, under which residual feed and feces are collected and provided free of charge for conversion into organic fertilizer, helping to improve the quality of vegetables and fruits. These initiatives not only mitigate environmental impact but also reinforce our ESG performance.

Procurement of Sturgeons from External Suppliers

We have procured a limited volume of sturgeons from selected external suppliers from time to time to supplement our self-operated production capacity and better balance market demand with breeding cycles. Such procurement does not constitute contract farming, as the sturgeons procured remain under the ownership and control of the respective suppliers prior to completion of the purchase, and we do not participate in, or share operational decision-making, risks or profits in relation to, the suppliers’ farming activities.

Collaboration arrangements with sturgeon suppliers: We conduct annual site visits and reviews of sturgeon suppliers across China and typically enter into long-term cooperation with a limited number of qualified sturgeon suppliers for supplementary procurement only. Under these arrangements, suppliers independently raise sturgeons to a specified age, generally three to four years, and we purchase the sturgeons only when they meet our quality and specification requirements. These arrangements do not involve farming on our behalf.

Quality control measures: We have implemented strict quality control measures for externally procured sturgeons, including: (i) pre-cooperation assessments of suppliers’ farming capacity, compliance status and quality assurance capabilities; (ii) regular on-site reviews of farming practices during cooperation; and (iii) sampling inspections prior to purchase, supervision during collection and transportation, and post-arrival isolation and testing until the sturgeons meet our internal standards.

Aquaculture Bases

As of December 31, 2025, we had eight aquaculture bases located in high-quality natural waters, including Qiandao Lake (千島湖) and Wuxijiang (烏溪江) in Zhejiang, Zhelin Lake (柘林湖) in Jiangxi, Qingshan Lake (青山湖) in Liaoning, Weishui River (滬水河) in Hunan, and Yingjing River (滎經河) in Sichuan, with a total live fish stock of over 14,000 tons, representing a leading position in the industry. All our sturgeon resources are artificially bred, and we do not engage in the exploitation or utilization of wild sturgeon resources.

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The following table sets forth the designed aquaculture capacity, actual aquaculture volume, and utilization rate of our eight aquaculture bases for the years indicated:

Aquaculture base	Aquaculture model applied	For the year ended December 31,								
		2023			2024			2025		
		Designed aquaculture capacity ⁽¹⁾	Actual aquaculture volume ⁽²⁾	Utilization rate ⁽³⁾	Designed aquaculture capacity ⁽¹⁾	Actual aquaculture volume ⁽²⁾	Utilization rate ⁽³⁾	Designed aquaculture capacity ⁽¹⁾	Actual aquaculture volume ⁽²⁾	Utilization rate ⁽³⁾
		(tons)		(%)	(tons)		(%)	(tons)		(%)
Quzhou, Zhejiang	Land-based flow-through aquaculture model and industrialized recirculating aquaculture system model	4,500.0	3,989.1	88.6	4,500.0	3,928.9	87.3	4,200.0	3,494.7	83.2
Qingshan Lake, Liaoning	Eco-net cage aquaculture model	2,300.0	2,234.1	97.1	2,300.0	2,213.0	96.2	2,500.0	2,439.4	97.6
Yingjing, Sichuan	Land-based flow-through aquaculture model	1,500.0	1,424.0	94.9	2,500.0	2,392.9	95.7	4,000.0	3,994.0	99.9
Zhelin Lake, Jiangxi ⁽⁴⁾	Eco-net cage aquaculture model	1,600.0	1,593.5	99.6	1,600.0	1,425.2	89.1	1,600.0	1,417.9	88.6
Qiandao Lake, Zhejiang ⁽⁴⁾	Eco-net cage aquaculture model	1,500.0	1,334.6	89.0	1,500.0	1,416.9	94.5	1,600.0	1,503.5	94.0
Baokang, Hubei ⁽⁴⁾	Land-based flow-through aquaculture model	600.0	552.9	92.2	800.0	724.7	90.6	1,200.0	1,091.3	90.9
Ningxiang, Hunan ⁽⁴⁾	Land-based flow-through aquaculture model	400.0	293.1	73.3	400.0	347.5	86.9	400.0	349.4	87.4
Sishui, Shandong ⁽⁴⁾⁽⁵⁾	Land-based flow-through aquaculture model	100.0	81.2	81.2	100.0	11.6	11.6	100.0	36.8	36.8
Total		12,500.0	11,502.6	92.0	13,700.0	12,460.7	91.0	15,600.0	14,326.9	91.8

Notes:

- (1) The designed aquaculture capacity represents the theoretical capacity of each aquaculture base measured by sturgeon’s weight, primarily determined by the aquaculture model, aquaculture water area, water volume, stocking density, and sturgeon size grade.
- (2) The actual aquaculture volume refers to the actual biomass of sturgeons farmed during the respective year, which is calculated by multiplying the number of sturgeons by their average weight.
- (3) The utilization rate is calculated as the actual aquaculture volume divided by the designed aquaculture capacity of the relevant year.
- (4) Our aquaculture bases in Zhelin Lake, Qiandao Lake, Baokang, Ningxiang and Sishui primarily farm immature sturgeons aged up to seven years. Historically, these bases occasionally experienced moderate fluctuations in utilization rates, mainly because once the sturgeons reached seven years of age, they were transferred to other bases specialized in farming mature sturgeons, such as our Quzhou Aquaculture Base. The utilization rates at our aquaculture bases for immature sturgeons subsequently returned to higher levels when new supplies of immature sturgeons arrived.
- (5) The utilization rate of our Sishui Aquaculture Base in Shandong decreased materially from 2023 to 2025. This was primarily because changes in local water availability prompted us to adjust the aquaculture planning for this base, shifting its primary use to the rearing of immature sturgeons and reducing overall aquaculture volume, which led to a corresponding decline in utilization rate.

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The following table sets forth the fair value of biological assets attributable to each aquaculture base for the years indicated:

Aquaculture base	For the year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Quzhou, Zhejiang	554,797	574,953	522,939
Qingshan Lake, Liaoning	240,795	243,653	263,923
Yingjing, Sichuan	119,751	231,595	401,735
Zhelin Lake, Jiangxi	210,436	216,860	217,704
Qiandao Lake, Zhejiang	168,228	154,804	167,525
Baokang, Hubei	54,868	79,175	121,693
Ningxiang, Hunan	32,998	45,907	44,704
Sishui, Shandong	7,330	6,554	8,475

The following table sets forth breakdowns of our live fish stock by sturgeon species and growth stages as of the dates indicated:

By sturgeon species	As of December 31,					
	2023		2024		2025	
	Biomass (tons)	Number of fish	Biomass (tons)	Number of fish	Biomass (tons)	Number of fish
Hybrid sturgeons	3,880.6	428,356	5,582.6	611,049	8,068.9	702,663
Russian sturgeons ⁽¹⁾	6,551.2	523,281	5,784.4	505,535	5,231.2	486,453
Kaluga sturgeons	569.4	7,043	539.4	7,613	478.0	6,734
Beluga sturgeons	385.3	7,032	411.6	6,397	408.8	6,110
Amur sturgeons ⁽²⁾	73.9	4,847	84.0	44,023 ⁽⁴⁾	76.8	13,212 ⁽⁵⁾
Siberian sturgeons ⁽²⁾	8.6	520	25.2	5,436	30.9	5,207
Others ⁽³⁾	33.7	2,835	33.6	2,682	32.3	2,550
Total	<u>11,502.6</u>	<u>973,914</u>	<u>12,460.7</u>	<u>1,182,735</u>	<u>14,326.9</u>	<u>1,222,929</u>

By growth stage	As of December 31,					
	2023		2024		2025	
	Biomass (tons)	Number of fish	Biomass (tons)	Number of fish	Biomass (tons)	Number of fish
= < 4 years of age	2,206.6	540,161	2,020.6	588,904	3,094.8	628,001
5~6 years of age	1,216.9	103,881	2,808.3	298,926	3,196.9	265,310
> = 7 years of age	8,079.2	329,872	7,631.9	294,905	8,035.1	329,618
Total	<u>11,502.6</u>	<u>973,914</u>	<u>12,460.7</u>	<u>1,182,735</u>	<u>14,326.9</u>	<u>1,222,929</u>

Notes:

- (1) Strong market demand for Russian sturgeon caviar has led to a decline in our live fish stock of this species during the Track record Period. We are addressing this through ongoing breeding and stocking of Russian sturgeon fry to replenish and expand its production pipeline.

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- (2) Amur sturgeons and Siberian sturgeons were recommended as substitute species during periods when demand for Russian sturgeon and hybrid sturgeon exceeded supply, and as production capacity of our core sturgeon species became better aligned with market demand, reliance on such substitutes declined, resulting in greater volatility in their live fish stock.
- (3) “Others” refers to several additional sturgeon species, each species individually accounted for a very small portion of our total live fish stock.
- (4) We procured a relatively large number of Amur sturgeon fry as our Yingjing Aquaculture Base in Sichuan commenced operations in 2024, resulting in a significant increase in number of fish as of December 31, 2024. However, as the fish fry were still at an early growth stage with relatively low average weight, the increase in overall biomass of Amur sturgeon was marginal as of the same date.
- (5) Upon completion of sex identification, we sold certain male Amur sturgeons fry to third parties, leading to a substantial decrease in number of fish as of December 31, 2025.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material accidents, injuries, or fatalities involving our labor force in our aquaculture bases.

Aquaculture Capacity Expansion Plan

As of December 31, 2025, we had commenced the aquaculture capacity expansion of one of our existing bases, the Baokang Aquaculture Base in Hubei, to meet the increasing market demand for our caviar products.

The table below sets forth details of the aquaculture capacity expansion plan of our Baokang Aquaculture Base in Hubei:

Aquaculture base	Increased annual aquaculture capacity upon completion ⁽¹⁾ (tons)	Designed annual aquaculture capacity upon completion ⁽¹⁾ (tons)	Status as of the Latest Practicable Date	Expected completion time	Total estimated investment (RMB in million)
Baokang, Hubei (expansion)	1,500	2,500	In progress	Third quarter, 2027	180.0

Note:

- (1) Measured by sturgeon’s weight.

We expect that the aquaculture capacity expansion of our Baokang Aquaculture Base in Hubei will be funded primarily by the [REDACTED] from the [REDACTED] and will also be funded by cash generated from our operations. See “Future Plans and [REDACTED] — [REDACTED].”

In addition, as of the Latest Practicable Date, we were planning to expand two of our other existing aquaculture bases, namely Qiandao Lake Aquaculture Base in Zhejiang, and Wuning Aquaculture Base in Jiangxi. These expansion plans will be funded primarily by the [REDACTED] from the [REDACTED] as well as cash generated from our operations. See “Future Plans and [REDACTED] — [REDACTED].”

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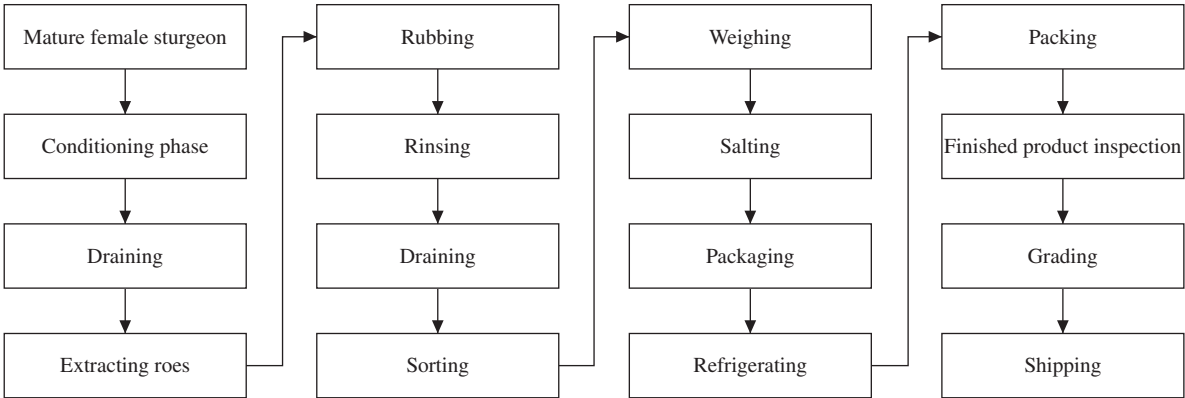
Processing System

To ensure timely delivery of sturgeons and enhance processing efficiency, we have established processing bases adjacent to key aquaculture bases. By closely integrating aquaculture and processing operations, we have built a complementary and tiered production network that improves overall supply chain efficiency and product quality consistency. We adopt a traditional caviar harvesting technique, which involves slaughtering the sturgeon in order to extract caviar from its body, as opposed to non-lethal caviar extraction methods such as abdominal massage, catheterization, or minor surgical procedures. Accordingly, each sturgeon yields only one caviar harvest during its life cycle under the harvesting technique adopted. We use traditional caviar harvesting because it is better aligned with our premium product positioning and quality requirements, as it generally produces roe with better integrity and appearance, richer flavour and more consistent quality, thereby preserving the high quality and flavour profiles of our caviar products. According to CIC, traditional harvesting remains the mainstream method for caviar production and accounts for over 90% of global commercial caviar production. We did not adopt non-lethal harvesting methods because such methods typically involve anaesthesia, hormone induction or other assisted techniques, which may affect roe integrity, flavour and appearance.

Processing Workflow

Caviar processing

Our caviar processing combines traditional craftsmanship with modern processing technologies, preserving the essence of classic techniques while continuously introducing standardized and refined procedures to ensure authentic flavor and consistent quality. The diagram below illustrates our caviar processing workflow.



- **Raw material evaluation:** Prior to processing, each mature female sturgeon undergoes a chilled conditioning phase. Our technicians assess whether the fish meets our quality standards based on the size, elasticity, texture and flavor of sampled roe, to ensure product consistency and optimal timing.
- **Separation and rinsing:** Before roe extraction, the sturgeons are placed in ice-water to induce a low-temperature anesthesia state, which reduces stress and supports animal welfare. Once fully anesthetized, the fish undergo subsequent humane processing steps, including bleeding and rinsing. The gonads are removed from the fish, and the roe is gently rubbed out to separate it from the gonadal tissue. The separated roe is then rinsed three to five times to remove impurities, membranes, and any undesirable odors, leaving only intact and fully matured grains for caviar production. After roe extraction, the remaining fish bodies are transferred for further cutting and processing into sturgeon products.

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- **Expert salting:** The cleaned roe is gently mixed with salt in a process that requires highly experienced master technicians. The goal is to ensure thorough integration of salt with the roe while avoiding excessive handling that could compromise elasticity and texture, thereby preserving the quality of the caviar. The precise amount of salt is fine-tuned based on the sturgeon species, specific orders, and customer preferences.
- **Packaging and pressing:** After manually exhausting air from the tin and forming shape with stainless-steel pressing discs, the caviar is rested overnight before undergoing vacuum sealing and final labeling. All caviar products are then stored under cold chain conditions.
- **Full-chain traceability system:** Each batch is assigned a unique code linked to the source fish ID, processing personnel, salt batch, operation timestamp, and quality inspection data, enabling full traceability from fish to tin.

All caviar products we sell are finished caviar products ready for sale. Pursuant to the Codex Standard for Sturgeon Caviar (CODEX STAN 291-2010), the mixing of caviar from different suppliers, species or batches is prohibited. Subsequent handling by our customers, if applicable, is thus limited to re-packaging into smaller retail-size units for onward sale to end customers.

We have implemented measures to prevent improper mixing and safeguard food safety: (i) We strictly process caviar on a single-species, single-batch basis, with each batch assigned a unique traceability code and affixed CITES-compliant tamper-proof labels. We also provide our customers with complete traceability documentation and labeling guidance; (ii) We bear food safety responsibility for our own production processes and for products released in compliance with applicable standards (including HACCP, ISO 22000 and BRC). We maintain a buyer-seller relationship with our customers, and do not have any control over their operations, after the products are delivered. Ownership and risks transfer to our customers upon delivery and acceptance of caviar products; and (iii) Our recall or replacement obligations apply only to original products that have not been mixed or altered. Any risks and liabilities relating to unauthorized mixing, re-packaging or labeling non compliance by our customers are borne solely by such customers themselves.

Sturgeon product processing

Our sturgeon product production lines are designed in compliance with HACCP standards. The production process includes thawing, trimming, flash freezing, and cold-chain packaging. Hot-smoked products are prepared using a low-temperature intermittent smoking technique that helps retain moisture and fat content. Frozen meat products are processed through deboning, sectioning, and freezing to suit diverse foodservice scenarios.

Processing Bases

As of December 31, 2025, we had established two processing bases adjacent to our Quzhou Aquaculture Base in Zhejiang and our Zhelin Lake Aquaculture Base in Jiangxi, to ensure timely delivery of sturgeons and enhance processing efficiency.

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The following table sets forth the designed capacity, actual output, and utilization rate of caviar products at our Quzhou Processing Base in Zhejiang and Zhelin Lake Processing Base in Jiangxi for the years indicated:

Processing base	For the year ended December 31,								
	2023			2024			2025		
	Designed capacity ⁽¹⁾	Actual output ⁽⁴⁾	Utilization rate ⁽²⁾	Designed capacity ⁽¹⁾	Actual output ⁽⁴⁾	Utilization rate ⁽²⁾	Designed capacity ⁽¹⁾	Actual output ⁽⁴⁾	Utilization rate ⁽²⁾
	(kilograms)		(%)	(kilograms)		(%)	(kilograms)		(%)
Quzhou, Zhejiang	280,000.0	221,026.1	78.9	280,000.0	257,338.9	91.9	320,000.0	290,406.3	90.8
Zhelin Lake, Jiangxi	10,000.0	2,421.6	24.2 ⁽³⁾	10,000.0	3,593.1	35.9 ⁽³⁾	15,000.0	11,060.2	73.7
Total	290,000.0	223,447.7	77.1	290,000.0	260,932.0	90.0	335,000.0	301,466.5	90.0

Notes:

- (1) The designed capacity is measured by the weight of caviar output and calculated based on the actual plant area, number of production lines, and the number of effective processing days, which vary seasonally according to sturgeon roe maturity patterns.
- (2) The utilization rate is calculated as the actual output divided by the designed capacity of the relevant year.
- (3) The low utilization rate of our Zhelin Lake Processing Base in Jiangxi during the Track Record Period was primarily due to our functional allocation between processing bases, with our Quzhou Processing Base in Zhejiang dedicated mainly to export caviar processing and our Zhelin Lake Processing Base in Jiangxi focusing on domestically sold caviar products. As export sales accounted for a significant proportion of our total caviar sales during the Track Record Period, the utilization rate of our Zhelin Lake Processing Base in Jiangxi was relatively low. The utilization rate of Zhelin Lake Processing Base increased in 2025, primarily because we diverted part of the export orders originally handled by the Quzhou Processing Base to Zhelin Lake Processing Base in response to the continued growth in overseas market demand.
- (4) The actual output is measured by the weight of caviar output.

The following table sets forth the designed capacity, actual output and utilization rate of sturgeon meat at our Quzhou Processing Base in Zhejiang and Zhelin Lake Processing Base in Jiangxi for the years indicated:

Processing base	As of December 31,								
	2023			2024			2025		
	Designed Capacity ⁽¹⁾	Actual output ⁽¹⁾	Utilization rate	Designed capacity ⁽¹⁾	Actual output ⁽¹⁾	Utilization rate	Designed capacity ⁽¹⁾	Actual output ⁽¹⁾	Utilization rate
	(kilograms)		(%)	(kilograms)		(%)	(kilograms)		(%)
Quzhou, Zhejiang ⁽²⁾	1,200,000.0	991,939.5	82.7	1,200,000.0	1,097,603.8	91.5	1,400,000.0	1,251,414.9	89.4
Zhelin Lake, Jiangxi ⁽³⁾	200,000.0	48,965.6	24.5	200,000.0	49,972.2	25.0	200,000.0	112,258.6	56.1
Total	1,400,000.0	1,040,905.1	74.4	1,400,000.0	1,147,576.0	82.0	1,600,000.0	1,363,673.5	85.2

Notes:

- (1) Measured by the weight of sturgeon meat output.
- (2) Considering the gradual increase in caviar and sturgeon product, we carried out a technical upgrade of the sturgeon meat processing workshop at Quzhou Processing Base in Zhejiang in 2025 to enhance production capacity.
- (3) The low utilization rate of our Zhelin Lake Processing Base in Jiangxi during the Track Record Period was primarily due to our functional allocation between processing bases. In 2023 and 2024, the output of sturgeon products at our Zhelin Lake Processing Base in Jiangxi generally aligned with caviar production. In 2025, we diverted part of the processing of male sturgeons to our Zhelin Lake Processing Base in Jiangxi, which led to an increase in sturgeon meat output and improved utilization.

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During the Track Record Period and up to the Latest Practicable Date, we did not experience any material accidents, injuries, or fatalities involving our labor force in our processing bases.

Production Capacity Expansion Plan

As of December 31, 2025, we had commenced the construction of one new processing base adjacent to our Yingjing Aquaculture Base in Sichuan, to accommodate our regional supply needs and support our continued growth.

The table below sets forth details of the production capacity expansion plan of caviar products at our Yingjing Processing Base in Sichuan:

<u>Processing base</u>	<u>Planned use</u>	<u>Designed annual production capacity upon completion⁽¹⁾ (kilograms)</u>	<u>Status as of the Latest Practicable Date</u>	<u>Expected completion time</u>	<u>Total estimated investment (RMB in million)</u>
Yingjing, Sichuan	Caviar processing	220,000.0	In progress	Fourth quarter, 2026	200.0

Note:

(1) The designed annual production capacity is measured by the weight of caviar output.

We expect that the production capacity expansion of our Yingjing Processing Base in Sichuan will be funded by cash generated from our operations.

Quality Control System

We are keenly focused on food safety and quality management, and have established a comprehensive quality assurance system that aligns with both domestic regulatory standards and international export requirements.

International Certifications and Regulatory Compliance

We have obtained food safety certifications and export approvals from major markets including the European Union, the United States and Japan. We have fully implemented and passed certifications under ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System), and HACCP (Hazard Analysis and Critical Control Points), and have obtained the internationally recognized BRC Global Standard for Food Safety, IFS Food Standard, Friend of the Sea (FOS) sustainability certification, and organic product certification.

Institutional Framework and Internal Standards

We have developed a full-suite of internal control policies, operational procedures and technical specifications, covering all major nodes of our production chain. Our internal quality control standards are grounded in national food safety regulations. In practice, we often implement stricter internal thresholds, particularly for products intended for export.

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Quality Controls in Aquaculture and Processing

We maintain end-to-end quality surveillance systems across aquaculture, caviar processing and sturgeon meat production.

- **Raw material stage:** For self-farmed sturgeon, we apply strict quality management protocols guided by internal standards such as our Aquaculture Quality and Safety Control Specification (《養殖質量安全控制規範》) and Aquatic Product Safety Monitoring Plan (《水產品質量安全控制規範》). We control every aspect from seedling health to feed formulations and water parameters. For externally sourced sturgeon, in addition to regular supplier assessment, we implement separate in-house standards such as the External Fish Quality Control Specification (《外購魚質量安全控制規範》) and Inspection Protocols for External Fish (《外購魚檢驗程序》).
- **Processing stage:** We adhere to a philosophy of combining the heritage of traditional craftsmanship with modern standardization. On the one hand, we preserve hand-crafted precision as the core of traditional caviar processing, ensuring authentic flavor and continuity of artisanal features. On the other hand, we strictly follow standardized operating procedures for salt content, temperature and timing. Prior to processing, each fish undergoes chilled conditioning and maturity assessment. Post-processing, our in-house lab performs residue, chemical and microbiological testing, and our products are subject to customs sampling before export. By integrating tradition with innovation, we ensure both the stability and traceability of our caviar processing practices.

Organizational Structure and Staffing

We operate an independent quality control department consisting of 20 staff as of December 31, 2025, most of whom hold bachelor’s degrees or higher in food science, quality management or aquaculture disciplines. The core functions of our quality control department include: (i) *Supervisory audits*: Conducts random checks, evaluations and accountability tracing across processing, aquaculture, procurement and equipment departments; (ii) *Operational support*: Provides batch-level verification prior to dispatch and assists in resolving customer issues; and (iii) *Ongoing reviews*: Organizes regular quality review meetings, carries out cross-audits, and conducts issue-specific retrospectives.

During the Track Record Period and up to the Latest Practicable Date, there were no material findings from our supervisory audits and ongoing reviews.

Customer Management and Feedback

We operate a formal customer complaint and feedback mechanism under our internal quality complaint handling policy, which mandates root cause analysis, corrective action plans and follow-up verification. We have implemented a product return and replacement policy, with separate internal guidelines for domestic and international markets based on client tiering and contractual terms. During the Track Record Period, we successfully maintained a low product return rate of approximately 0.2%.

During the Track Record Period, our production system operated safely without any material production accidents. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material food safety issues, complaints, product returns, product recalls or product defects, and we had not been subject to any regulatory penalties or litigation in connection with food

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safety or product compliance matters. As confirmed by our Directors, there were no large-scale outbreaks or spread of diseases among our sturgeon, and we did not suffer from any material losses resulted from sturgeon diseases during the Track Record Period and up to the Latest Practicable Date.

OUR PROCUREMENT SYSTEM

We have established a procurement system built around three core priorities: supply stability, quality assurance, and cost efficiency. This system covers all major input categories, including sturgeon, feed, packaging materials, and other consumables used in production. By implementing our qualified supplier management system, working with long-term partners, and enforcing traceability and compliance reviews, we have significantly enhanced procurement efficiency and risk management across our operations.

Supplier Qualification and Evaluation Process

We have established a qualified supplier management system to ensure stable supply, product quality and procurement compliance. We assess prospective and existing suppliers based on multiple criteria, including qualifications, product quality, service performance, technical capability and reputation.

We maintain a dynamic list of qualified suppliers, which is regularly updated through periodic reviews. Our quality control department and logistics support team jointly conduct supplier assessments and on-site inspections. This process is designed to ensure that our procurement procedures remain standardized, the quality of raw materials remains consistently high, pricing is commercially reasonable, and our supplier relationships are based on long-term trust and reliability.

Salient terms of the supply agreements with our suppliers for key raw materials typically include:

- **Duration:** Agreements are usually entered into on an annual basis, with renewal subject to mutual agreement.
- **Pricing policy:** Prices are either fixed or adjusted with reference to prevailing market conditions as agreed by the parties.
- **Delivery:** Suppliers are responsible for delivering goods directly to our designated warehouses, aquaculture bases or processing bases pursuant to the supply agreements, with risks transferred upon delivery and acceptance.
- **Payment:** Payments are generally settled either by bank transfer within an agreed credit period of up to three months upon receipt of invoice, or by bank notes with a maturity period of up to six months.
- **Quality:** Suppliers are required to comply with agreed product specifications and quality standards, and to ensure compliance with applicable regulatory and food safety requirements. In the event of quality deficiencies in the supplied products that result in penalties imposed by regulatory authorities or cause personal injury or property damage to consumers, suppliers are responsible for bearing the relevant liabilities.
- **Inspection and acceptance:** We conduct inspection upon receipt, and reserve the right to reject or return non-conforming products at the supplier's cost.
- **Termination:** Agreements may be terminated by either party in case of material breach or upon mutual consent.

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Procurement Compliance and Anti-Corruption Management

We have implemented a robust procurement compliance regime designed to prevent conflicts of interest and internal misconduct. Contracts for the procurement of materials with an amount exceeding RMB0.5 million are subject to approval by our general managers, which explicitly prohibits kickbacks, improper benefits, and other unethical practices. Our quality control department leads a cross-functional oversight system for major procurement projects, which must undergo joint evaluation by multiple departments to ensure transparency and accountability. During the Track Record Period, we did not encounter any litigation, order cancelations, or material disputes arising from supplier conflicts, quality issues, or communication breakdowns.

Key Procurement Categories

During the Track Record Period, we sourced the majority of our raw materials and packaging materials in China. Our key procurement categories included the following raw materials and packaging materials: (i) *Feed*: Feed is the largest cost component in our aquaculture operations; (ii) *Sturgeon*: We selectively purchase mature and reserve-breeding female sturgeon to supplement our self-breeding supply and optimize our sturgeon population structure; (iii) *Packaging*: Including metal tins, plastic jars, foam boxes, cartons, labels and premium gift boxes used in the packaging of our caviar and sturgeon products; and (iv) *Consumables*: Encompassing office supplies, aquaculture tools, safety gear and other auxiliary materials.

Feed Procurement

Feed represents the most critical procurement category for our aquaculture operations, as its formulation, quality and delivery efficiency have a direct and material impact on sturgeon survival rates and the consistency of our final products.

We adopt a structured and disciplined procurement process for feed purchases. We conduct due diligence on feed suppliers through on-site factory inspections, formula safety assessments and finished product testing. We give priority to suppliers with sound credentials and good reputation, which are approved as qualified suppliers. We then enter into long-term cooperation agreements with them, specifying quality requirements, formula standards and payment terms for feed supply. At the beginning of each year, we carry out comprehensive evaluations and reviews of approved suppliers; during the year, we conduct quarterly inspections; and on an ad hoc basis, we perform spot checks tied to processing batches. This multi-level supervision mechanism ensures the stability and reliability of feed quality. Based on the estimated feed demand for the year, we formulate an annual procurement plan and negotiate with qualified suppliers on purchase quantities, unit prices, price adjustment mechanisms and payment terms, before entering into annual feed procurement contracts.

We also carry out quarterly sampling and testing of procured feed batches to monitor quality and safety indicators, thereby ensuring that all aquaculture inputs meet applicable requirements and standards.

Sturgeon Procurement

While we rely primarily on self-operated sturgeon aquaculture, we supplement our supply through selective procurement of sturgeons from external sources to better meet market demand and optimize our breeding cycle. Given the long maturation period required for sturgeon to reach processing grade and the continued growth in market demand for caviar, we procure sturgeons that meet our requirements in terms of quality, species and age based on our internal supply planning and annual assessments of the

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sturgeon farming market. This approach enables us to shorten the overall cultivation cycle, enhance capacity planning and make more efficient use of aquaculture resources. During the Track Record Period, approximately 12.8% of our sturgeons were procured externally. Based on our internal supply planning and market research, we purchase sturgeons that meet our standards in terms of quality, species, and age. Our external procurement covers juvenile females (typically three to four years old) as well as mature females and certain fingerlings required for breeding base replenishment.

Each year, we conduct nationwide field visits to assess potential sturgeon suppliers. For those that meet our technical and quality standards, we proceed with procurement planning subject to our annual budget and internal approval process. We have also entered into long-term cooperation agreements with select suppliers, under which we acquire sturgeons that reach our required maturity levels through unified batch procurement.

We implement strict in-house standards to ensure rigorous quality control over externally sourced sturgeons. Prior to signing any purchase contract, we conduct sampling tests to verify that the sturgeons meet our quality requirements. Upon arrival at our aquaculture bases, these sturgeons are placed in isolated pools, separate from our self-bred stocks. Juvenile sturgeons aged three to four years are typically reared for an additional year, and are only integrated with our in-house populations after passing comprehensive quality and multiple health inspections. Mature sturgeons remain in segregated holding pools until they pass inspection and are prepared for processing. Any sturgeons that fail to meet our standards continue to be held in isolation until further evaluation.

We primarily rely on self-breeding of sturgeons because high-quality resources are critical to caviar yield, product quality and economic returns. According to CIC, we have established the world’s most comprehensive sturgeon resource bank, with over 100,000 broodstock sturgeons of multiple species. By applying advanced hybridization and molecular genetic breeding technologies and selecting broodstock with desirable genetic traits, we increased the average roe-bearing rate of our sturgeons to 17% in 2025, significantly above the industry average of approximately 10%, according to CIC. Compared with externally sourced sturgeons, our self-bred sturgeons are subject to standardized full-cycle farming management, including water quality control, feed management, disease prevention and control, and aquaculture medicine management, which enables better control over fish health and product quality. Self-breeding also allows us to better control production costs, as external procurement would generally include suppliers’ profit margins. Accordingly, we believe self-breeding is more cost-effective and better supports consistent product quality than external procurement.

Packaging Procurement

To align with the export requirements and premium market positioning of our caviar products, we place strong emphasis on the specialization, consistency, and visual design of our packaging materials. We aim to ensure that all packaging used across our product lines not only meets food safety and transportation requirements, but also reflects the high-end aesthetic and branding standards associated with the *Kaluga Queen* (卡露伽) name.

Our Major Suppliers

In 2023, 2024 and 2025, the aggregate purchases from our top five suppliers in each year during the Track Record Period amounted to RMB124.5 million, RMB179.3 million and RMB198.7 million, respectively, which accounted for 66.6%, 61.2% and 54.0% of our total purchases for the same periods, respectively. In 2023, 2024 and 2025, purchases from our largest supplier in each year during the Track

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Record Period amounted to RMB82.5 million, RMB98.2 million and RMB119.8 million, respectively, which accounted for 44.1%, 33.5% and 32.6% of our total purchases for the same periods, respectively. During the Track Record Period, our top five suppliers comprised suppliers of feeds and sturgeons.

To mitigate our supplier concentration, we have adopted a disciplined and diversified procurement strategy to ensure supply stability and cost efficiency. During the Track Record Period, all of our top five suppliers were Chinese companies, among which our largest supplier was a major feed manufacturer from which we sourced a significant portion of our feed due to its consistent quality, reliable delivery capabilities and competitive pricing. This concentration mainly reflected the cost efficiency and operational stability offered by large-scale suppliers in the feed industry, which is a common market practice according to CIC. No contract farmer was involved in our five largest suppliers during the Track Record Period. Our sturgeon suppliers were primarily qualified sturgeon suppliers with whom we have established cooperation. In addition to our major suppliers, we have also established long-term and stable cooperation with other feed and sturgeon suppliers through annual and multi-year framework agreements. These suppliers have consistently met our quality and delivery requirements, providing an alternative supply base that helps mitigate supplier concentration risks. We also conduct periodic supplier assessments and performance evaluations to ensure our procurement decisions remain objective and aligned with operational needs. See “— Our Procurement System” for details. We had maintained stable and mutually beneficial relationships with our major suppliers during the Track Record Period and up to the Latest Practicable Date, without any material disputes or supply disruptions. We believe the likelihood of a material adverse change or termination in the relationship with our major suppliers is relatively low. Going forward, we intend to continue expanding our qualified supplier base while deepening strategic collaboration with existing partners to ensure steady supply, improve bargaining power, and enhance procurement resilience. See “Risk Factors — Risks Relating to Our Business and Industry — We procure a significant portion of our feeds and sturgeons from our top five largest suppliers. Any adverse change in business relationship with our major suppliers could materially and adversely affect our business, financial condition and results of operations” for details.

The following tables set out details of our five largest suppliers in each year during the Track Record Period:

For the year ended December 31, 2023

Supplier	Background	Products Provided	Credit Term	Commencement of Business Relationship	Purchase Amount (RMB'000)	% of the Total Purchase
Ningbo Tianbang Feed Technology Co., Ltd. (寧波天邦飼料科技有限公司)	Feed production, aquaculture feed sales	Feed	30–90 days	2008	82,503	44.1
Supplier E	Purchase and sales of sturgeon and trout	Sturgeon	100% in advance	2023	13,668	7.3
Supplier F	Agricultural development, Aquaculture, processing and sales	Sturgeon	Ten days	2021	10,524	5.6
Supplier G	Production & sales of compound and concentrated feed, pet food	Feed	60 days	2023	9,304	5.0
Supplier H	Aquaculture, fish seed production	Sturgeon	Three days	2023	8,511	4.6
Total					124,510	66.6

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For the year ended December 31, 2024

Supplier	Background	Products Provided	Credit Term	Commencement of Business Relationship	Purchase Amount (RMB'000)	% of the Total Purchase
Ningbo Tianbang Feed Technology Co., Ltd. (寧波天邦飼料科技有限公司)	Feed production, aquaculture feed sales	Feed	30–90 days	2008	98,207	33.5
Supplier I	Aquaculture, fish seed production	Sturgeon	Three days	2024	31,619	10.8
Supplier J	Fish (pond-based) breeding and sales	Sturgeon	One year	2024	18,547	6.3
Supplier E	Purchase and sales of sturgeon and trout	Sturgeon	Three days	2023	16,660	5.7
Supplier K	Sturgeon breeding, processing and sales	Sturgeon	Three days	2020	14,276	4.9
Total					179,309	61.2

For the year ended December 31, 2025

Supplier	Background	Products Provided	Credit Term	Commencement of Business Relationship	Purchase Amount (RMB'000)	% of the Total Purchase
Ningbo Tianbang Feed Technology Co., Ltd. (寧波天邦飼料科技有限公司)	Feed production, aquaculture feed sales	Feed	30–90 days	2008	119,811	32.6
Supplier L	Aquaculture, fish seed production	Sturgeon	Three days	2023	33,266	9.0
Supplier E	Purchase and sales of sturgeon and trout	Sturgeon	Three days	2023	18,664	5.1
Supplier M	Aquaculture, fish seed production	Sturgeon	Three days	2025	15,980	4.3
Supplier N	Aquaculture	Sturgeon	30–90 days	2022	10,967	3.0
Total					198,688	54.0

During the Track Record Period, we sourced sturgeons from different suppliers each year primarily because sturgeon farming enterprises only have fish available for sale at certain stages of the growth cycle, which is consistent with common industry practice, according to CIC. Given the long maturation period of sturgeon aquaculture and the substantial feed and labor inputs required, sturgeon farming enterprises typically sell fish at around three to four years of age to recover costs and ease cash-flow pressure. After selling such fish, they generally do not have additional sturgeons available until their next batch reaches a similar age.

As of the Latest Practicable Date, to the best of our knowledge, none of our Directors, their associates or any other Shareholder which, to the knowledge of our Directors, owned more than 5% of our share capital had any interest in any of our five largest suppliers. None of our five largest suppliers, including their shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

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OUR SUPPLY CHAIN

We have established an integrated supply chain system covering raw material procurement, finished product management and logistics arrangement. Through a combination of self-owned warehousing, flexible coordination and planning-based operations, we ensure the traceability, reliability and uninterrupted supply of our caviar and sturgeon products throughout the entire supply chain.

We have developed a developed operational system and responsive mechanism for supply chain management and plan to further enhance our investments in digitalization and informatization to strengthen the foundational support for our expanding operations.

- **Warehousing infrastructure:** We maintain a self-owned general warehouse in Quzhou, Zhejiang, supplemented by finished goods warehouses attached to each processing base. Common packaging materials are centrally standardized at our headquarter in collaboration with qualified suppliers, including unified specifications and purchase prices. After procurement, these materials are delivered to the Quzhou warehouse or the respective warehouses of each processing base. Each processing base manages its warehouse and inventory locally, enabling quick responses to varying market demands, particularly export orders.
- **Inventory management:** We implement a dual-layer inventory control system combining physical inventory checks with form-based management, supported by our ERP supply chain management system. Quarterly physical counts ensure consistency between records and actual stock. Safety inventory thresholds are set for key materials, and we maintain a dynamic replenishment mechanism based on usage frequency and attrition levels to avoid production disruption. During the Track Record Period, we did not experience any significant inventory obsolescence or material write-off of inventories.
- **Logistics arrangement:** Our suppliers are responsible for the transportation for the bulk raw materials such as feed and packaging, with logistics costs factored into the purchase price and delivery risks borne by the suppliers prior to handover. Key suppliers arrange production and centralized delivery promptly based on our monthly usage plan, ensuring both reliability and flexibility in the supply cycle. For finished products, we primarily engage third-party cold chain logistics providers with import/export qualifications to carry out international deliveries. Our caviar products have a shelf life of up to nine months depending on the packaging size, and our sturgeon products generally have a shelf life ranging from six to 24 months, depending on the product type and processing method. To ensure that our products are maintained in safe and appropriate condition during transportation, we follow standardized insulation and freshness-preservation packaging requirements before dispatch and arrange full cold-chain handling throughout the delivery process. For exported caviar, we further adopt cold-chain air transportation to shorten transit time and ensure stable product quality upon arrival. Logistics partners are selected according to order type and destination. We are in the process of entering into long-term cooperation agreements with multiple cold chain service providers to further enhance logistics efficiency and cost optimization while maintaining service stability.

Leveraging our stable supplier base, well-distributed warehousing network and decentralized operational model, our supply chain system has maintained robust performance. During the Track Record Period, we did not experience any material disruptions or fulfillment failures.

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OUR RESEARCH AND DEVELOPMENT

R&D Focus and Strategic Priorities

We adhere to an industry-oriented and innovation-driven philosophy and have established an R&D system centered on breeding and aquaculture, supported by end-to-end intelligent management. We have established an intelligent management system that applies IoT and big data technologies to environmental monitoring, feed input, disease diagnosis and traceability, enabling full digitalization and visualization of the aquaculture process. These integrated technological capabilities have positioned us as a benchmark for modernized, large-scale and intelligent sturgeon aquaculture. For further details, see “— Our Production — Aquaculture System.”

Building on these core technological strengths, we also place strong emphasis on new product development and cross-category extension, continuously exploring diversified applications of caviar. In the food sector, we have developed a range of innovative caviar products and we incorporate caviar into diverse consumption scenarios, extending its presence beyond traditional fine dining into broader lifestyle contexts, thereby broadening market boundaries and appealing to a wider consumer base. Beyond food, we are exploring the potential applications of caviar in the personal care sector, particularly in skincare, where it may support collagen generation, anti-aging and nourishment. Leveraging technologies such as enzymatic ultrafiltration and supercritical CO₂ extraction, we have initiated exploratory R&D projects on products such as caviar-based masks and serums, aiming to evaluate the broader application potential of caviar beyond the food industry.

R&D Structure and Management

We prioritize in-house R&D supplemented by collaborative R&D, with the aim of building a technology innovation platform that integrates industry, academia and research, and advancing the industrialization of cutting-edge technologies in the industry.

Our R&D department is responsible for the research initiatives. In 2020, we established our corporate research institute and as of December 31, 2025, the institute consisted of 19 full-time researchers, and external experts, scholars, and part-time staff from different departments, thereby fostering an interdisciplinary and open R&D framework. The institute comprises seven laboratories covering genetic breeding, aquaculture, fish diseases, new products, quality and safety, ecological environment and smart aquaculture. We focus on germplasm innovation and smart aquaculture, with emphasis on genetic breeding, aquaculture automation, digitalization and disease prevention. Through our proprietary full artificial breeding technologies, we have mastered a complete technical pathway covering gonad maturity identification, low-temperature broodstock conditioning, roe extraction, hatching and post-spawning rehabilitation. These advancements have significantly improved fertilization rates, hatching rates and fry survival rates, enabling us to establish a sturgeon germplasm resource bank and a national-level sturgeon breeding farm, thereby providing stable germplasm resources for the sustainable production of caviar.

We actively deepen industry-academia-research cooperation with leading domestic and international research institutions. Leveraging the platform of the National Key Laboratory for Sturgeon Genetic Improvement under the MARA, we attract top genetic breeding experts and interdisciplinary engineers to collaborate with us on frontier areas such as genetic breeding, smart aquaculture and digitalized farming. These partnerships integrate fundamental research with applied technologies, promoting the industrial application of advanced scientific achievements. Through collaboration agreements, we clearly define the ownership and permitted scope of use of research results, ensuring exclusivity and effective protection of our core technologies.

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We actively manage our R&D projects and intellectual property through a comprehensive internal framework that covers the full lifecycle from project initiation and result validation to patent applications, record-keeping, and confidentiality protection. We archive all research materials annually by project in digital format under a centralized system. Our research institute oversees the patent application process and engages external patent agencies to handle filings. The marketing department manages our trademarks, while the research institute maintains our software copyrights and invention or utility model patents. We assign specific personnel to coordinate all IP-related matters and engage external advisors to support registration, maintenance, and fee administration. We require all key technical personnel to sign confidentiality, non-compete, and intellectual property assignment agreements to safeguard our core technologies and proprietary information.

We continue to increase R&D investment to ensure the sustainability and competitiveness of our technological innovation. In 2023, 2024 and 2025, our research and development expenses amounted to RMB22.7 million, RMB24.2 million and RMB28.2 million, respectively.

SALES AND MARKETING

During the Track Record Period, the majority of our products were sold to overseas markets. Leveraging our continuous sales and marketing efforts, our products were sold to 46 countries and regions across Europe, America and Asia Pacific as of the Latest Practicable Date. We have established long-term and in-depth relationships with customers including overseas caviar houses and fine food companies. In addition to our international presence, we also sell our products in China. We have built a nationwide sales network across China, covering both offline and online channels. We also maintain brand collaborations with and serve as the caviar supplier to leading airlines and top cruise operators. Our extensive network enables us to effectively reach a broad customer base and adapt to varying market demands. We are able to effectively manage and maintain this broad network through our profound industry expertise, skilled business development team, strong customer loyalty and proactive global outreach. The following table sets forth the revenue breakdown by sales channel for the periods indicated:

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

Notes:

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

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We have maintained steady growth in overseas sales to customers that market our products under third-party brands during the Track Record Period. These customers are primarily long-established overseas caviar houses and fine food companies with strong industry recognition and reputable track records in overseas markets such as Europe and the U.S. By leveraging their consumer trust and localized operation capabilities, we are able to expand the reach of our products, strengthen our international market presence, and accelerate penetration in key markets.

In the overseas market, our brand *KALUGA QUEEN* (卡露伽) has achieved strong recognition. Since 2011, *KALUGA QUEEN* (卡露伽) caviar has been served in the first-class cabin of Lufthansa, and we have maintained collaborations with other prominent airlines including Singapore Airlines and Cathay Pacific. In 2023, 2024 and 2025, revenue generated from sales to international airlines amounted to RMB8.8 million, RMB11.8 million and RMB13.0 million, respectively, accounting for 1.5%, 1.8% and 1.7% of our total revenue for the same periods, respectively. These partnerships have further enhanced our brand visibility and reinforced our image among high-end consumers. In addition, in the overseas market, our branded caviar products are also sold to overseas caviar houses and fine food companies primarily located in growing markets such as Southeast Asia and the Middle East, where we have actively strengthened consumer education and brand awareness. In 2023, 2024 and 2025, revenue generated from these customers amounted to RMB79.6 million, RMB95.8 million and RMB104.3 million, respectively, accounting for 13.8%, 14.3% and 13.5% of our total revenue for the same periods, respectively.

In the domestic market, we sell our caviar products under the brand name of *KALUGA QUEEN* (卡露伽) through offline channels to restaurants, hotels and supermarkets, and through major e-commerce platforms to consumers across China.

In the course of marketing and selling caviar products in the PRC, we prominently inform consumers of the specific sturgeon species used for the production of the relevant caviar products on packaging and delivery note, and clearly state the authentic species origin of such products. We do not state or imply, in any product packaging, marketing materials or through any advertising and promotional activities, that all the caviar products sold under the *KALUGA QUEEN* (卡露伽) brand are necessarily derived from Kaluga sturgeon species. We have not made any false implication or false advertising in respect of the raw material species of the products, or otherwise engaged in any conduct that would mislead consumers in this respect. Our PRC Legal Advisor is of the view that, during the Track Record Period and as of the Latest Practicable Date, the marketing and sales activities of our Group’s caviar products (including the caviar derived from non-kaluga sturgeons) under the *KALUGA QUEEN* (卡露伽) brand in the PRC have not violated relevant laws and regulations of the PRC in any material aspect with the following basis: (i) use of the brand “Kaluga” will not mislead the customers in the PRC since the Chinese translation corresponding to “Kaluga” in our Company’s registered trademarks is “卡露伽”, instead of “達氏鰻”; (ii) notwithstanding that we have prominently informed consumers of the specific sturgeon species used for the production of the relevant caviar products on packaging and delivery note, there is no mandatory laws and regulations in the PRC to stipulate the specific sturgeon species of the production of the relevant caviar products on the outer packaging; and (iii) our Group has not been subject to any administrative penalties for violation of laws and regulations relating to market supervision.

Similarly, when we are marketing and selling our *KALUGA QUEEN* (卡露伽) products outside the PRC, we clearly indicate the specific sturgeon species used in the relevant products on its product packaging, and in marketing materials and advertising and promotional activities. We have not made any false advertising in respect of the sturgeon species used in our products. Our caviar containers which bear non-reusable labels indicating, among other things, a three-letter species code specific to different species and the name of specific sturgeon species, are in compliance with the labeling requirements set

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out by the CITES and the CAC Codex Standard for Sturgeon Caviar (CODEX STAN 291-2010) for species of sturgeon. The CITES and the Codex Standard for Sturgeon Caviar are adopted by major markets including Russia and Japan. Russia and Japan were the top overseas markets for our own branded products during the Track Record Period, while each of the remaining overseas markets for our own branded products contributed less than 1.5% of our total revenue during each year of the Track Record Period. Accordingly, we are of the view that our use of the *KALUGA QUEEN* (卡露伽) brand for products sold had not violated the relevant laws and regulations in the PRC and the overseas markets where the product of our own brands were sold during the Track Record Period.

Having considered (i) the view of the PRC Legal Advisor; (ii) the packaging and labeling of our Group’s *KALUGA QUEEN* (卡露伽) products; (iii) the relevant laws and regulations in the PRC and the major overseas markets where our own brands are sold, as well as the CITES requirements and the Codex Standard for Sturgeon Caviar; and (iv) CIC’s confirmation that it is not uncommon in the market for caviar companies to incorporate name of a particular sturgeon species as part of their brand name and based on the Joint Sponsors’ own due diligence work, the Joint Sponsors are of the view that our use of the *KALUGA QUEEN* (卡露伽) brand for products sold had not violated the relevant laws and regulations in the PRC and the overseas markets where the product of our own brands were sold during the Track Record Period in any material respects.

Sales and Marketing Team

As of the Latest Practicable Date, we had a sales and marketing team of 57 employees, primarily responsible for business development, customer service and brand promotion. Our sales and marketing personnel maintain regular communication with existing and prospective customers to introduce our product offerings and development plans. They also gather customer feedback to enhance our understanding of market needs and coordinate closely with our production and quality control teams, contributing to high customer satisfaction. In particular, we have established an international sales team with expertise in international trade, food safety and multilingual communications, dedicated to maintaining consistency in our brand image across markets while facilitating effective localization.

Sales Channels

Overseas sales

We primarily sell our products to customers including overseas caviar houses and fine food companies. As of December 31, 2023 and 2024, and 2025, we had 104, 108 and 129 overseas customers, respectively. We have cultivated a loyal and stable customer base, with 70% of our overseas customers in terms of revenue having maintained partnerships with us for over 11 years. Our long-term partnerships with customers are built on a foundation of consistently high product quality, exceptional customer service and a shared commitment to refined dining and premium lifestyles, enabling us to stay closely aligned with evolving market preferences. Our overseas customers market our caviar products using third-party brands or our own caviar brand *KALUGA QUEEN* (卡露伽), which is in line with the industry norm in the global caviar market, according to CIC. Our branded products have increasingly resonated with overseas consumers and the overseas sales under our own brand have achieved continued growth during the Track Record Period.

Our sales process, which typically includes order placement, application for export documentation, production and processing, quality inspection and dispatch, logistics coordination, customs declarations and payment collection, are well-managed and fully traceable. We typically enter into framework international sales agreements with our overseas customers, which set out the agreed product types, pricing terms and estimate purchase volumes. Thereafter, the customers place monthly purchase orders

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with specific transaction details based on their demand and our available supply. We primarily engage in CIP transactions with our overseas customers, pursuant to which we are responsible for the transportation and insurance costs, while the customers are responsible for customs declarations and clearance procedures. We typically sell our caviar products to overseas customers in bulk packaging sizes of 500g, 1.2kg and 1.8kg. The customers that market our products under third-party brands generally repackage and relabel our caviar products in accordance with their respective brand positioning, local consumer preferences and market strategies. The entire process from order to delivery generally takes approximately three weeks, encompassing (i) completion of roe extraction and caviar processing within approximately one week following order confirmation; (ii) application for the requisite CITES permits and export documentation by us, which generally take two weeks, while our customers arrange the corresponding import permits; and (iii) shipment by air freight, with delivery typically completed within three days. For each export transaction during the Track Record Period, we had obtained the necessary export documentation, including CITES permits, inspection and quarantine health certificates and certificates of origin, and had complied with the import requirements of the destination markets, including those relating to species permits, quarantine filings, traceability declarations and the provision of relevant supporting documents. During the Track Record Period, we sold our products to overseas customers directly from Chinese mainland. Such overseas sales were subject to applicable PRC taxes, including value-added tax and income tax. See Note 11 to the Accountant’s Report included in Appendix I to this Document for details.

We maintain a buyer-seller relationship with our overseas customers, and do not have any control over their operations, marketing activities or inventories after the products are delivered. We recognize revenue when control of the products is transferred to customers. Our caviar products have a relatively limited shelf life of up to nine months depending on the packaging size, and require stringent cold chain logistics and storage conditions. We generally do not accept product returns or exchanges, except in the case of inconsistencies in packaging or product specifications and quality defects.

The salient terms of typical framework sales agreements with our overseas customers are set forth below:

- ***Duration:*** Agreements are usually entered into on an annual basis, and we supply products in accordance with the agreed time of shipment.
- ***Principal obligations of parties:*** We supply products according to the agreed product types, specifications and packaging requirements. For CIP sales, we are responsible for freight charges and insurance coverage.
- ***Quantity:*** There is no minimum annual purchase commitment or annual sales target. The specific quantity for each batch is determined based on individual purchase orders.
- ***Pricing:*** The framework agreements specify the unit prices for each product type and grade, while the sales amount for each batch is determined based on the quantity set out in the relevant purchase order.
- ***Payment and credit term:*** We typically require payment prior to shipment. A credit period of up to 30 days upon receipt of the shipment is granted under limited circumstances to selected customers.
- ***Risk transfer:*** For CIP sales, risk transfers to the customer upon the handover of products to the first carrier.
- ***Quality warranties and assurance:*** We are responsible for ensuring that the products comply with the agreed quality standards and the applicable quality control requirements of the relevant regulatory authorities in the importing countries. The customer is entitled to lodge claims on quality within a defined period after customs clearance.

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Domestic sales

We sell our products under the brand name of *KALUGA QUEEN* (卡露伽) in China. We have established an integrated sales network that spans both online and offline channels. We sell our products offline to restaurants, hotels and supermarkets in China. Our offline sales network in China is coordinated through five regional sales centers in Shanghai, Beijing, Shenzhen, Zhejiang and Chengdu. As of December 31, 2025, we served over 2,000 restaurant and hotel customers in China, including Michelin- and Black Pearl-rated restaurants such as Da Dong and Xin Rong Ji, and leading hotel groups such as Shangri-La and Hyatt.

For our offline domestic sales, we typically commence business with a customer by entering into a framework sales agreement or individual purchase orders. Some domestic customers maintain an approved supplier list, and we complete the relevant onboarding procedures as required prior to initiating sales. Upon receipt of specific purchase orders from customers, we confirm the order internally and arrange for the processing department to prepare the relevant products and coordinate delivery. We generally sell our caviar products in small-size packaging ranging from 10g to 50g, tailored to the specific needs of our domestic customers. We primarily use major cold-chain logistics service providers to ensure product quality during transportation. We generally complete repackaging and preparation of products within two to three days, with delivery normally completed within one to two days. In key sales regions where we have established regional sales centers, we also provide door-to-door delivery services to better serve local customer needs.

The salient terms of typical framework sales agreements with our domestic customers are set forth below:

- ***Duration:*** Agreements are usually entered into on an annual basis, and we supply products in accordance with the agreed time of delivery.
- ***Principal obligations of parties:*** We supply products according to the agreed product types, specifications, quantities and unit prices.
- ***Payment and credit term:*** Payments are typically settled on a monthly basis.
- ***Risk transfer:*** Risk transfers to the customer upon delivery of the products.
- ***Quality warranties and assurance:*** We are responsible for ensuring that the products comply with the agreed quality standards and the applicable quality control requirements of the PRC.

We have established strong partnerships with major e-commerce platforms in China, primarily including Tmall and JD.com. We sell our products through self-operated flagship stores to directly engage with end customers, offering a curated shopping experience and greater control over brand presentation. Recognizing the growing influence of social commerce, we have strategically expanded our presence on platforms such as Douyin, and are actively exploring new sales models, including the operation of private domain customer channels.

Sales and Marketing Strategies

We adopt a comprehensive marketing strategy that integrates product innovation, online engagement, offline experiences, overseas expansion and brand building, with the aim of broadening the consumer base for caviar, promoting caviar culture and strengthening our market position.

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Building on the established association between caviar and premium dining, we have launched a variety of creative caviar-based products, such as caviar ice cream, caviar mooncakes and caviar chocolates. These offerings are designed to engage younger consumers, who increasingly view caviar as a novel and rewarding experience and a topic for social sharing and it is gradually emerging as a cultural icon. These innovative products expand the consumption scenarios beyond traditional fine dining and position caviar as a symbol of refined lifestyle and quality living, thereby extending our reach in the consumer-end market, promoting caviar culture, and strengthening our brand presence in the minds of end consumers. We carry out content-driven promotional initiatives on leading social media platforms to enhance consumer awareness and interaction, particularly among younger users. Our official accounts regularly publish educational and factual content on caviar products and the creative caviar dining concept, while consumer-generated posts about tasting experiences have further amplified engagement. We partner with high-end supermarkets and open caviar-themed concept stores and pop-up stores in key commercial locations in cities including Beijing and Zhejiang. These stores offer immersive tasting experiences, allowing customers to sample our products firsthand. They also serve as direct touchpoints for consumer engagement, complementing our online efforts and enhancing word-of-mouth promotion. In addition, we develop scenario-based experiences to expand caviar consumption boundaries, such as caviar-themed afternoon tea co-created with renowned gourmets and wedding banquets inspired by the auspicious meaning of caviar.

We are expanding into growing markets such as Southeast Asia to promote the development of our brand. We have established brand partnerships in countries including Singapore, Japan, Malaysia and Thailand. These efforts are complemented by initiatives such as caviar masterclasses and chef collaborations, which drive deeper brand penetration. We are also exploring new growth opportunities through other niche channels, such as collaborations with airlines and cruise operators. We further enhance brand visibility and customer loyalty through a broad range of marketing activities focused on immersive experiences and co-created content. Our brand campaigns include tasting events, co-branded partnerships with premium restaurants, and curated experiences hosted by internationally renowned chefs. As a result of these initiatives, our flagship brand *KALUGA QUEEN* (卡露伽) has received increasing media coverage and industry awards, validating our marketing strategy and enhancing brand reputation. See “— Awards and Recognition” for details.

Pricing

We price our products based on various factors, primarily including production costs, purchase volume, market demand and competition. In addition, our pricing is subject to adjustments in response to customer negotiations, evolving market conditions and, where applicable, fluctuations in foreign exchange rates. The pricing mechanisms are typically set out in our agreements with customers, providing us with the flexibility to maintain a competitive pricing strategy that aligns with our commitment to delivering high quality standards and value to our customers.

CUSTOMERS

During the Track Record Period, our customers were primarily overseas caviar houses and fine food companies. See “— Sales and Marketing — Sales Channels.” In 2023, 2024 and 2025, the aggregate sales to our five largest customers in each year during the Track Record Period amounted to RMB198.5 million, RMB236.0 million and RMB292.0 million, respectively, accounting for 34.4%, 35.3% and 38.0% of our total revenue, respectively. In 2023, 2024 and 2025, the sales to our largest customer in each year during the Track Record Period amounted to RMB54.6 million, RMB60.4 million and RMB73.8 million, respectively, accounting for 9.5%, 9.0% and 9.6% of our total revenue in each year, respectively.

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The following table sets forth details of our five largest customers in each year during the Track Record Period:

For the year ended December 31, 2023

Customer	Background	Products Purchased	Credit Term	Commencement of Business Relationship	Revenue Amount (RMB'000)	% of the Total Revenue
KAVIARI SAS	A caviar company based in France, specializing in caviar and other premium fish products.	Caviar	15 days	2009	54,600	9.5
Fish House Olimp, LLC	A caviar company based in Russia, specializing in caviar and sturgeon products.	Caviar, sturgeon products	100% in advance	2016	43,897	7.6
IMPERIAL CAVIAR GMBH	A caviar company based in Germany, specializing in caviar and other fine food products.	Caviar	100% in advance	2011	41,866	7.3
WARBUCKS SEAFOOD NY, LLC	A specialty seafood company based in the U.S., specializing in caviar and other seafood products.	Caviar	15 days	2013	34,556	6.0
CASPIAN TRADITION SA	A caviar company based in Belgium, specializing in caviar and other fine food products.	Caviar	15 days	2011	23,543	4.0
Total					198,462	34.4

For the year ended December 31, 2024

Customer	Background	Products Purchased	Credit Term	Commencement of Business Relationship	Revenue Amount (RMB'000)	% of the Total Revenue
Fish House Olimp, LLC	A caviar company based in Russia, specializing in caviar and sturgeon products.	Caviar, sturgeon products	100% in advance	2016	60,401	9.0
KAVIARI SAS	A caviar company based in France, specializing in caviar and other premium fish products.	Caviar	15 days	2009	50,238	7.6
WARBUCKS SEAFOOD NY, LLC	A specialty seafood company based in the U.S., specializing in caviar and other seafood products.	Caviar	15 days	2013	43,729	6.5
IMPERIAL CAVIAR GMBH	A caviar company based in Germany, specializing in caviar and other fine food products.	Caviar	100% in advance	2011	41,358	6.2
CASPIAN TRADITION SA	A caviar company based in Belgium, specializing in caviar and other fine food products.	Caviar	15 days	2011	40,258	6.0
Total					235,984	35.3

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For the year ended December 31, 2025

Customer	Background	Products Purchased	Credit Term	Commencement of Business Relationship	Revenue Amount (RMB'000)	% of the Total Revenue
IMPERIAL CAVIAR GMBH	A caviar company based in Germany, specializing in caviar and other fine food products.	Caviar	100% in advance	2011	73,781	9.6
Fish House Olimp, LLC	A caviar company based in Russia, specializing in caviar and sturgeon products.	Caviar, sturgeon products	100% in advance	2016	67,616	8.8
KAVIARI SAS	A caviar company based in France, specializing in caviar and other premium fish products.	Caviar	15 days	2009	55,229	7.2
Customer A	A caviar company based in France, specializing in caviar and other fine food products.	Caviar	30 days	2007	48,511	6.3
CASPIAN TRADITION SA	A caviar company based in Belgium, specializing in caviar and other fine food products.	Caviar	15 days	2011	46,896	6.1
Total					292,033	38.0

As of the Latest Practicable Date, to the best of our knowledge, (i) none of our Directors, their associates or any other Shareholder which, to the knowledge of our Directors, owned more than 5% of our share capital had any interest in any of our top five customers; and (ii) none of our five largest customers, including their shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

Third-Party Payment Arrangements

Background and Reasons for the Arrangements

Historically, certain of our customers (individually or collectively, the “**Relevant Customer(s)**”) settled transactions through the accounts of third parties other than the contractual counterparties under the corresponding sales agreements (the “**Arrangements**”). In 2023, 2024 and 2025, the number of Relevant Customers was 101, 157 and 135, respectively, and the aggregate amount of payment made under the Arrangements was RMB30.4 million, RMB43.0 million and RMB24.4 million, respectively, representing approximately 5.3%, 6.4% and 3.2% of the total revenue for the same periods, respectively. No individual Relevant Customer had made a material contribution to our revenue during the Track Record Period.

The Relevant Customers during the Track Record Period primarily consisted of our customers in the form of corporate entities. During the Track Record Period, the third-party payers designated by Relevant Customers under the Arrangements primarily consisted of the following: persons affiliated with the Relevant Customers, such as controlling shareholders, actual controllers, relatives (of the controlling shareholders or actual controllers) and affiliated entities of the Relevant Customers or, in few cases, the

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downstream customers of the Relevant Customers. Our Directors have confirmed that, to the best of their knowledge, none of the designated third-party payers of any Relevant Customer during the Track Record Period is a connected person or an employee of our Group and such third-party payers are independent from each of our Directors, senior management and Shareholders.

The Arrangements occurred primarily due to business convenience, settlement efficiency, and/or centralized payment arrangements. According to CIC, it is a common commercial practice in the caviar industry to settle transactions by such Arrangements for convenience and flexibility.

During the Track Record Period, (i) we had not proactively initiated any Arrangements or participated in other forms in any of such Arrangements; (ii) we had not provided any discount, commission, rebate or other benefit to any of the Relevant Customers to facilitate or incentivize the Arrangements; and (iii) the pricing and payment terms of the agreements we entered into with the Relevant Customers were generally in line with those of the customers not involved in the Arrangements. During the Track Record Period and up to the Latest Practicable Date, we had not received any material claims against us in relation to the Arrangements, nor had we encountered any material refund, actual or pending dispute or disagreement due to the Arrangements.

As of the end of April 2026, we had ceased all the Arrangements and all payments made thereunder had been fully settled. Our Directors are of the view that the cessation of the Arrangements did not have, nor will have, any material adverse effect on the business, operations and financial results of our Group as (i) the payments under the Arrangements constituted an immaterial portion of our total revenue; (ii) substantially all the Relevant Customers cooperated with our rectification process, which did not affect the payment settlement from the Relevant Customers to us; (iii) our business maintained sustained growth after the rectification of the Arrangements in October 2025 as we continued to receive purchase orders from the Relevant Customers, as evidenced by the increase in the sales volume and revenue in the fourth quarter of 2025 as compared with the third quarter of 2025; and (iv) following the rectification of Third-party Payment Arrangement, our sales volume and revenue in the first quarter of 2026 recorded an increase as compared with the same period in 2025.

Implications of the Arrangements

The Arrangements, to the best of our knowledge, had been recorded completely and accurately in our accounting books and records in all material respects and we have in place certain measures to manage the Arrangement as following during the Track Record Period: (i) we have conducted periodic review over our transactions with customers to prevent fraud or money laundering activities, based on which we have no grounds to believe that the Relevant Customers are involved in fraud or money laundering, nor would we have any reason to believe that the relevant settlement involves proceeds or gains from fraud or money laundering; (ii) we have stringent screening procedures before entering into collaboration with our customers, including collection and verification of payment accounts during KYC and subsequent updates; and (iii) the customers who made payments via the Arrangements shall submit the payer accounts and payment information and we would check the authenticity of the information provided to ensure the Arrangements are supported by genuine transactions;

Furthermore, during the Track Record Period and up to the Latest Practicable Date, (i) we were not the subject of any investigations, enquiries, penalties or surcharges as a result of our involvement in the Arrangements, and (ii) we had not encountered any actual or pending dispute or disagreement due to the Arrangements. In addition, based on the credit reference reports issued in relation to our Company, no administrative penalties were imposed by tax management authorities for violation of tax laws, regulations and rules due to the Arrangements during the Track Record Period.

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As advised by our PRC Legal Advisor, the Arrangements are not in breach of mandatory requirements of applicable laws or regulations in China. Our Directors confirm that, to the best of their knowledge and based on the internal control measures implemented, (i) during the Track Record Period, the relevant payments were based on bona fide underlying transactions and valid contracts, and (ii) the risk of the Arrangements being deemed as constituting the crimes such as fraud or money laundering crime is remote. Our Directors consider that the use of the Arrangements did not have any material adverse impact on our business operations, taking into account that such payments constituted an immaterial portion of our total revenue.

Enhanced Internal Control Measures

Since October 2025, we have implemented enhanced internal control measures against re-occurrence of and risks arising from the Arrangements, including but not limited to the following: (i) we have established comprehensive internal guidelines, clearly stipulating the identification and approval procedures, documentation requirements, and regular review mechanisms; (ii) we only allow payments (a) directly from the corporate bank accounts of the customers, or (b) if not directly from the accounts of the customers, from a designated third-party payer that has entered into a tripartite agreement with us. We require such customer and its designated third-party payer to enter into a tripartite agreement with us, which specifies the invoicing entity, payer identity, account information, and relationship between the customer and the designated third-party payer, and must be approved by our management prior to execution; (iii) to ensure the accuracy and completeness of our accounting books and records, we further strengthened our KYC procedures to gain a comprehensive understanding of our customers and verify payment details against our internal records to confirm that payments are made in accordance with above arrangements; (iv) our finance team is required to verify the payer’s identity and bank account details against pre-approved documents and system records. Payments inconsistent with the relevant agreements shall be rejected and escalated to management; and (v) we have notified the above policies and measures to all the Relevant Customers and require new customers to comply with the same requirements and provided internal training to ensure that our employees are fully informed and compliant with the updated internal control policies.

We intend to continuously monitor the effectiveness of our internal control measures to prevent third-party payments and promptly address any identified deficiencies. Based on the review on the implementation of internal control measures, our Directors are of the view that the above measures are effective and adequate in preventing risks associated with the Arrangements, and our Directors will oversee the effectiveness of the aforementioned enhanced internal control measures on the Arrangements in the future.

SEASONALITY

Our financial condition and results of operations are subject to seasonal fluctuations. The demand for our products is affected by consumers’ consumption patterns. The mature female sturgeon typically spawns during the spring and autumn seasons, with peak in autumn. In addition, we typically have increased sales before and during the holiday seasons, festivals and events, such as Thanksgiving and Christmas. As a result, we generally record higher revenue in the fourth quarter of the year.

COMPETITION

We operate in the global caviar industry. We mainly compete with caviar production companies worldwide and in the PRC. According to CIC, the global caviar industry is characterized by high entry barriers, including technological expertise, breeding environment, extended breeding cycles and high capital investment thresholds, stringent product quality standards, regulatory compliance, and the need

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for vertically integrated operational capabilities. In addition, we compete with other market participants across factors such as brand recognition, product quality, sales network and supply chain systems. According to CIC, in 2025, there were over 500 market players in the global caviar market and the total market share of the top five market players in terms of sales volume was 57.7%. For more information on our industry and the competitive landscape, see “Industry Overview.”

DATA SECURITY AND PRIVACY

During the ordinary course of our business, we will collect and maintain certain customer information to the extent necessary for the sales and delivery of our products and provision of services, primarily including customers’ contact information, transaction records, business licenses and payment information. The collection of such data facilitates order processing and other work related to the sale of our products.

We have implemented measures to preserve the confidentiality of such information to ensure regulatory compliance. Specifically, we employ advanced encryption techniques for data storage and transmission, conduct regular audits to identify and mitigate potential security vulnerabilities, and provide comprehensive training to our employees on data privacy and security protocols. Furthermore, we have established stringent access controls and monitoring mechanisms to prevent unauthorized data access and ensure that data handling practices comply with data protection standards. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss or any material unauthorized use of customers’ personal information, and our IT systems had not experienced any material third-party intrusions, viruses and other cyberattacks, information or data theft or other similar threats

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Environmental, Social Responsibility and Governance

We believe that ESG factors are crucial to our long-term sustainable development. We focus on governance, environmental protection and social responsibility, continuously improving our ESG governance framework and enhancing our ESG practices, and contributing to societal well-being through various ESG initiatives.

ESG governance

Corporate Governance Structure

Corporate governance is a core component of the ESG framework. We have established an improved governance structure to ensure open and transparent decision-making in daily operations and fulfill our responsibilities to shareholders, employees, consumers and society.

Our ESG structure operates across three layers, comprising the Board of Directors, the Office of the Board of Directors, and the ESG Working Group. The Board of Directors, as the highest leadership layer within our ESG governance structure, holds ultimate responsibility for ESG matters, aligns ESG objectives with our overall strategic direction, regularly evaluates corporate strategy, and reviews the risk management system to promote sustainable development in compliance with ESG requirements. The Office of the Board of Directors, as the management coordination layer, acts as a pivotal link between the Board of Directors and the ESG Working Group. All ESG-related matters, such as ESG risks and opportunities, ESG topics and materiality assessment, ESG data and information, policy decisions and annual ESG reports, are initially discussed and confirmed by the head of the ESG Working Group

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before being submitted to the Office of the Board of Directors. The ESG Working Group is responsible for assessing ESG materiality topics, collecting data, preparing reports, responding to rating agencies, coordinating across departments, conducting performance evaluations, and reporting directly to the Office of the Board of Directors. The ESG Working Group is led by the chief financial officer, with members including managers from our legal department, environment, health and safety (the “EHS”) department, human resources department, and finance department.

Materiality Topics

We recognize the strategic importance of ESG in corporate sustainable development and systematically identify relevant topics to ensure our focus effectively supports our long-term development. Through comprehensive analysis of industry trends, stakeholder demands and our strategic direction, we identify key ESG topics with significant impacts on our operations. Our identification process includes the evaluation on strategic significance of topics, coupled with dynamic adjustments in response to market changes and external environment.

On that basis, our materiality topics primarily focus on the following areas:

Environmental protection	Social responsibility	Governance
• Waste gas and greenhouse gas emissions • Climate change and response • Energy and water management • Waste discharge and circular aquaculture • Biodiversity • Green packaging	• Food safety and quality assurance • Sustainable supply chain • Sustainable R&D • Animal welfare • Rural revitalization • Employee management and development • Work safety management	• ESG governance structure • ESG materiality topics • Integrity building

Integrity Building

We place a high priority on ethical governance and integrity building to ensure our compliant and impartial operations, thereby strengthening societal trust and enhancing our corporate reputation. We strictly follow the principle of fair competition, and have established a series of internal documents, including the Employee Integrity and Self-Discipline Commitment Letter, the Xunlong Partner Integrity Commitment Letter, and the Anti-Commercial Bribery Agreement, to ensure the effective implementation of integrity building.

Environmental Protection

We regard environmental protection as the cornerstone of our sustainable business development, and are committed to building an environment friendly modern aquaculture system. Through a naturally superior aquaculture environment, circular economy models and various ecological protection measures, we are dedicated to achieving harmonious coexistence between humans and nature.

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Waste Gas and Greenhouse Gas Emissions

We recognize the environmental impact of waste gas and greenhouse gas emissions, and commit to reducing our carbon footprints across operations. During the Track Record Period, our waste gas and greenhouse gas emissions primarily originated from corporate vehicle use, direct energy consumption in operations and purchased electricity. The following table sets forth the total waste gas and greenhouse gas emissions and emission intensity for the periods indicated:

Emission category	Key performance indicator	Unit	For the year ended December 31,		
			2023	2024	2025
Waste gas emissions	Nitrogen Oxides (NO _x)	kg	84.1	132.6	216.8
	Sulfur Oxides (SO _x)	kg	1.5	1.9	2.2
	Particulate Matter (PM)	kg	6.2	9.6	15.7
	Total waste gas emissions	kg	91.7	144.1	234.7
	Waste gas emission intensity	kg/RMB100 million	15.9	21.5	30.5
Greenhouse gas emissions . . .	Direct Greenhouse Gas Emissions (Scope 1)	ton CO ₂	131.9	123.2	126.0
	Indirect Greenhouse Gas Emissions (Scope 2)	ton CO ₂	14,123.6	16,078.5	16,339.8
	Other Indirect Greenhouse Gas Emissions (Scope 3)	ton CO ₂	54.3	56.2	56.8
	Total Greenhouse Gas Emissions	ton CO₂	14,309.9	16,257.9	16,522.6
	Greenhouse Gas Emission Intensity	ton CO₂/RMB	2,479.0	2,429.1	2,148.6

During the Track Record Period, our total waste gas and greenhouse gas emissions increased with the growth of our business operations. The increase in waste gas emissions in 2025 was primarily due to the expansion of our aquaculture activities, which led to an increase in the frequency of fish transportation. We are actively monitoring these emissions and are committed to implementing strategies to optimize our operations and reduce environmental impact as part of our ongoing efforts to achieve our ESG goals. We continuously strive to find the optimal balance between environmental protection and production efficiency, ensuring our sustainable development.

Climate Change and Response

We maintain a high level of awareness regarding climate change and its potential impacts on our future businesses. We have established a risk control working group, which conducts annual special risk assessments across all business lines and performs monthly dynamic updates and reviews. The assessment covers, among others, all aquaculture bases, processing bases and watershed water sources. The assessment results show that we currently focus on identifying risks directly caused by climate change, including acute sudden risks and chronic gradual risks. Acute risks may lead to damage to aquaculture facilities and heat stress in sturgeons, while chronic risks may affect water quality stability and extend the caviar production cycle. During the Track Record Period, we did not experience any significant climate-related impact. As global climate change intensifies, extreme weather events, temperature fluctuations and volatility in the availability of natural resources may potentially affect our production, supply chains and markets. However, the overall impact remains controllable and will not have a material adverse effect on our operations.

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Energy and Water Resource Management

The primary resources consumed in our operations include energy (such as petrol, diesel and electricity) and water sources. The following tables set forth the details of our resource consumption for the periods indicated:

Resources	Key performance indicator	Energy category	Unit	For the year ended December 31,		
				2023	2024	2025
Energy	Petrol	Direct	L	48,193.0	44,672.7	45,242.5
	Diesel	Direct	L	72,918.8	106,779.7	123,366.8
	Electricity	Indirect	MWh	17,553.6	19,983.2	20,308.0
Water	Water consumption		thousand ton	74,250.9	99,145.9	110,986.91

Resources	Key performance indicator	Unit	For the year ended December 31,		
			2023	2024	2025
Energy	Petrol consumption intensity	L/RMB100 million	8,348.9	6,674.6	5,883.2
	Diesel consumption intensity	L/RMB100 million	12,632.3	15,954.1	16,042.4
	Electricity consumption intensity	MWh/RMB100 million	3,041.0	2,985.7	2,640.8
Water	Water consumption intensity	thousand ton/ RMB100 million	12,863.1	14,813.5	14,432.5

With the expected expansion of our sturgeon aquaculture, we foresee an increase in overall water consumption. The water used in our aquaculture operations is treated in an environmentally responsible manner to ensure compliance with applicable discharge standards before being returned to the natural water system. As such, our water usage does not result in depletion of local water resources nor generate harmful waste. In line with our commitment to ESG goals, we have set measurable targets based on current business conditions and requirements. Building on water consumption intensity data from 2025, we aim to reduce water consumption intensity by approximately 8.0% by 2030. Additionally, based on electricity consumption intensity in 2025, we plan to reduce electricity consumption intensity by approximately 10.0% by 2030.

Waste Discharge and Circular Aquaculture

In our daily operations, the primary waste discharge is non-hazardous solid waste, including paper packaging materials and metal. The following table sets forth details of our waste discharge for the periods indicated:

Waste category	Key performance indicator	Unit	For the year ended December 31,		
			2023	2024	2025
Solid waste	Solid waste	ton	15.0	18.0	12.1
	Solid waste intensity	ton/RMB100 million	2.6	2.7	1.6

We establish an innovative green circular system to maximize resource efficiency in production activities.

- **Circular economy model:** We have developed an innovative green circular system for a sustainable ecological cycle.

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- ***Efficient resource utilization:*** We respect the life value of each sturgeon and strive to minimize the waste of biological resources. Sturgeon is a high-value aquatic species whose entire body can be comprehensively utilized. After extracting the roes, the remaining sturgeon is still highly utilized with little waste. Through whole-value-chain resource utilization and refined operations, we achieve high utilization and minimal waste, reducing aquaculture and processing waste at the source.
- ***Waste discharge through technological innovation and environmentally friendly aquaculture:*** To minimize waste discharge, we introduce technological innovations in the aquaculture process. For pollutants generated during aquaculture, we adopt differentiated treatment measures according to different farming models: Under the eco-net cage model, pollutants are reduced through waste recycling and biological recycling; under the land-based flow-through aquaculture model, technologies such as micro-filtration of aquaculture water are applied to fully extract pollutants from the effluent; under the industrial recirculating aquaculture system model, a dedicated wastewater treatment workshop has been built, applying biofilm treatment processes to meet the standards.

Biodiversity

We recognize the importance of biodiversity for ecosystem health and sustainable development. In partnership with the Heilongjiang Sustainable Nature Resources Protection Foundation, we take an active part in sturgeon restocking and release activities to support the restoration of wild sturgeon populations. The sturgeon restocking and release activities contribute to optimizing the structure of aquatic populations and fostering the long-term healthy development of ecological fisheries.

Green Packaging

We advocate for environmentally friendly and minimalist packaging concepts and utilize biodegradable materials, including paper, cardboard, tinplate cans and eco-friendly cartons, to minimize our environmental impacts. The primary packaging materials for our products include paper, plastics and metal. In 2023, 2024 and 2025, the total packaging materials used in our products were 410.7 tons, 486.6 tons, and 488.6 tons, respectively.

Social Responsibility

We fulfill our social responsibilities by placing high importance on food safety, maintaining a sustainable supply chain, fostering innovation in R&D and ensuring animal welfare. We are committed to driving community prosperity and rural revitalization through our industrial development, thereby injecting vitality into local economies and achieving organic integration of corporate growth and social progress. Meanwhile, we focus on employee care and development, enhancing team cohesion through a comprehensive welfare system and career development opportunities. In work safety management, we continuously optimize our work safety management system to safeguard health and safety of our employees.

Food Safety and Quality Assurance

We have established comprehensive food safety and quality control measures across the breeding, aquaculture, processing and sales operations and we have implemented traceability and quality control measures throughout the production and distribution processes, including low-temperature storage, cold-chain logistics, microbiological monitoring, residue control and packaging contamination control. We comply with the relevant laws and regulations to ensure product quality and safety, we have established

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a comprehensive quality management system in accordance with both international and domestic standards, including the ISO 9001 Quality Management System, the ISO 22000 Food Safety Management System, the HACCP system, and the BRC Global Standard for Food Safety. As for breeding, our sturgeon breeding technologies include hybrid breeding and molecular genetic breeding, which are fundamentally different from the technology for genetically-modified fish species. Pursuant to the Certificate issued by the Chinese Academy of Fishery Sciences (中國水產科學研究院), we do not engage in the breeding of genetically-modified varieties of aquatic fry and fingerling or the production of such genetically-modified fry and fingerling. We have obtained multiple international certifications, including IFS, BRC and the FOS for our caviar processing operations. The production process is strictly operated in accordance with the HACCP management system, ensuring that our products are manufactured under stringent international hygiene standards. Before delivery, every batch of our products must be tested by our quality control department and labeled with product qualification certificates. Apart from caviar, our sturgeon products are primarily exported as raw materials and do not involve deep processing. For the limited quantity of smoked sturgeon filet products, we organize production in full compliance with laws and regulations. Thus, our sturgeon product processing poses negligible adverse health effects and carcinogenic risks. As of the Latest Practicable Date, we had not been subject to any material food safety related penalties, claims, complaints or litigation.

During the Track Record Period and as of the Latest Practicable Date, we had secured all required export registrations and approvals for shipments to Europe, the United States, Asia, and other countries and regions, and fulfilled all relevant requirements for exporting to these regions. In addition, the production and export of caviar are subject to the CITES. During the Track Record Period and as of the Latest Practicable Date, we had been duly qualified and registered under the CITES Secretariat registration applicable to sturgeon aquaculture and caviar export.

Sustainable Supply Chain

We are committed to building a sustainable, transparent and efficient supply chain system, fulfilling our social responsibility requirements in all stages from raw material purchase to final product delivery. For the procurement of sturgeon, feeds and other materials, we have established a qualified supplier management system. Take sturgeon procurement as an example, we implement whole-process control with evaluation and supervision: before cooperation, we evaluate the supplier’s farming capacity and industry reputation; during cooperation, we continuously monitor daily management, feed selection and drug use; at the time of procurement, we strictly implement sampling inspection and quarantine to ensure that the purchased sturgeon meet quality and safety standards. We have established a sustainable supply chain management system that incorporates ESG requirements into our supplier access and assessment processes. We implement whole-chain traceability management around key links to jointly fulfill the requirements of ecological protection, safe production and social responsibility, ensuring a stable and compliant supply chain. To further enhance consumer confidence, we assign a unique traceability code to each tin of our caviar.

Sustainable Research and Development

We established our corporate research institute and developed an integrated R&D system. As of December 31, 2025, we have undertaken 17 scientific research projects at provincial/ministerial level or above, and formulated two national industry standards. We have received multiple national-level accolades for our technological achievements and place great emphasis on intellectual property. These technological achievements reflect our technical strength and innovation capabilities, laying a solid foundation for our sustained technological innovation in the future. We established China’s first key laboratory of sturgeon genetics and breeding to foster innovation and commercialization of scientific and technological achievements.

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Animal Welfare

We have established a high-standard aquaculture industry chain and selected premium water sources to ensure our sturgeons thrive in a natural and superior breeding environment. To simulate their natural habitat, we employ an eco-net cage aquaculture model that provides robust water circulation and oxygen-rich conditions, ensuring well-being and healthy growth of sturgeons. We value the healthy growth of each sturgeon by conducting daily monitoring of water temperature, quality and dissolved oxygen content to maintain optimal aquaculture conditions. We adopt a low-density farming model to maximize the growth environment and health of the sturgeon. In the eco-net cage aquaculture model, the density is controlled at 10kg to 20kg per cubic meter and in the land-based flow-through aquaculture model, the density is controlled at 30kg to 40kg per cubic meter. We advocate for nutritionally balanced feed without using antibiotics and veterinary drugs in aquaculture. Through years of practical experience, we have developed a comprehensive disease prevention and control scheme.

During transportation, we use dedicated sealed live-fish tank trucks equipped with constant-temperature control, oxygenation, and water quality monitoring systems. Besides, in long-distance transport, the truck is required to stop for rest, and the water in the tank is replaced to maintain acceptable water quality, so as to prevent stress or injury to the sturgeon.

Additionally, we use a humane caviar-harvesting method. First, we perform ice-water anesthesia before processing: prior to processing, the sturgeon are placed in a cold-water holding tank, and ice is added to lower temperature to below 5°C. The ice-water anesthesia must last no less than seven hours, allowing the sturgeon to enter an anesthetized state and reducing struggling and stress responses. Then, we apply humane euthanasia: we ensure instantaneous unconsciousness with no perception of pain, avoiding stress and enabling swift handling. Finally, we carry out rapid roe removal and full resource utilization: the roe are removed immediately after euthanasia to shorten handling time; and 16 processing steps are completed within 15 minutes to ensure quality and prevent any secondary suffering.

Rural Revitalization

Through industrial empowerment, targeted employment and skill training, we actively boost the sustainable growth of the sturgeon industry, contributing to the achievement of rural revitalization goals. We have initiated and implemented the model of “three funds and three expenses”, and established diversified benefit-sharing mechanisms to benefit local residents during industrial growth. We maintain a strong and positive partnership with local farmers in following ways:

Targeted recruitment and job creation. We actively integrate local resources and conduct targeted recruitment in areas where aquaculture bases are located, effectively absorbing rural labor into sturgeon farming operations. This enables nearby villagers to find employment close to home and pursue development opportunities within their hometowns. More than 150 positions have been directly allocated to local farmers, significantly increasing their average annual income.

Cooperation with technical training and guidance. We have established long-term cooperative relationships with local sturgeon farmers through a “Company + Base + Standardization” model. By providing centralized training on aquaculture operations, on-site technical guidance, process control management, and unified quality standards, we have enhanced the overall technological capabilities and operational efficiency of the local sturgeon farming industry, generating significant economic and social benefits.

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Cross-provincial industrial assistance to promote common prosperity. As a key project of Zhejiang’s east-west poverty alleviation cooperation, we invested in and built a provincial-level sturgeon ecological industrial park in Sichuan Province, replicating the successful model of Zhejiang’s sturgeon industry development in Sichuan to drive local economic growth and increase farmers’ income.

Employee Management and Development

We safeguard employees’ rights and interests by strictly adhering to relevant laws and regulations, ensuring that the fundamental rights of every employee are respected and protected. We commit to creating a supportive and dynamic working environment. We provide complimentary meals and accommodation to meet our employees’ basic living needs, so that they can focus on their work and professional growth. Additionally, we arrange regular free physical examinations to safeguard employees’ physical well-being. During festivals and holidays, we offer comprehensive staff benefits, including festival gifts and childcare support during summer and winter vacations, with a view to enhance their sense of belonging and job satisfaction. We offer robust benefits that include a competitive compensation system, generous leave policies, health insurance and mental health support to address employees’ physical and psychological needs. In career development, we establish clear career development pathways for employees, encompassing multi-level training programmes, encouraging continuous learning and advancement.

In addition, to ensure that all employees enjoy equal rights throughout the entire employment process and to eliminate any form of discrimination, we strictly comply with relevant laws and regulations and, in alignment with its operational and management practices, have formulated and implemented a series of equal employment measures. These measures comprehensively cover key aspects including employee promotion, transfer, training, career development, and termination, as including: (i) all positions open for promotion have clearly defined qualification requirements and selection procedures and a review committee, led by the Deputy General Manager, is established to conduct a fair evaluation, with final decisions subject to discussion and voting by our Group; (ii) we follow the principles of equality and voluntariness, suitability to individual circumstances, and mutual selection and both employee-initiated applications and company-arranged transfers are subject to fair review; (iii) we have established a comprehensive training system for all employees and training programs are free from discriminatory thresholds based on gender, age, or other factors, and training opportunities are allocated fairly; (iv) we have established multiple career development pathways, including management, sales, and technical tracks and corresponding job grade and compensation systems are formulated based on the actual conditions of each business line; and (v) we strictly comply with applicable laws and regulations in terms of the termination process. For employees whose capabilities do not align with their current roles, internal reassignment is considered as a priority to safeguard their rights and interests.

Work Safety Management

We consistently prioritize the safety and health of our employees. We have established comprehensive work safety standards covering equipment safety and operational procedures. By conducting regular equipment inspections, enhancing safety protections, and developing emergency response plans, we work to reduce the risk of accidents. We have set up a dedicated work safety management team to hold regular safety meetings and carry out thorough inspections across all our bases. We develop strict safety measures and inspection systems to ensure safety throughout the production process. Moreover, we monitor our working environment closely to align with national health standards, prevent occupational diseases, and enable employees to work in an optimal state of health.

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INTELLECTUAL PROPERTY

Since our inception, we have internally developed a variety of intellectual property rights. As of the Latest Practicable Date, we maintained intellectual property rights, including 72 issued patents, 203 trademarks, 13 copyrights and six domain names in China. See “Appendix IV — Statutory and General Information — Further Information About Our Business — Our Material Intellectual Property Rights” for details.

We have implemented guidelines on the management of the intellectual property rights, which clearly define the scope of our intellectual property, the selection and management of professional agencies, the application procedures for intellectual property, the responsibilities and workflows of the intellectual property management department, archival management, usage and maintenance policies, and risk monitoring measures. Our intellectual property protection mechanism comprehensively covers key production and packaging processes. Furthermore, we conduct intellectual property protection training for employees and supervise the execution of our management system through regular and ad hoc inspections, ensuring its effective operation. We safeguard proprietary non-patented technologies, know-how and other trade secrets through strict internal management policies and commercial confidentiality protection mechanisms. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any claims or any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. See “Risk Factors — Risks Relating to Our Business and Industry — We may not be able to adequately protect our intellectual property rights and technologies, which could adversely affect our business.”

INSURANCE

Pursuant to PRC regulations, we provide social insurance including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees based in China. In addition, we are covered by employer’s liability insurance. We also maintain insurance coverage for our biological assets. We believe our existing insurance coverage is adequate for our existing operations and is in line with industry practices in China. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. Please refer to the section headed “Risk Factors — Risks Related to Our Business and Industry — Our insurance coverage may not be sufficient to cover all of our potential losses” for further details. During the Track Record Period and up to the Latest Practicable Date, we had not made, neither had we been the subject of, any insurance claims which are of a material nature to us.

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EMPLOYEES

As of the Latest Practicable Date, we had 479 full-time employees, all of whom were based in China. The following table sets forth a breakdown of our employees by function as of the Latest Practicable Date:

Function	Number of Employees	% of Total
Production	308	64.4
R&D	37	7.7
Sales and marketing	57	11.9
General administration	60	12.5
Finance	17	3.5
Total	479	100.0

We generally recruit our employees based on a number of factors, including work experience, educational background and our position requirements. We recruit primarily through on-campus recruiting programs, job fairs, job postings and internal referrals. We place great emphasis on talent development and retention. New employees undergo induction training to familiarize with our corporate culture, workplace safety standards, product knowledge, quality control procedures, staff conduct policies, and relevant laws and regulations. We also provide targeted training in areas such as sales, supply chain, and functional operations to ensure employees acquire the skills essential for professional growth.

As required by PRC laws and regulations, we participate in various employee social security schemes organized by municipal and provincial governments, including pension, maternity insurance, unemployment insurance, work-related injury insurance, health insurance and housing provident fund. We are required under PRC laws and regulations to make contributions to employee social security schemes at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. We believe that we maintain a good working relationship with our employees and have established labor unions to protect the legitimate rights and interests of our employees. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant labor disputes or any difficulty in recruiting staff for our operations.

PROPERTIES

Our primary processing base is located in Quzhou, Zhejiang Province, China. As of the Latest Practicable Date, our owned properties, including land, buildings, and projects under construction, were mainly used as our production bases, offices and warehouses. As of the same date, our leased properties were primarily used as aquaculture bases, offices and dormitories, with relevant lease agreements expire between 2026 to 2044.

As of December 31, 2025, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

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Leased Properties with Title Defects

Certain of the properties leased by us have title defects. As of the Latest Practicable Date, the ownership certificates or the written consents of joint owners of four leased properties having an aggregate gross floor area of approximately 675.7 sq.m. had not been provided to us by the relevant lessors. Therefore, such lessors may not be entitled to lease the relevant properties to us. These leased properties were primarily used as offices and dormitories.

As advised by our PRC Legal Advisor, we are unable to ascertain whether the lessors have the legal right or requisite authority to lease such properties to us, whether such properties are subject to mortgages or third-party rights, or whether such leases are subject to challenge by third parties, and our use of the leased properties with title defects may be affected by third parties’ claims or challenges against the lease. Also, the relevant lease agreements may be deemed invalid, and we may be required to vacate from such properties. Our leases for the leased properties with title defects were not challenged by third parties or relevant authorities that had resulted or involved us as the defendant in disputes, lawsuits or claims in connection with the rights to lease and use such properties occupied by us during the Track Record Period and up to the Latest Practicable Date. Upon expiry of these lease agreements, we will assess the legal risk when renewing the relevant lease agreements.

If we are not able to continue to use such leased properties due to such title defects, we expect to be able to identify alternative places for relocation in a timely manner without incurring material related loss due to the limited number of leased properties with title defects, which will not cause a material interruption to our operations. Our Directors believe that these title defects would not, individually or in the aggregate, cause a material adverse effect on our business, operations and financial results. For risks relating to our leased properties, see “Risk Factors — Risks Relating to Our Business and Industry — Our legal right to certain leased properties may be challenged.”

Lease Registration

As of the Latest Practicable Date, ten lease agreements had not been registered and filed with the relevant land and real estate administration bureaus in the PRC because the relevant lessors failed to provide necessary documents for us to register the leases with the local government authorities. According to applicable PRC administrative regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. As advised by our PRC Legal Advisor, the absence of registration will not affect the validity of the lease agreements or result in us being required to vacate the leased properties, but we may be subject to a fine of RMB1,000 to RMB10,000 for each lease agreement that is not registered and filed.

To strengthen our internal controls, we have implemented the following measures: (i) our legal and compliance teams will continue to verify key legal documents, including property ownership certificates, during the lease negotiation process; (ii) we will conduct internal legal reviews of lease agreements before execution to confirm compliance with applicable laws and regulations; and (iii) we will proactively communicate with lessors and local authorities to facilitate lease registration and monitor the status of required filings.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any claims, damages, losses litigations, arbitrations or legal or

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administrative proceedings which would have a material adverse effect on our financial position or results of operations as whole. As of the Latest Practicable Date, no material litigation, arbitration or administrative proceedings had been threatened against us.

During the Track Record Period and up to the Latest Practicable Date, we had complied with all relevant laws and regulations applicable to us in all material respects concerning our operations. These include the regulations governing sturgeon aquaculture and caviar production, such as wildlife protection, animal epidemic prevention, aquaculture biosecurity, fisheries and water regulations, environmental protection, food safety, import and export controls, and product quality and labeling standards. See “Regulatory Overview.”

During the Track Record Period, our aquaculture bases, processing facilities and principal operations were located in the PRC and were primarily subject to the PRC regulatory regime governing sturgeon breeding and farming, harvesting, extracting and processing of caviar, food production and safety, food operation, export of sturgeon products, and health and environmental matters. As advised by the PRC Legal Advisor, during the Track Record Period and up the Latest Practicable Date, we had obtained the material licenses and permits required for sturgeon breeding and aquaculture operations, and production and sales of caviar and sturgeon products. See “— Licenses, Permits and Certificates.”

In respect of our export business, our overseas sales were conducted through direct export transactions with overseas customers pursuant to international sales agreements during the Track Record Period. We primarily conduct overseas sales on CIP terms. Pursuant to the relevant sales arrangements, ownership of, and risk of loss of or damage to, the products are transferred to the overseas customers upon delivery of the products to the first carrier. Our overseas customers are responsible for obtaining the import permits and licenses in their respective destination countries, and for handling the applicable customs clearance procedures and payment of customs duties. As advised by the PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had obtained material export qualifications required under applicable PRC laws and regulations. During the same period, we had obtained material export permits and certificates for the export of caviar and sturgeon products in accordance with the CITES.

According to CIC, the industry standards and regulatory frameworks applicable to the global and China caviar industry primarily include HACCP, Codex Alimentarius CXS 291-2010 (as amended), CITES, IFS, BRC Global Standard for Food Safety, FOS (Friend of the Sea) and the national caviar processing standard promulgated by MARA. These standards generally cover food safety management, hygiene and quality control, product composition, labeling, species identification, traceability, certification, sustainable aquaculture and the international trade of caviar and sturgeon products. They provide the principal industry benchmarks for caviar production, processing, labeling, certification and export compliance in the global and China caviar industry. During the Track Record Period and up to the Latest Practicable Date, we had obtained internationally recognized certifications relating to food safety, quality management and sustainable seafood practices, including HACCP, ISO 9001, ISO 22000, IFS, BRC and FOS certifications.

During the Track Record Period and up to the Latest Practicable Date, we did not violate the applicable laws, regulations, guidelines and industry standards in the PRC and relevant overseas markets to which our products were exported relating to sturgeon breeding and aquaculture, caviar harvesting, extraction and processing, food safety, environmental protection, and the domestic and overseas sale of caviar and sturgeon products in any material respect. During the same period, we had not been subject to any administrative penalties in relation to the foregoing matters, nor had we been involved in any material proceedings, claims or complaints concerning food safety, public health or product quality, and we had not experienced any material refusal of import clearance in respect of our exported products.

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LICENSES, PERMITS AND CERTIFICATES

We are required to maintain various licenses, permits and certificates to operate our business. The following table sets forth a list of material licenses, permits and certificates held by us as of the Latest Practicable Date.

License/permit/certificate	Number	Grant date and expiry date
The permit for artificial breeding of aquatic wild animals (水生野生動物人工繁育許可證)	14	January 19, 2023 to March 16, 2031
The license for the operation and utilization of aquatic wild animals (水生野生動物經營利用許可證)	14	January 19, 2023 to March 16, 2031
Zhejiang province aquatic fry production license (浙江省水產苗種生產許可證)	2	November 30, 2025 to December 4, 2028
Water taking permit (取水許可證)	8	June 1, 2021 to December 26, 2029
Food production license (食品生產許可證)	3	May 9, 2022 to April 27, 2031
Food operation license/filing (食品經營許可證/備案)	14	August 6, 2021 to long-term
Record-filing of export food production enterprises (出口食品生產企業備案證明)	3	December 11, 2019 to December 31, 2099
Record-filing of consignors and consignees of imported and exported goods (進出口貨物收發貨人備案) . . .	7	July 12, 2011 to December 31, 2099

In addition, we are required to obtain water taking permits for our aquaculture bases that involve the use of water resources. We did not obtain the water taking permit for our newly constructed aquaculture facilities in Hubei (the “**Hubei Facilities**”) in a timely manner, mainly due to the time required by the relevant government authorities to process such applications. As of the Latest Practicable Date, we were in the process of applying for the water taking permit for our Hubei Facilities and we expect to obtain the water taking permit in the first half of 2027. According to the written confirmation we obtained from the competent local authority responsible for water resources supervision (the “**Relevant Authority**”), (i) the application of such water taking permit is currently in progress; (ii) there is no impediment for us to obtain the water taking permit; (iii) we are able to withdraw water and conduct business operations at the Hubei Facilities under the current conditions; and (iv) no investigation, administrative penalty, or other administrative measures has been, or is expected to be, initiated against our Company or any responsible personnel as a result of the absence of the water taking permit for the Hubei Facilities. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any administrative penalties or investigations due to the absence of such water taking permit. Additionally, according to the desktop search conducted by our PRC Legal Advisor on relevant official and public databases, no records of administrative penalties related to the lack of the water taking permit were found during the Track Record Period and up to the Latest Practicable Date. Based on the foregoing, our PRC Legal Advisor is of the view that the risk of us being subject to any material administrative penalties or investigations by the Relevant Authority for the absence of such permit is low. As advised by our PRC Legal Advisor, the legal consequence for the absence of a water taking permit includes a regulatory order to cease the alleged violations and take remedial measures within a prescribed period and we may be subject to a fine of RMB20,000 to RMB100,000.

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Given that the revenue generated from Hubei Facilities during the Track Record Period accounted for an immaterial portion of our total revenue, we are of the view that the absence of the water taking permit for our Hubei Facilities would not have any material and adverse effect on our business operations. As of the Latest Practicable Date, save as disclosed above, we had obtained all requisite water taking permits for our business operations and all such permits had been duly renewed.

We have designated personnel responsible for overseeing the compliance with relevant laws and regulations on licenses, permits and certificates in order to ensure that we have all such licenses, permits and certificates as are necessary to operate our business. In particular, we have adopted and will continue to adopt the following internal control measures: (i) assign dedicated employees to proactively oversee and monitor the status of our licenses, permits and certificates, and to verify the scope of granted licenses; (ii) develop clear guidelines outlining the steps and requirements for obtaining licenses, permits and certificates and provide training sessions to employees involved; and (iii) conduct periodic internal audits to ensure that all licenses, permits and certificates are not expired and that the processes for obtaining them are being followed correctly.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, except as disclosed above, we had obtained all requisite licenses, permits and certificates that are material for our business operations in the PRC, and such licenses, permits and certificates are valid and subsisting. We had not experienced any material difficulty in renewing such licenses, permits and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable.

IMPACTS OF RECENT U.S. TARIFF POLICIES

Recently, the U.S. government has implemented a series of tariff measures and trade policies, affecting various jurisdictions and industries. On February 4, 2025, a 10% baseline tariff was imposed on all imports originating from Chinese mainland and Hong Kong under the International Emergency Economic Powers Act (the “IEEPA”) authority, which was subsequently increased to 20% on March 4, 2025 (“**IEEPA Fentanyl Tariffs**”). In April 2025, the U.S. government announced new reciprocal tariffs under the IEEPA authority on imports from countries with which the U.S. recorded significant trade deficits (“**IEEPA Reciprocal Tariffs**”). Pursuant to a bilateral arrangement between the U.S. and China dated May 12, 2025, the IEEPA Reciprocal Tariff rate for imports from Chinese mainland, Hong Kong and Macau was reduced to 10% for 90 days. On November 4, 2025, the U.S. government, pursuant to a bilateral arrangement between the U.S. and China, agreed to maintain the IEEPA Reciprocal Tariff rate at 10% and reduced the IEEPA Fentanyl Tariffs from 20% to 10%. On February 20, 2026, all IEEPA tariffs were terminated in accordance with the relevant U.S. Supreme Court opinion. Instead, a 10% tariff on practically all merchandise imported into the U.S. was imposed under section 122 of the Trade Act of 1974. These tariffs took effect on February 24, 2026, and will remain in place for 150 days until July 24, 2026, unless extended. These tariff measures in 2025 are in addition to the existing tariffs on Chinese-origin goods implemented under the Section 301 of the Trade Act of 1974. In March 2026, the United States Trade Representative announced the initiation of Section 301 investigations against numerous U.S. trading partners, including China, concerning industrial overcapacity and underenforcement of labor standards. Such investigations may result in the imposition of tariffs or other measures. As of the Latest Practicable Date, entries of our caviar products into the U.S. are subject to most-favored-nation (MFN) tariffs of 15%, Section 301 tariffs of 25%, and Section 122 tariffs of 10% for a total of 50%, while entries of our sturgeon meat products are subject to MFN tariffs of 0%, Section 301 tariffs of 25%, and Section 122 tariffs of 10% for a total of 35%. Such tariffs are entirely borne by the importer of record.

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Substantially all of our U.S.-bound sales of products produced and packaged in China are conducted under CIP terms, pursuant to which we are not the importer of record and are not responsible for payment of tariffs. Given our industry leading position, our U.S. customers had limited number of comparable suppliers of caviar products which can guarantee stable supply of large-volume and high-quality caviar products. Therefore, we had not experienced and do not expect any short-term decline in demand for our caviar products from the U.S. customers. Our revenue from the U.S. increased in 2025 as compared to 2024. As of the Latest Practicable Date, we had not received any order cancellations or requests to suspend delivery of our products due to the U.S. tariffs. Our Directors are of the view that the recent U.S. tariff policies would not have any material adverse effect on our operations and financial performance. As of the Latest Practicable Date, we did not face any material trade restrictions imposed by other overseas countries.

We will continue to closely monitor developments in tariff policies and international trade regulations and conduct regular consultations with professional advisors to assess the potential implications on our operations, cost structure and customer relationships. We also conduct periodic reviews of our supply chain and logistics arrangements to identify potential risk exposure. In addition, we are proactively expanding our global footprint to strengthen our resilience against potential future risks. See “Risk Factors — Risks Relating to Our Industry and Business — Changes in the international trade environment and trade protection measures may affect our business and financial condition.”

RISK MANAGEMENT AND INTERNAL CONTROL

We have established risk management and internal control systems tailored to our business needs, incorporating policies and procedures aimed at ensuring legal compliance, intellectual property protection, information technology security, human resource management, financial reporting accuracy, and overall internal governance. These systems are subject to ongoing refinement to align with our operational demands. Our Directors oversee the establishment and the periodic review of these systems, while our senior management monitors their effective daily execution across subsidiaries and functional departments. The head of each functional department, business unit and subsidiary are responsible for the related risk control in their responsible segments. To monitor the continuous implementation of risk management and internal control after the [REDACTED], we have adopted or will continue to adopt, among other things, risk management measures including (i) established an Audit Committee to review and supervise our financial reporting and internal control system. See “Directors and Senior Management”; (ii) adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; (iii) provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees, and include relevant policies against non-compliance in employee handbooks; and (iv) arrange our Directors and senior management to attend training seminars on Listing Rules requirements and the responsibilities as directors of a Hong Kong-listed company. To ensure the above compliance culture is embedded into everyday workflow and set the expectations for individual behavior across the organization, we will regularly conduct internal compliance checks, adopt strict accountability internally and conduct compliance training.

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Legal and Compliance Risk Management

To manage compliance and legal risks, we adopted internal procedures, ensuring our operations align with applicable laws and regulations. Our in-house legal team reviews and updates the form of contracts we enter with clients, suppliers, and business partners. Our in-house legal team’s responsibilities encompass legal assistance for major projects, disputes resolution, intellectual property protection, corporate governance compliance, overseas regulatory landscape navigation, and support for subsidiaries’ compliance. In addition, our legal team is responsible for obtaining and maintaining the requisite administrative certificates and approvals for our business operation. We also continuously improve our internal policies according to changes in laws, regulations, and industry standards, and update internal templates for legal documents.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, expenses management policies and treasury management policies. We have various procedures in place to implement accounting policies, and our finance management department reviews our management accounts based on such procedures. We also provide regular training to our finance department staff to ensure that they understand financial management and accounting policies and implement them in our daily operations.

Human Resource Management

We have established human resources policies covering recruitment, training, work ethics and legal compliance. We have in place employee handbooks and codes of conduct which set out internal rules and standards regarding work ethics, fraud prevention mechanisms, negligence, anti-bribery and anti-corruption. We also have in place anti-corruption policies to safeguard against any corruption activities. Under our firm-wide whistle-blowing policy, we make our internal reporting channel open and available for our employees to report any non-compliance incidents and acts. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any non-compliance with relevant laws and regulations that have a significant impact on us relating to corruption and bribery. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential non-compliance with our code of conduct, work ethics, and violations of our internal policies or illegal acts at all levels of our Group.

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AWARDS AND RECOGNITION

The table below sets forth a summary of the major awards and recognition we received during the Track Record Period.

Awards or Recognition	Year Granted	Granting Authority
National Demonstration Base for Green and Healthy Aquaculture (國家級水產健康養殖和生態養殖示範區)	2024	The MARA
National Key Leading Enterprise in Agricultural Industrialization (農業產業化國家重點龍頭企業)	2023	The MARA, the NDRC, the MOFCOM, the PBOC, the CSRC and All-China Federation of Supply and Marketing Cooperatives
The MARA Key Enterprise Laboratory — Key Laboratory for Sturgeon Genetic Breeding (農業農村部企業重點實驗室 — 鱈魚遺傳育種重點實驗室)	2023	The MARA
Zhejiang Provincial Key Agricultural Enterprise Research Institute (浙江省重點農業企業研究院)	2023	Zhejiang Provincial Department of Science and Technology
THE BEST BANG — Influential Caviar Brand (THE BEST BANG年度影響力魚子醬品牌)	2023 to 2024	BANG!
Voyage Awards — Selected Caviar Brand of the Year (Voyage Awards 年度精選魚子醬品牌)	2024	Voyage Travel
Annual New Consumption Award — Most Valuable Caviar Brand of the Year (年度新消費大獎 — 年度最具價值魚子醬品牌)	2023	TimeOut China

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

OUR SINGLE LARGEST SHAREHOLDERS

Immediately before completion of the [REDACTED], Mr. Wang controlled the voting rights of approximately 34.64% of the issued share capital of our Company, comprising (a) 6.36% held directly by Mr. Wang; and (b) 28.28% held indirectly through Chunan Kalujiaren, Hangzhou Kalujiaren and Hangzhou Xunlongren (the “**Controlled Entities**”):

- (i) Chunan Kalujiaren, being a company held by Mr. Wang as to approximately 42.80%, which in turn holds approximately 21.14% of the total issued share capital of our Company;
- (ii) Hangzhou Kalujiaren, being a limited partnership in which Mr. Wang acts as the sole general partner, which in turn holds approximately 4.64% of the total issued share capital of our Company; and
- (iii) Hangzhou Xunlongren, being a limited partnership in which Mr. Wang acts as the sole general partner, which in turn holds approximately 2.50% of the total issued share capital of our Company.

In addition to Mr. Wang’s ability to control the Controlled Entities as mentioned above, Mr. Wang has entered into Concert Party Arrangements with the Controlled Entities to exercise voting rights in the Company through the Controlled Entities. See “History, Development and Corporate Structure — Concert Party Arrangements” for details.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Wang, directly and indirectly through Controlled Entities will control approximately [REDACTED]% of the voting rights in our Company. Accordingly, Mr. Wang and Controlled Entities together will constitute as a group of our Single Largest Shareholders after the [REDACTED].

INTERESTS OF OUR SINGLE LARGEST SHAREHOLDERS IN OTHER BUSINESSES

Each of our Single Largest Shareholders confirms that he/it does not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our businesses, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDERS

Our Directors consider that we are capable carrying out our business independently from our Single Largest Shareholders and their respective close associates after the [REDACTED], taking into account the following factors:

Management Independence

Our business has been managed and conducted by our Board and senior management. Our Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors, and we also have six senior management members (of which three are executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, see “Directors and Senior Management” in this Document.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

Our Directors consider that we are able to carry on our business independently from our Single Largest Shareholders from a management perspective for the following reasons:

- each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;
- three out of our nine Directors are independent non-executive Directors who have extensive experience in different professions. They have been providing independent oversight and will continue to independently monitor the formulation and implementation of major decisions of our Group based on their skills and qualification and related professional experience. Members of the senior management of our Company (other than Mr. Wang) have been with our Group in management capacity for a number of years, and therefore, have substantial working experience in the industry we are engaged in, and their familiarity with our Group’s business and with the competitive landscape we are in will therefore enable them to make business decisions that are in the best interests of our Group;
- we have established clear reporting lines among the management team of our Company and between our management team and the Board, and our management team ultimately reports to the executive Directors, who are responsible for reporting to the Board. The Board supervises and monitors the performance of our Company’s management team generally through receiving regular reports from our executive Directors, attending regular meetings and other ad hoc meetings of our Board to consider, deliberate and approve material matters which exceed the delegated authorities of our management team, as well as through the regular updates provided to our Directors of our operational and financial information; and
- the Articles of Association has also included relevant provisions to manage conflict of interest, pursuant to which our Directors are prohibited from voting in any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest, and shall not be counted in the quorum present at the particular Board meeting.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We do not rely on our Single Largest Shareholders and their close associates for our business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or our company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Single Largest Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources. We also have full powers to make all decisions regarding, and to carry out, our own business operations independently from our Single Largest Shareholders.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

Based on the foregoing, our Directors believe that we are able to operate independently of the Single Largest Shareholders and their close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group’s own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function. We do not expect to rely on the Single Largest Shareholders and their close associates for financing after the [REDACTED] as we expect that our working capital will be funded by cash flows generated from, among others, operating activities, bank loans, as well as the [REDACTED] from the [REDACTED].

During the Track Record Period, certain of our credited facilities were secured by guarantees provided by Mr. Wang and Chunan Kalujiaren (the “**Guarantees**”). Please refer to Note 28 to the Accountant’s Report as set out in Appendix I to this document for details. As of the Latest Practicable Date, such Guarantees were released as of the Latest Practicable Date.

As of the Latest Practicable Date, there were no outstanding loans due to or from our Single Largest Shareholders or their close associates, and save as disclosed above, there were no other outstanding pledges or guarantees provided for our benefit by our Single Largest Shareholders or their close associates.

Based on the above, our Directors believe that we have the ability to operate independently of our Single Largest Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence from, and do not place undue reliance on, our Single Largest Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests:

- as part of our preparation for the [REDACTED], we [have amended] our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that a Director shall not vote on any resolution in which such Director is connected with the company or individual involved;
- we have established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if we enter into further connected transactions with any of our Single Largest Shareholders or their respective associates, our Company will comply with the applicable Listing Rules;
- we are committed that our Board should include a balanced composition of executive and non-executive Directors. We have appointed three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial and

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS

external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in “Directors and Senior Management — Board of Directors — Independent Non-executive Directors;”

- in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Single Largest Shareholders and/or our Directors on the other hand, our Single Largest Shareholders and/or our Directors shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either through our annual report or by way of announcements; and
- we have appointed Red Solar Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors’ duties and corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Single Largest Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

FINANCIAL INFORMATION

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

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

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

OVERVIEW

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

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

BASIS OF PREPARATION

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

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

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

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

Consumer Demand for Caviar Products

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

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

Branding and Marketing Capability

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

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

Sales Network Expansion and Management

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

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

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

Our Ability to Adapt to the International Trade Environment

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

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

Sustainability of Caviar Supply

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

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

Quality Control Capability

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

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

Cost Control and Management

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

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

Changes in Fair Value of Biological Assets

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

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

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MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS

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

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Year ended December 31,								
	2023			2024			2025		
	Results before			Results before			Results before		
	fair value	Fair value		fair value	Fair value		fair value	Fair value	
	adjustments on	adjustments on		adjustments on	adjustments on		adjustments on	adjustments on	
	biological	biological		biological	biological		biological	biological	
	assets	assets	Total	assets	assets	Total	assets	assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	577,241	—	577,241	669,293	—	669,293	769,006	—	769,006
Cost of sales	(172,620)	(396,867)	(569,487)	(225,760)	(463,203)	(688,963)	(248,064)	(512,373)	(760,437)
Gross profit	404,621	(396,867)	7,754	443,533	(463,203)	(19,670)	520,942	(512,373)	8,569
Selling and marketing expenses . . .	(34,617)	—	(34,617)	(48,826)	—	(48,826)	(53,858)	—	(53,858)
General and administrative expenses .	(71,913)	—	(71,913)	(39,160)	—	(39,160)	(69,612)	—	(69,612)
Research and development expenses .	(22,710)	—	(22,710)	(24,231)	—	(24,231)	(28,200)	—	(28,200)
Other income	6,561	—	6,561	11,993	—	11,993	25,838	—	25,838
Other (losses)/gains — net	(4,031)	—	(4,031)	7,239	—	7,239	(11,049)	—	(11,049)
Net impairment (losses)/gains on financial assets	(569)	—	(569)	(1,878)	—	(1,878)	1,828	—	1,828
Fair value changes on biological assets	—	455,372	455,372	—	509,799	509,799	—	554,119	554,119
Operating profit	277,342	58,505	335,847	348,670	46,596	395,266	385,889	41,746	427,635
Finance income	1,466	—	1,466	6,288	—	6,288	11,897	—	11,897
Finance costs	(5,479)	—	(5,479)	(3,955)	—	(3,955)	(5,102)	—	(5,102)
Finance (costs)/income — net	(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	(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
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
			<u>272,899</u>			<u>324,124</u>			<u>365,029</u>
Total comprehensive income for the year			<u>272,899</u>			<u>324,124</u>			<u>365,029</u>

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

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

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

Non-IFRS Measures

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

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

Notes:

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

FINANCIAL INFORMATION

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Product Category

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

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

Notes:

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

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Revenue by Sales Channel

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

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

Notes:

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

Revenue by Sales Region

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

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

Notes:

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

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Cost of Sales before Fair Value Adjustments on Biological Assets

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

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

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

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

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

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

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

Note:

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

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

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

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

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

Fair Value Adjustments on Biological Assets

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

Gross Profit and Gross Profit Margin

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

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

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

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Selling and Marketing Expenses

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

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

General and Administrative Expenses

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

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

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Research and Development Expenses

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

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

Other Income

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

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

Other (losses)/gains — net

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

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Net impairment (losses)/gains on financial assets

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

Fair Value Changes on Biological Assets

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

Finance Income

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

Finance Costs

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

Income Tax Expense

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

PRC

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

FINANCIAL INFORMATION

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

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

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

Cost of Sales before Fair Value Adjustments on Biological Assets

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

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

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

Fair Value Adjustments on Biological Assets

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

Gross Profit and Gross Profit Margin

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

Selling and Marketing Expenses

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

General and Administrative Expenses

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

Research and Development Expenses

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

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Other Income

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

Net impairment (losses)/gains on financial assets

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

Fair Value Adjustments on Biological Assets

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

Finance Income

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

Finance Costs

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

Income Tax Expense

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

Profit for the Year

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

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

Revenue

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

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

Cost of Sales Before Fair Value Adjustments on Biological Assets

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

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

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

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

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

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

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

Fair Value Adjustments on Biological Assets

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

Gross Profit and Gross Profit Margin

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

Selling and Marketing Expenses

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

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General and Administrative Expenses

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

Research and Development Expenses

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

Other Income

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

Other (losses)/gains — net

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

Net Impairment Losses on Financial Assets

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

Fair Value Changes on Biological Assets

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

Finance Income

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

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Finance Costs

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

Income Tax Expense

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

Profit for the Year

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

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

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

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

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

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

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

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

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

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Trade Receivables

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

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

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

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

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

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

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

Note:

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

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

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

Inventories

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

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

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

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

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

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

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

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

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Note:

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

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

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

Biological Assets

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

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

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

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

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

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

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Cash and Cash Equivalents

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

Property, Plant and Equipment

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

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

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

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

Trade and Notes Payables

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

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

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

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

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

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

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

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

Note:

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

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

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

Contract Liabilities

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

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

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Borrowings

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

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

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

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

Lease Liabilities

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

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LIQUIDITY AND CAPITAL RESOURCES

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

Cash Flow Analysis

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

Net Cash Generated from Operating Activities

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

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

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

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

Net Cash Used in Investing Activities

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

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

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

Net Cash (Used in)/Generated from Financing Activities

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

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

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

INDEBTEDNESS

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

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

Borrowings

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

Other Payables

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

Lease Liabilities

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

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

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

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

CONTINGENT LIABILITIES

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

CAPITAL EXPENDITURES

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

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

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

CONTRACTUAL OBLIGATIONS

Capital Commitments

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

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

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Non-cancelable operating lease

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

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

KEY FINANCIAL RATIOS

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

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

Note:

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

RELATED PARTY TRANSACTIONS

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

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

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

BIOLOGICAL ASSETS AND VALUATION

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

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

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

Note:

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

Information About the Independent Valuer of Our Biological Assets

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

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

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

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

Valuation Methodology

The following valuation methods were adopted:

Fish Fry

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

Sturgeon

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

Male Sturgeon

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

Female Sturgeon

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

The cash flow projection for asset groups is as follows:

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

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

Key Assumptions and Inputs

The key inputs and assumptions include the following:

Discount Rate

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

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

Quantities and timing of sturgeons to be harvested

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

Estimated increase rate of sales volume

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

Notes:

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

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Expected selling price

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

The expected selling price of caviar

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

Expected cost to harvest

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

Expected mortality rate

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

Other assumptions

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

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

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

Sensitivity Analysis

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

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

Stock Take and Internal Control

Stock Take

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

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

Internal Control and Management System

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

FINANCIAL INFORMATION

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

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

FINANCIAL RISKS DISCLOSURE

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

DIVIDENDS

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

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

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

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

FINANCIAL INFORMATION

WORKING CAPITAL SUFFICIENCY

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

DISTRIBUTABLE RESERVES

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

[REDACTED]

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

NO MATERIAL ADVERSE CHANGE

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

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

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

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

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

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon the [REDACTED], our Board of Directors will comprise nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. The following table sets out certain information in respect of our Directors.

Name	Age	Position/Title	Date of appointment as a Director	Date of joining our Group	Role and responsibility
Executive Directors					
Mr. WANG Bin (王斌)	56	Chairman of the Board, executive Director and general manager	April 2003	April 2003	Managing the operations of our Board, overall strategic planning, presiding over the work of our Board and business direction, and risk management of our Group
Mr. XIA Yongtao (夏永濤)	51	Executive Director and executive deputy general manager	April 2010	April 2005	Overall strategic planning, business direction and is responsible for the operations of the domestic sales and marketing department
Mr. HAN Lei (韓磊)	45	Executive Director and deputy general manager	March 2021	May 2005	Overseeing the overall strategic planning of our Group and is responsible for the operations of the international sales department
Mr. WANG Zhigang (王志剛)	46	Executive Director and employee representative Director	April 2023	April 2013	Overseeing management decision-making of our Group and is responsible for the operations of the international sales business
Non-executive Directors					
Mr. DONG Zhendong (董振東)	50	Non-executive Director and vice chairman of the Board	September 2025	September 2025	Participating in evaluation and approval of business plans, strategies and major decisions of our Group
Mr. KONG Deren (孔德仁)	44	Non-executive Director	March 2025	March 2025	Participating in evaluation and approval of business plans, strategies and major decisions of our Group
Independent non-executive Directors					
Dr. SUN Song (孫松)	66	Independent non-executive Director	April 2023	April 2023	Providing independent opinion and judgment to our Board
Ms. SONG Xiumei (宋秀梅)	56	Independent non-executive Director	September 2025	September 2025	Providing independent opinion and judgment to our Board
Ms. FAN Xinpeng (范新鵬)	47	Independent non-executive Director	September 2025	September 2025	Providing independent opinion and judgment to our Board

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. WANG Bin (王斌), aged 56, is the chairman of our Board, an executive Director and the general manager of our Company and is primarily responsible for managing the operations of our Board, overall strategic planning, presiding over the work of our Board and business direction, and risk management of our Group. Mr. Wang was re-designated as an executive Director in September 2025.

Mr. Wang has more than 30 years of working, research and management experience in the aquaculture industry. Mr. Wang founded our Group in April 2003 and has been working in our Company and certain subsidiaries of our Company, including Chunan Qiandao Lake Sturgeon Import and Export Co., Ltd. (淳安千島湖鱘龍進出口有限公司) since May 2008, where he has been working as a director and the legal representative; Quzhou Sturgeon Aquatic Food Technology Development Co., Ltd. (衢州鱘龍水產食品科技開發有限公司) since November 2010, where he has been working as a director, the general manager and the legal representative; and Sichuan Kalujia Technology Development Co., Ltd. (四川卡露伽科技發展有限公司) since December 2021, where he has been working as an executive director and the legal representative.

Prior to joining our Group, Mr. Wang successively served various roles at the Chinese Academy of Fishery Sciences (中國水產科學研究院), including as an officer of the personnel division and deputy officer of the development division from July 1992 to April 2003, and the general manager of the sturgeon breeding technology engineering center from April 1998 to April 2003.

Mr. Wang received his bachelor's degree in aquaculture from Dalian Ocean University (大連海洋大學) (formerly known as Dalian Fishery College (大連水產學院)) in the PRC in July 1992. Mr. Wang was appointed as a council member of the 11th Council of the China Society of Fisheries (中國水產學會) in November 2022, and has served as the vice chairman of the National Cold-Water Fish Industry Technology Innovation Strategic Alliance (全國冷水性魚類產業技術創新戰略聯盟) since October 2016. Mr. Wang has concurrently been serving as the standing committee member of the First Committee of the Agricultural Industry Branch of the China Association of Agricultural Science Societies (中國農學會農業產業分會第一屆委員會) since November 2025.

Mr. XIA Yongtao (夏永濤), aged 51, is an executive Director and the executive deputy general manager of our Company and is primarily responsible for overall strategic planning, business direction and is responsible for the operational management of the domestic sales and marketing department. Mr. Xia was appointed as a Director in April 2010 and was re-designated as an executive Director in September 2025.

Mr. Xia has more than 25 years of working, research and management experience in the aquaculture industry. After joining our Group in April 2005, Mr. Xia consecutively served as a deputy general manager and executive deputy general manager of our Company. Mr. Xia is also currently serving in various management positions in certain subsidiaries of our Company, including Chunan Qiandao Lake Sturgeon Import and Export Co., Ltd. (淳安千島湖鱘龍進出口有限公司) from July 2014, where he has been working as a director; Liaoning Xunlong Technology Development Co., Ltd. (遼寧鱘龍科技發展有限公司) from April 2020, where he has been working as a director and the legal representative; and Sichuan Kaluga Technology Development Co., Ltd. (四川卡露伽科技發展有限公司) from December 2021, where he has been working as a manager.

Mr. Xia has been an adjunct professor at the School of Life Sciences, Neijiang Normal University (內江師範學院) in the PRC since July 2023 and a student's mentor at College of Food Science and Engineering, Ocean University of China (中國海洋大學) since May 2025. Mr. Xia has been appointed as an industry mentor for the Professional Master's Degree Programme in Shanghai Ocean University

DIRECTORS AND SENIOR MANAGEMENT

(上海海洋大學) since December 2025. Mr. Xia also previously held various roles at the Chinese Academy of Fishery Sciences (中國水產科學研究院) and the sturgeon breeding technology engineering center thereof from July 1998 to March 2005, including an officer, a manager, assistant to the general manager, and deputy general manager.

Mr. Xia received his bachelor’s degree in mariculture from Shanghai Ocean University (上海海洋大學) (formerly known as Shanghai Fishery University (上海水產大學)) in the PRC in July 1998. Mr. Xia has been serving as the deputy director of the Cold-Water Fish Professional Committee of the China Society of Fisheries (中國水產學會冷水魚專業委員會) since November 2022. Mr. Xia is currently a member of the Political Consultative Conference of Kecheng District, Quzhou City, Zhejiang Province.

Mr. HAN Lei (韓磊), aged 45, is an executive Director and deputy general manager of our Company and is primarily responsible for overseeing the overall strategic planning of our Group and the operations of the international sales department of our Company. Mr. Han was appointed as a Director in March 2021 and was re-designated as an executive Director in September 2025.

Mr. Han has more than 20 years of working, research and management experience in the aquaculture industry. Since joining our Group in May 2005, Mr. Han has been serving as a sales manager, general manager of international business department and deputy general manager of our Company; and as a director of our subsidiary Chunan Qiandao Lake Sturgeon Import and Export Co., Ltd. (淳安千島湖鱘龍進出口有限公司) since September 2020.

Prior to joining our Group, from July 2002 to May 2005, Mr. Han served as a sales manager of the Sturgeon Breeding Technology Engineering Center at the Chinese Academy of Fishery Sciences (中國水產科學研究院).

Mr. Han received his bachelor’s degree in marine management from Ocean University of China (中國海洋大學) (formerly known as Ocean University of Qingdao (青島海洋大學)) in the PRC in July 2002.

Mr. WANG Zhigang (王志剛), aged 46, is an executive Director and the employee representative Director of our Company and is primarily responsible for overseeing management decision-making of our Group and the operations of the international sales business. Mr. Wang Zhigang was appointed as a Director in April 2023 and was re-designated as an executive Director in September 2025.

After joining our Group in April 2013, Mr. Wang Zhigang consecutively served as a sales manager of the sales department, general manager of the international business division, and a director of international sales.

Prior to joining our Group, Mr. Wang Zhigang worked in Zhejiang Qiandao Lake Fangding Aquatic Food Co., Ltd. (浙江千島湖方鼎水產食品有限公司) from December 2008 to March 2013.

Mr. Wang Zhigang graduated from Northeast Electric Power University (東北電力大學) in the PRC with his bachelor’s degree in English in July 2007.

Non-executive Directors

Mr. DONG Zhendong (董振東), aged 50, is a non-executive Director and vice chairman of our Board and is primarily responsible for participating in evaluation and approval of business plans, strategies and major decisions of our Group. Mr. Dong was appointed as a non-executive Director in September 2025.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Dong has been a director and has successively served as executive deputy general manager, general manager, vice chairman and board secretary at Baida Group Co., Ltd. (百大集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600865) (“**Baida Group**”) since December 2017. Prior to joining Baida Group Co., Ltd., Mr. Dong worked at Xizi Lianhe Holding Co., Ltd. (西子聯合控股有限公司) beginning in 2007, and was appointed as an assistant to the president in May 2011. From March 2007 to April 2011, he served as deputy director of the board office and securities affairs representative at Hangzhou Guolu Group Co., Ltd. (杭州鍋爐集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002534)).

Mr. Dong obtained his bachelor of economics degree, majoring in international finance and his master of business administration (MBA) from Zhejiang University (浙江大學) in the PRC in June 1997 and June 2005, respectively.

Mr. KONG Deren (孔德仁), aged 44, is a non-executive Director of our Company and is primarily responsible for participating in evaluation and approval of business plans, strategies and major decisions of our Group. Mr. Kong was appointed as a Director in March 2025 and was re-designated as a non-executive Director in September 2025.

Prior to joining our Group, Mr. Kong worked at Shenyin & Wanguo Securities Co., Ltd. (申銀萬國證券股份有限公司) (a company listed on the Shenzhen Stock Exchange under the stock code: 000166 and on the Hong Kong Stock Exchange under the stock code: 6808, currently known as Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券股份有限公司)) until December 2011. From December 2011 to March 2018, Mr. Kong successively served as an assistant director, director and executive director of the Investment Banking Division at, currently known as Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司). From March 2018 to March 2020, Mr. Kong served as a managing director at Fengshi (Shanghai) Investment Management Co., Ltd. (豐石(上海)投資管理有限公司). Mr. Kong has also been director, board secretary, and chief financial officer at Huadao Data Co., Ltd. (華道數據股份有限公司) from March 2020. Mr. Kong has been serving as the legal representative and a director at Shanghai Jiayumeng Intelligent Technology Co., Ltd. (上海嘉毓銘智能科技有限公司) since October 2025.

Mr. Kong obtained his bachelor’s degree in management majoring in financial management from Jiangsu University (江蘇大學) in the PRC in June 2003 and received his master’s degree in management majoring in accounting from Shanghai University of Finance and Economics (上海財經大學) in the PRC in June 2008.

Independent Non-executive Directors

Dr. SUN Song (孫松), aged 66, is an independent non-executive Director and is primarily responsible for providing independent opinion and judgment to the Board. Dr. Sun was appointed as an independent Director in April 2023 and was re-designated as an independent non-executive Director in September 2025.

Since September 1985, Dr. Sun has successively served as an assistant researcher, researcher, deputy director of research office, party secretary, deputy director and director and currently serves as a second grade researcher at the Institute of Oceanology, Chinese Academy of Sciences (中國科學院海洋研究所). From March 2014 to March 2017, Dr. Sun served as the director at Yantai Institute of Coastal Zone Research, Chinese Academy of Sciences (中國科學院煙台海岸帶研究所). From April 2017 to March 2020, Dr. Sun served as an officer at Qingdao Science and Education Park, Chinese Academy of Sciences (中國科學院青島科教園).

DIRECTORS AND SENIOR MANAGEMENT

Dr. Sun received his master’s degree and doctor’s degree in science from the Institute of Oceanology, Chinese Academy of Sciences (中國科學院海洋研究所) in October 1985 and December 1994, respectively.

Dr. Sun was awarded the Distinguished Scientific Achievement Award of the Chinese Academy of Sciences (中國科學院傑出科技成就獎) by the Chinese Academy of Sciences (中國科學院) in January 2016; the Special Prize of the Marine Engineering Science and Technology Award (海洋工程科學與技術獎特等獎) and the First Prize of the Marine Science and Technology Award (海洋科學技術獎一等獎) by the State Oceanic Administration (國家海洋局) in January 2017 and October 2017, respectively; and was elected as an Academician of the International Eurasian Academy of Sciences (國際歐亞科學院院士) by the China Science Center of the International Eurasian Academy of Sciences (國際歐亞科學院中國科學中心) in September 2019.

Ms. SONG Xiumei (宋秀梅), aged 56, is an independent non-executive Director and is primarily responsible for providing independent opinion and judgment to our Board. Ms. Song was appointed as an independent non-executive Director in September 2025.

Ms. Song has been working at China Foreign Affairs University (外交學院) for more than 30 years with her study focusing on civil and commercial law as well as commercial arbitration law. She has been an associate professor and master’s supervisor of the Department of International Law (previously known as International Law Institute) at China Foreign Affairs University (外交學院) since July 2004. Ms. Song has been concurrently serving as an arbitrator of the Eighth Beijing Arbitration Commission (北京仲裁委員會)/Beijing International Arbitration Court (北京國際仲裁中心) since May 2024.

Ms. Song received her bachelor’s degree in economics law from Peking University (北京大學) in the PRC in July 1992 and her master’s degree in international law from China Foreign Affairs University (外交學院) in the PRC in June 1995. Ms. Song has been admitted to the Beijing Arbitration Commission/Beijing International Arbitration Court Panel of Arbitrators since May 25, 2024.

Ms. FAN Xinpeng (范新鵬), aged 47, is an independent non-executive Director and is primarily responsible for providing independent opinion and judgment to our Board. Ms. Fan was appointed as an independent non-executive Director in September 2025.

Ms. Fan has professional experiences in global investment banking, capital market financing, mergers and acquisitions, as well as corporate finance management in the Chinese consumer industry. Prior to joining our Group, Ms. Fan worked in leading global investment banks and accounting firms, including as a senior auditor of Deloitte Touche Tohmatsu (德勤會計師事務所) from September 2004 to June 2007, a manager of Merrill Lynch (Asia Pacific) Limited (美林(亞太)有限公司) from January 2008 to February 2009, and a manager of the advisory department of PricewaterhouseCoopers Ltd. (羅兵咸永道有限公司) from March 2009 to April 2010. From May 2010 to March 2022, she worked in the investment banking division of Morgan Stanley Asia Limited (摩根士丹利亞洲有限公司) where her last position was executive director. From March 2022 to March 2023, Ms. Fan served as the chief financial officer and group vice president of EastGarden (HK) International Company Limited (宜格(香港)國際有限公司). From March 2023 to February 2024, Ms. Fan served as the chief financial officer of Dali Foods Group Company Limited (達利食品集團有限公司). From June 2024, Ms. Fan has been a senior relationship manager at Hongkong & Shanghai Banking Co.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Fan has been serving as an independent non-executive director of Tongdao Liepin Group (同道獵聘集團), (a company listed on the Hong Kong Stock Exchange (stock code: 6100)), since September 12, 2023; and an independent non-executive director of PegBio Co., Ltd. (派格生物醫藥(杭州)股份有限公司), (a company listed on the Hong Kong Stock Exchange (stock code: 2565)), from February 2024 to May 2026.

Ms. Fan obtained her bachelor’s degree in marketing in June 1999 from Beijing Technology and Business University (北京工商大學) in the PRC, and her master’s degree in professional accounting in August 2004 from the University of Texas at Austin in the United States. She has been a member of the American Institute of Certified Public Accountants since March 2011.

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company:

Name	Age	Position/Title	Date of Appointment as a senior management	Date of joining our Group	Role and responsibility
Mr. WANG Bin (王斌)	56	Chairman of our Board, executive Director and general manager	April 2003	April 2003	Managing the operations of our Board, overall strategic planning, presiding over the work of our Board and business direction, and risk management of our Group
Mr. XIA Yongtao (夏永濤) . . .	51	Executive Director and executive deputy general manager	March 2006	April 2005	Overall strategic planning, business direction and is responsible for the operations of the domestic sales and marketing department
Mr. HAN Lei (韓磊)	45	Executive Director and deputy general manager	July 2011	May 2005	Overseeing the overall strategic planning of our Group and is responsible for the operations of the international sales department
Ms. XU Liyun (徐黎耘) . . .	57	Deputy general manager	November 2011	January 2011	Overseeing the information department and the internal control center
Mr. XU Yongjian (徐勇劍) . . .	43	Chief financial officer	April 2025	May 2014	Overseeing the financial planning and management of our Group and taking part in the decision-making process regarding our major operations and investments
Mr. XU Pengfei (許鵬飛) . . .	35	Secretary of our Board	September 2020	September 2020	Overseeing our Company’s information disclosure, corporate governance, and equity management, and participating in the decision-making process for major operations and investments of our Group

DIRECTORS AND SENIOR MANAGEMENT

Mr. WANG Bin (王斌), aged 56, is the chairman of our Board, an executive Director and general manager of our Company. See “— Board of Directors — Executive Directors” above for details of his biography.

Mr. XIA Yongtao (夏永濤), aged 51, is an executive Director and an executive deputy general manager of our Company. See “— Board of Directors — Executive Directors” above for details of his biography.

Mr. HAN Lei (韓磊), aged 45, is an executive Director and a deputy general manager of our Company. See “— Board of Directors — Executive Directors” above for details of his biography.

Ms. XU Liyun (徐黎耘), aged 57, is a deputy general manager of our Company, primarily responsible for overseeing the information department and the internal control center.

After Ms. Xu joined our Group in January 2011, she successively served various positions within our Group, including as a deputy general manager of our Company since May 2019 and previously as a finance director of our Company from November 2011 to April 2025, as well as working as a finance director of Chunan Qiandao Lake Sturgeon Import and Export Co., Ltd. (淳安千島湖鱈龍進出口有限公司) since February 2025 and the finance director of Quzhou Xunlong Aquatic Food Technology Development Co., Ltd. (衢州鱈龍水產食品科技開發有限公司) from April 2025 to August 2025.

Prior to joining our Group, from March 2002 and September 2008, Ms. Xu served as the finance director at Quzhou Branch of ENN Energy Holdings Limited (新奧能源控股有限公司衢州分公司).

Ms. Xu obtained her diploma degree in financial accounting in July 1988 from Zhejiang Open University (浙江開放大學) (previously known as Zhejiang Radio and Television University) in the PRC. Ms. Xu obtained her accountant qualification from the Ministry of Finance (財政部) of the People’s Republic of China in October 1994.

Mr. XU Yongjian (徐勇劍), aged 43, is the chief financial officer of our Company, primarily responsible for overseeing the financial planning and management of our Group and taking part in the decision-making process regarding our major operations and investments. Mr. Xu was appointed as our chief financial officer in April 2025.

After Mr. Xu joined our Group in May 2014, he has successively served various positions within our Group, including a chief accountant, finance department manager, and assistant to the general manager of our Company since May 2014, a finance director of Quzhou Kecheng Kaluga Catering Management Co., Ltd. (衢州柯城卡露伽餐飲管理有限公司) since June 2025, a finance director of Beijing Qiandao Xunyu Technology Development Co., Ltd. (北京千島鱈業科技發展有限公司) since March 2025, a supervisor of Jiangxi Ruoxi Ecological Agriculture Co., Ltd. (江西省筲溪生態農業有限公司) since May 2023 and a supervisor of Hubei Qiandao Lake Xunlong Technology Development Co., Ltd. (湖北千島湖鱈龍科技開發有限公司) since May 2022.

Prior to joining our Group, Mr. Xu worked at Zhejiang Hengfeng Transportation Co., Ltd. (浙江恒風交通運輸股份有限公司) where he was employed until May 2014.

Mr. Xu received his bachelor’s degree in Accounting from Nanjing Audit University (南京審計大學) in June 2006. He obtained his intermediate auditor qualification from the National Audit Office of the People’s Republic of China (中華人民共和國審計署) and his intermediate accountant qualification from the Ministry of Finance of the People’s Republic of China (中華人民共和國財政部) in January 2012 and March 2013, respectively.

Mr. XU Pengfei (許鵬飛), aged 35, is our secretary of our Board, primarily responsible for overseeing our Company’s information disclosure, corporate governance, and equity management.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining our Group, Mr. Xu worked at Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601211) and on the Hong Kong Stock Exchange (stock code: 02611)) from July 2016 to January 2018, and as an investment manager at Fengshi (Shanghai) Investment Management Co., Ltd. (豐石(上海)投資管理有限公司) from February 2018 to September 2020.

Mr. Xu received his bachelor’s degree in law and master’s degree in procedural law from Nanjing University (南京大學) in the PRC in June 2012 and June 2016, respectively.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

None of our Directors has any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company’s business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in October 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointments.

GENERAL

Save as disclosed above:

- (i) none of our Directors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document;
- (ii) none of our Directors or members of the senior management of our Company is related to any other Directors and members of the senior management of our Company;
- (iii) none of our members of senior management holds or has held other positions in our Company and/or any other members of our Group as at the Latest Practicable Date;
- (iv) none of our Directors or members of senior management completed his or her respective education programs as disclosed in this section by way of attendance of long distance learning or online courses.

See “Statutory and General Information” in Appendix IV to this Document for further information about our Directors, including the particulars of their service contracts and remuneration, and details of the interests of our Directors in our Shares (within the meaning of Part XV of the SFO).

DIRECTORS AND SENIOR MANAGEMENT

On December 16, 2021 and August 18, 2022, Mr. Dong Zhendong, one of our non-executive Directors, in his capacity as a general manager of Baida Group, was named as one of the responsible persons in the regulatory caution letters (the “**Regulatory Letters**”) issued by the Zhejiang Bureau of the CSRC and the Shanghai Stock Exchange, respectively. The incidents cited in the Regulatory Letters in relation to Baida Group include (i) inaccurate disclosure of the Baida Group’s investment in certain real estate projects as entrusted wealth management in the periodic reports for financial years 2020 and 2021; (ii) failure to follow the required external investments procedures when making such investment decisions and failure to make timely disclosure; and (iii) failure to promptly disclose the overdue status of one of the aforementioned projects. Upon becoming aware of the non-compliant incidents, Baida Group immediately conducted an internal review and implemented a series of rectification measures, including, among others, strengthening its internal controls, providing training to its directors and other relevant personnel (including Mr. Dong). As of the Latest Practicable Date, no further regulatory actions had been taken against Mr. Dong by the relevant authorities in relation to the Regulatory Letters or regulatory concerns. As advised by our PRC Legal Advisor, the issuance of the Regulatory Letters does not constitute administrative penalties in respect of Mr. Dong and does not involve circumstances that would disqualify Mr. Dong from serving as a director under the PRC Company Law. Given (i) our PRC Legal Advisor’s views above; (ii) the incidents took place before the commencement of the Track Record Period and were unintentional and primarily due to inadvertent oversight, unfamiliarity with and/or mistaken interpretation of the relevant disclosure requirements; (iii) the CSRC has taken administrative regulatory measure regarding the non-compliant incidents, and there were no findings of fraud or dishonesty on the part of Mr. Dong; and (iv) Mr. Dong has not experienced any similar incident since then, our Directors are of the view that the Regulatory Letters do not impugn the integrity or suitability of Mr. Dong as a Director of our Company.

Save as disclosed herein, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

JOINT COMPANY SECRETARIES

Mr. XU Pengfei (許鵬飛), aged 35, is the secretary of our Board and a joint company secretary. For details of his biography, see “— Senior Management” in this section.

Ms. CHEUNG Hin Kiu (張顯翹女士), is a joint company secretary of the Company. Ms. Cheung is a senior manager of corporate secretarial services at [REDACTED]. Ms. Cheung has over 20 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Cheung is a Chartered Secretary, a Chartered Governance Professional and a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She is also a member of the Association of Chartered Certified Accountants.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in the Appendix C1 to the Listing Rules, our Company has established four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. FAN Xinpeng (范新鹏), Mr. DONG Zhendong (董振东), and Ms. SONG Xiumei (宋秀梅). Ms. FAN Xinpeng (范新鹏) who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairlady of the Audit Committee.

The primary duties of the Audit Committee include, but not limited to, proposing the appointment or change of external auditors to our Board; monitoring the independence of external auditors and evaluating their performance; reviewing and supervising our financial reporting progress and the internal control system of our Group; reviewing and advising on connected transactions; managing risk, performing internal audit, providing advice and comments to our Board; and performing other duties and responsibilities as may be assigned by our Board.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Ms. SONG Xiumei (宋秀梅), Ms. FAN Xinpeng (范新鹏) and Mr. DONG Zhendong (董振东). Ms. SONG Xiumei (宋秀梅) serves as the chairlady of the Remuneration and Appraisal Committee.

The primary duties of the Remuneration and Appraisal Committee are to review the remuneration policy and make recommendations to our Board on the remuneration packages of our Directors and other senior management.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. SUN Song (孙松), Ms. SONG Xiumei (宋秀梅), and Mr. KONG Deren (孔德仁). Dr. SUN Song (孙松) serves as the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee are to assess and make recommendations on appropriate candidates for directorship, propose procedures and criteria for the appointment of Directors and senior management, review the structure, size and composition of our Board, and assess the independence of independent non-executive Directors.

Strategy Committee

We have established a Strategy Committee with written terms of reference in compliance with the Corporate Governance Code. The Strategy Committee consists of five Directors, namely Mr. WANG Bin (王斌), Mr. DONG Zhendong (董振东), Mr. KONG Deren (孔德仁), Dr. SUN Song (孙松) and Ms. FAN Xinpeng (范新鹏). Mr. WANG Bin (王斌) serves as the chairman of the Strategy Committee.

The primary duties of the Strategy Committee include, but not limited to, researching and making recommendations on our Company’s long-term development strategic planning; researching and making recommendations on major investment and financing programs that are required to be approved by our

DIRECTORS AND SENIOR MANAGEMENT

Board under the Articles of Association; researching and making recommendations on major capital operation and asset management projects which are required to be approved by our Board under the Articles of Association; researching and making recommendations on other major matters affecting the development of our Company; examining the implementation of the above matters; and dealing with other matters that involved in relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where our Company’s shares are listed or that are authorized by our Board.

MANAGEMENT PRESENCE

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. See “Waivers from Strict Compliance with the Listing Rules” for further details.

REMUNERATION OF DIRECTORS

Our Directors received their remuneration in the form of fees, salaries, allowances, discretionary bonuses, share-based compensation, retirement benefit scheme contributions and other benefits in kind.

Further information on the remuneration of our Directors and/or the five highest paid individuals during the Track Record Period is set out in the Accountant’s Report in Appendix I to this Document, and in the section headed “Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — B. Directors’ Remuneration” in Appendix IV to this Document.

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [REDACTED].

Mr. Wang is the chairman of our Board, executive Director and general manager of our Company. With extensive experience in the industry in which the Company operates and having served our Company since its founding, Mr. Wang is mainly responsible for managing the operations of our Board, overall strategic planning, presiding over the work of our Board and business direction, and risk management of our Group. Our Board considers that vesting the roles of chairman of our Board and general manager in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and visionary individuals. Upon the [REDACTED], our Board will comprise four executive Directors (including Mr. Wang), two non-executive Directors and three independent non-executive Directors, and will therefore have a strong independence element in its composition.

DIRECTORS AND SENIOR MANAGEMENT

BOARD DIVERSITY POLICY

We have adopted a diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity in our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity in our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to professional experience, skills, knowledge, educational background, age, gender, cultural background and ethnicity, and length of service.

Our Directors have a balanced mix of knowledge and skills, and we have five non-executive Directors, including three independent non-executive Directors, with different industry backgrounds. Our Directors are diverse in terms of age, gender and background. The ages of our Directors range from 44 to 66 years old. In particular, our Company currently has two female Directors on our Board. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our Board Diversity Policy. The Board will review the Board Diversity Policy periodically to evaluate its effectiveness.

COMPLIANCE ADVISOR

We have appointed Red Solar Capital Limited as our compliance advisor (the “**Compliance Advisor**”) pursuant to Rules 3A.19 and 3A.23 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances including:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; and
- (d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the [REDACTED] or [REDACTED] of its [REDACTED] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]), the following persons will have or be deemed or taken to have an interest and/or short positions in our Shares or the underlying Shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the shareholders’ meetings our Company, and save as disclosed below and in Appendix IV “Statutory and General Information — 4. Disclosure of Interests”, our Directors are not aware of any other person who will be so interested:

Name of Shareholder	Nature of interest	Shares held as of the Latest Practicable Date ⁽¹⁾		Shares held immediately following the completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]) ⁽²⁾		
		Number	Approximate percentage of shareholding in the total issued share capital	Number ⁽³⁾	Description of Shares	Approximate percentage of shareholding in the total issued share capital
Mr. Wang	Beneficial interest Interest in controlled corporation ⁽⁴⁾	5,883,900	6.36%	[REDACTED]	[REDACTED]	[REDACTED]
		26,170,870	28.28%	[REDACTED]	[REDACTED]	[REDACTED]
Chunan Kalujiaren	Beneficial interest	19,563,600	21.14%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. CHEN Xiaxin (陳夏鑫)	Beneficial interest	11,726,041	12.67%	[REDACTED]	[REDACTED]	[REDACTED]
Fengshi Jinghe	Beneficial interest ⁽⁵⁾	7,336,200	7.93%	[REDACTED]	[REDACTED]	[REDACTED]
Fengshi (Shanghai) Investment Management Co., Ltd. (“Fengshi Investment Management”) (滙石(上海)投資管理有限公司)	Interest in controlled corporation ⁽⁵⁾	7,336,200	7.93%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. RAO Kangda (饒康達)	Interest in controlled corporation ⁽⁵⁾	7,336,200	7.93%	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- (1) The calculation is based on a total of 92,552,700 Unlisted Shares in issue as of the Latest Practicable Date.
- (2) The calculation is based on the total number of [REDACTED] H Shares in issue immediately after completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]).
- (3) All interests stated are long positions.
- (4) As of the Latest Practicable Date, (i) Mr. Wang held approximately 42.8% of the equity interest in and is the executive director of Chunan Kalujiaren, which in turn held 19,563,600 Unlisted Shares in our Company; (ii) Mr. Wang is the general partner of Hangzhou Kalujiaren, which in turn held 4,297,270 Unlisted Shares in our Company; and (iii) Mr. Wang is the general partner of Hangzhou Xunlongren, which in turn held 2,310,000 Unlisted Shares in our Company.
- (5) To the best of our Directors’ knowledge, as of the Latest Practicable Date, Fengshi Jinghe is controlled by its general partner, Fengshi Investment Management, which is in turn held as to 50% by Mr. RAO Kangda. Fengshi Jinghe has three limited partners, two of which are Shanghai Fengshi No. 2 Private Equity Fund Partnership (Limited Partnership) (“Fengshi No. 2”) (上海滙石二號私募基金合夥企業(有限合夥)) and Pingtan Fengshi No. 1 Investment Management Partnership (Limited Partnership) (“Fengshi No.1”) (平潭滙石1號投資管理合夥企業(有限合夥)) holding approximately 62.23% and 31.79% of the partnership interests, respectively, while the remaining limited partner is holding less than 30% of the partnership interests therein. Both Fengshi No. 2 and Fengshi No.1 are managed and controlled by Fengshi Investment Management and none of the limited partners of either Fengshi No. 2 or Fengshi No. 1 indirectly hold more than 30% of the partnership interests in Fengshi Jinghe. Therefore, under the SFO, Mr. Rao Kangda and Fengshi Investment Management are deemed to be interested in the Shares held by Fengshi Jinghe.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB92,552,700, comprising 92,552,700 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Unlisted Shares into H Shares, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Percentage of issued share capital
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED] . . .	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100%

SHARES OF OUR COMPANY

Upon the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, the Shares of our Company will consist of H Shares only. H Shares are ordinary shares in the share capital of our Company. However, H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons, other than certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities.

The rights conferred on any class of Shareholders may not be varied or abrogated unless approved by a special resolution of the Shareholders at a Shareholders’ general meeting and by holders of such class of Shares at a separate Shareholders’ general meeting.

RANKING

Pursuant to the Articles of Association, the Unlisted Shares and H Shares are regarded as one class of Shares and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of the H Shares are to be declared in Renminbi and paid by our Company in Hong Kong dollars or Renminbi, whereas all dividends in respect of Unlisted Shares are to be paid by our Company in Renminbi. In addition to cash, dividends may be distributed in the form of shares.

SHARE CAPITAL

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

According to the regulations by the securities regulatory authorities of the State Council and our Articles of Association, the Unlisted Shares may be converted into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been filed by the securities regulatory authorities of the State Council. In addition, such conversion, trading and listing shall complete any requisite internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, such conversion, [REDACTED] and [REDACTED] will need the filing of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange. Based on the procedures for the conversion of Unlisted Shares into H Shares as described below, we may apply for the [REDACTED] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [REDACTED]. As any [REDACTED] of additional Shares after our [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong. Class shareholder voting is not required for the conversion of such Shares or the [REDACTED] and [REDACTED] of such converted Shares on an overseas stock exchange. Any application for [REDACTED] of the converted shares on the Stock Exchange after our initial [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: we will register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on our [REDACTED] will be conditional on: (a) our [REDACTED] lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] and the due dispatch of H Share certificates, and (b) the admission of the H Shares to [REDACTED] on the Stock Exchange in compliance with the Listing Rules, the General Rules of [REDACTED] and the [REDACTED] Operational Procedures in force from time to time. Until the converted shares are re-registered on our [REDACTED], such Shares would not be [REDACTED] as H Shares.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares pursuant to the [REDACTED] will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

Our Directors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and members of the senior management each year during their term of office as determined when they assume the posts shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the H Shares are [REDACTED] and [REDACTED], nor within

SHARE CAPITAL

half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors and members of senior management of our Company.

RESTRICTIONS ON SHARES NOT [REDACTED] ON THE OVERSEAS STOCK EXCHANGE

According to the Trial Measures and Detailed Rules for the Implementation of Registration and Custody Business of Non-Overseas Listed Shares of Overseas Listed Companies by China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司境外上市公司非境外上市股份登記存管業務實施細則》) our Company is required to register and deposit our Shares that are not [REDACTED] on the overseas stock exchange with the China Securities Depository and Clearing Corporation Limited after the [REDACTED].

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which a general Shareholders’ meeting is required, please see the section headed “Summary of the Articles of Association — Shareholders and the Shareholders’ Meeting” in Appendix III to this Document.

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to issue H Shares and seek the [REDACTED] of H Shares on the Hong Kong Stock Exchange. The Company has obtained such approval at the shareholders’ meeting held on October 27, 2025.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” in this Document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per H Share, we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to the expansion of our aquaculture and production capacity and technological upgrades of existing aquaculture and processing bases over the next five years to strengthen our global leadership in the caviar industry. In particular,
 - (i) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used to increase our aquaculture and production capacity by expansion of our aquaculture and processing bases in China in the next five years.

Specifically, we plan to expand our aquaculture and processing bases in Hubei, Zhejiang and Jiangxi (the “Expansion Projects”). The table below sets out details of the Expansion Projects and our intended allocation of [REDACTED] among them.

Aquaculture Base ⁽¹⁾	Aquaculture model	Increased annual aquaculture capacity upon completion ⁽²⁾ (tons)	Expected completion time	Status as of the Latest Practicable Date	Intended allocation of [REDACTED] from the [REDACTED] (HK\$ in millions)
Baokang, Hubei (expansion)	Land-based flow-through	1,500	Third quarter, 2027	In progress	[REDACTED]
Qiandao Lake, Zhejiang (expansion)	Land-based flow-through	900	2027	Under planning	[REDACTED]
Zhelin Lake, Jiangxi (expansion)	Eco-net cage	2,000	2029	Under planning	[REDACTED]

Notes:

- (1) The water resources for the listed aquaculture bases in Hubei, Zhejiang and Jiangxi are South River, Qiandao Lake and Zhelin Lake, respectively. The planned use of the three listed aquaculture bases is aquaculture and caviar processing.
- (2) The increased annual aquaculture capacity is measured by sturgeon’s weight.

In particular, we will allocate HK\$[REDACTED] million in the construction works, HK\$[REDACTED] million in facilities and advanced processing equipment, HK\$[REDACTED] million in procuring reserve-breeding sturgeons and related farming costs, and HK\$[REDACTED] million in other operating expenses for the Expansion Projects. These investments are expected to optimize our sturgeon population structure, enhance our supply capabilities, improve responsiveness to market demand, and support a more resilient and balanced aquaculture layout.

FUTURE PLANS AND [REDACTED]

- (ii) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used to upgrade our existing aquaculture facilities and caviar processing lines in our aquaculture bases in Quzhou, Sichuan and Hubei.

Specifically, we plan to further develop our digital production management platform, which covers the entire sturgeon value chain, promoting intelligent, automated and data-driven aquaculture operations through the integrated application of information technologies, data analytics and IoT. We will also invest in advanced caviar processing equipment to further automate key processes, improve standardization, enhance operational efficiency, stabilize product quality and increase resource utilization.

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to brand marketing initiatives and the expansion of our global sales channels over the next five years. These efforts will focus on strengthening the brand recognition and appeal and consumer awareness of *KALUGA QUEEN* (卡露伽), enhancing consumer engagement, and accelerating the expansion of our global sales network to deepen market penetration and support long-term growth. In particular,

- (i) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to the development of offline retail stores. While maintaining the growth of our corporate sales, we will step up efforts to enhance our offline retail exposure and strengthen direct consumer engagement and deepen consumer education. Over the next five years, we plan to open multiple *KALUGA QUEEN* (卡露伽) flagship stores in first and second tier cities in China, such as Beijing, Shanghai, Hangzhou, Shenzhen, Chengdu and Xi'an, as well as in overseas markets such as Singapore, Japan and Dubai. These stores will serve as experiential platforms to build brand identity, enhance consumer experience and engagement, and drive growth in the consumer market of caviar products. Our caviar-themed concept store and pop-up store operations generated favorable market response and demonstrated the effectiveness of offline channels in enhancing consumer trust through on-site tasting, product introduction and visible presentation. Offline stores can enable us to connect customer traffic from the channels such as the restaurants with individual consumer demand, support immediate in-store purchases of caviar, increase repeat purchases, and serve as an effective complement to online customer traffic.

We plan to open approximately 50 retail stores in China and in selected overseas markets with strong growth potential over the next five years, targeting around ten new store openings each year. We plan to adopt a phased approach to such expansion, with an initial focus on establishing our store network in China by leveraging our existing operational experience and brand recognition, followed by gradual expansion into selected overseas markets. We expect to open 45 stores in China and five stores in overseas markets, depending on market conditions, site availability and our business performance. Our estimated investment cost for opening each new store on average amount to HK\$[REDACTED] million, of which approximately 39% is attributable to rental costs, 30% to renovation expenses, 22% to staff costs and 9% to other operating expenses.

- (ii) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to online marketing initiatives. We plan to increase marketing investments on platforms such as Douyin and Xiaohongshu through an integrated strategy of KOL collaborations, content marketing and live-streaming e-commerce.

FUTURE PLANS AND [REDACTED]

These initiatives aim to reach target consumer groups more precisely, strengthen brand resonance among younger consumers, and establish a closed-loop marketing approach that cultivates consumer interest into actionable purchase intent, thereby enhancing conversion efficiency and driving brand growth. We intend to engage professional third-party agencies for our content marketing and live-streaming e-commerce activities, including MCN agencies to produce promotional content relating to caviar culture and brand recognition, and established live-streaming agencies and selected influencers in the fine food segment to conduct live-streaming sessions for online sales conversion.

- (iii) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to experiential marketing initiatives to support our global brand development. We intend to organize regular caviar masterclasses, tasting events and chef collaborations as a part of immersive brand education and cultural promotion efforts, further enhancing the global penetration and consumer perception of our brand.
- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used to strengthen our R&D capabilities and upgrade our digital information systems over the next five years to drive ongoing innovation and enhance the digital infrastructure that underpins our operations.
- (i) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used to strengthen our R&D capabilities.

Specifically, we plan to further enhance research in sturgeon genetic breeding and advanced aquaculture technologies, including projects on sturgeon germplasm identification, recirculating aquaculture systems, disease prevention and environment friendly practices, among others. In particular, we intend to apply molecular breeding technologies to identify and cultivate broodstock with desirable traits, such as higher roe-bearing capacity and the potential to produce lighter-colored roe. In addition, we will also continue to conduct research on the prevention and control of major sturgeon diseases and related immunization technologies. These initiatives aim to enhance our core technology competitiveness, support the long-term sustainability of our breeding programs, and improve resource efficiency, thereby reinforcing our industry leading position.

We will also continue to develop creative caviar-based offerings to deepen engagement with the consumer market. Meanwhile, we intend to explore caviar and sturgeon by-product applications in skincare, beauty and wellness segments, such as caviar-based serums and bioactive protein peptides, to create new growth drivers. We plan to collaborate with universities and other external R&D partners for the development of these technologies, including extraction techniques for caviar-based ingredients to obtain stable extracts for the skincare application, and enzymatic hydrolysis and bio-fermentation technologies to convert sturgeon by-products into high-activity and small-molecule peptides for the application in health products. The relevant universities and external R&D partners will be responsible for technical feasibility assessment, process design and laboratory testing, while we will provide the research materials and product development requirements. We intend to select R&D partners with academic or industry backgrounds in marine biotechnology, food science, bioactive ingredients and extraction technology. Intellectual property rights arising from such collaborations will be governed by the relevant collaboration agreements, with jointly developed patents and technological research results typically being jointly owned, unless otherwise agreed.

FUTURE PLANS AND [REDACTED]

Upon validation of the our R&D initiatives in the skincare and health segments, we plan to further explore their application and industrialization through cooperation with qualified third-party brands and manufactures in skincare and health industries with proven production capabilities and compliance records and established reputation. In such collaborations, we will adopt an asset-light model and will focus on providing high-quality raw materials, joint R&D of sturgeon-derived ingredients, and quality control. Our responsibilities include providing key R&D materials, such as sturgeon, caviar and related by-products, exploration of application areas based on our aquaculture expertise and assisting in pilot-scale validation. The production, branding and sales of the relevant products will be undertaken by the qualified third-party manufacturers, such as cosmetic companies and health supplements producers, with requisite licenses and qualifications.

Target customers for skincare and healthcare applications are consumers with anti-aging and restorative skincare needs, as well as consumers of dietary supplements. According to CIC, demand in the PRC for anti-aging and restorative skincare products and marine-derived health products continues to expand, and sturgeon-derived extracts have been included in the Inventory of Existing Cosmetic Ingredients in the PRC. These initiatives represent a strategic extension of our core aquaculture business based on shared customer base and brand positioning, and are aligned with our goal of unlocking greater value from our sturgeon resources through application-oriented innovation. We believe this will enhance the utilization of caviar and sturgeon by-products and create additional sources of revenue.

In addition, we plan to expand our R&D team and collaborate with leading domestic and international research institutions and universities to jointly establish research platforms and conduct fundamental studies on germplasm innovation and interdisciplinary research on intelligent aquaculture.

- (ii) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to digitalization and upgrade of our information systems. We plan to further enhance and integrate our information technology systems to strengthen operational efficiency and data-driven management across our value chain.

Specifically, we will continue to advance our intelligent aquaculture platform by applying IoT technologies, big data analytics and visualization tools to monitor key aquaculture parameters such as water quality and temperature in real time. These tools will facilitate more accurate aquaculture management and drive improvements in operational efficiency. In addition, we will continue to optimize our information systems, and we plan to enhance system integration across our financial management system and other internal platforms to facilitate more efficient data flow and information sharing, improve cross-department collaboration and strengthen overall management effectiveness.

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to strategic investment and acquisitions over the next five years to integrate industry resources, expand production capacity, strengthen brand presence and facilitate entry into strategic markets.

We will evaluate investment or acquisition opportunities in the global caviar industry, particularly targeting overseas and domestic companies in resource-rich regions in China, such as Yunnan, Guizhou, Sichuan, Hubei and Liaoning provinces, and overseas, such as

FUTURE PLANS AND [REDACTED]

Romania, Bulgaria, Kazakhstan and Kyrgyzstan. For these targets, we will focus on companies with high-quality sturgeon aquaculture resources, including stable and high-quality sturgeon stocks, scalable aquaculture stock across different growth stages and requisite operating qualifications, or advanced processing capabilities, including modern production equipment, advanced processing techniques, and established quality inspection, traceability and cold-chain systems. We will also consider caviar brands with strong market recognition and established sales channels, particularly in key markets such as Europe and the U.S. For overseas brand targets, we will focus on targets with an operating history of not less than 20 years and established sales coverage in major overseas markets, including Europe and North America. We expect to acquire or invest in two to three target companies, subject to the availability of suitable targets and market conditions. We intend to give priority to domestic sturgeon aquaculture companies, followed by overseas caviar brand companies and overseas sturgeon aquaculture companies.

In addition, when evaluating potential targets, we will also consider the following: (a) whether the investment in, or acquisition of, the target can enhance brand influence and we expect the target to reinforce our brand recognition in relevant geographical regions; (b) evaluation of operating and financial performance of the target; we would expect the target to (x) have recorded a revenue of not less than RMB500.0 million or a net profit of not less than RMB60.0 million for the most recent financial year, or (y) have a caviar processing capacity of not less than 40 tons; and (c) we will also consider cultural fit and potential synergies to the existing business, among others. The criteria are subject to adjustment based on changes in the market conditions and our strategic needs. According to CIC, there were over 50 potential acquisition and investment targets in the global caviar industry that match our selection criteria as of the end of 2025. According to CIC, overseas caviar companies generally have feed and manufacturing-related costs that are approximately 15% higher than companies in China, but relatively lower labor costs which may vary by jurisdictions, resulting in broadly comparable overall operating costs; and for overseas caviar brands, marketing expenses are approximately 5% higher than domestic brands, while other major cost items are generally comparable. The investment in or acquisition of such targets is expected to enable us to reduce transportation and tariff-related costs, diversify biological asset risks across different regions, and operate closer to end markets, thereby improving customer service and supply chain efficiency. Such expansion may also enhance market penetration and strengthen profitability through increased production capacity, improved pricing and a more optimized cost structure. While these initiatives will involve capital expenditures and operating costs, we believe that their expected strategic and commercial benefits will support our long-term business development.

We may, depending on the specific circumstances of each opportunity, pursue a range of strategic investment approaches including but not limited to the acquisition of minority or controlling equity interests, outright acquisitions, or the formation of joint ventures with target entities. All potential investments or acquisitions will be subject to rigorous due diligence and prudent evaluation processes. We expect that such investments or acquisitions will strengthen our market position and create long-term value for our Shareholders. As of the Latest Practicable Date, we had not identified any specific targets or entered into any definitive agreements.

- Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to working capital and general corporate purposes.

FUTURE PLANS AND [REDACTED]

If the [REDACTED] is exercised in full, we will receive additional [REDACTED] of approximately HK\$[REDACTED] million. In the event that the [REDACTED] is exercised, we may adjust our allocation of the [REDACTED] for the above purposes on a pro rata basis. To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

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ACCOUNTANT’S REPORT

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.

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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
[●]

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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.

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ACCOUNTANT’S REPORT

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

APPENDIX I

ACCOUNTANT’S REPORT

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

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ACCOUNTANT’S REPORT

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

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ACCOUNTANT’S REPORT

		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		<u>277,493</u>	<u>265,320</u>	<u>465,399</u>
Total liabilities		<u>527,995</u>	<u>507,747</u>	<u>934,833</u>
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		<u>1,031,009</u>	<u>1,339,426</u>	<u>1,558,341</u>
Equity attributable to owners of the Company		<u>1,442,160</u>	<u>1,760,648</u>	<u>2,022,447</u>
Non-controlling interests		<u>60,392</u>	<u>76,099</u>	<u>81,161</u>
Total equity		<u>1,502,552</u>	<u>1,836,747</u>	<u>2,103,608</u>
Net current assets		<u>1,462,122</u>	<u>1,736,124</u>	<u>2,190,408</u>
Total liabilities and equity		<u>2,030,547</u>	<u>2,344,494</u>	<u>3,038,441</u>

APPENDIX I

ACCOUNTANT’S REPORT

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

APPENDIX I

ACCOUNTANT’S REPORT

	<i>Note</i>	As at December 31,		
		2023	2024	2025
		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		<u>224,465</u>	<u>234,080</u>	<u>377,031</u>
Total liabilities		<u>328,055</u>	<u>287,328</u>	<u>476,841</u>
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		<u>512,929</u>	<u>746,622</u>	<u>744,884</u>
Total equity		<u>960,802</u>	<u>1,204,566</u>	<u>1,237,749</u>
Net current assets		<u>728,553</u>	<u>916,816</u>	<u>735,655</u>
Total liabilities and equity		<u>1,288,857</u>	<u>1,491,894</u>	<u>1,714,590</u>

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<i>Note</i>	Attributable to owners of the Company				Non-controlling interests	Total equity
		Share capital	Reserves	Retained earnings	Total		
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Balance as at January 1, 2023 . . .		<u>85,945</u>	<u>282,538</u>	<u>844,689</u>	<u>1,213,172</u>	<u>86,787</u>	<u>1,299,959</u>
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 .		<u>90,243</u>	<u>320,908</u>	<u>1,031,009</u>	<u>1,442,160</u>	<u>60,392</u>	<u>1,502,552</u>
Balance as at January 1, 2024 . . .		<u>90,243</u>	<u>320,908</u>	<u>1,031,009</u>	<u>1,442,160</u>	<u>60,392</u>	<u>1,502,552</u>
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 .		<u>90,243</u>	<u>330,979</u>	<u>1,339,426</u>	<u>1,760,648</u>	<u>76,099</u>	<u>1,836,747</u>

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		Attributable to owners of the Company						
		Share capital	Shares held for restricted share schemes	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
<i>Note</i>		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

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CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
	Note			
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)

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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.

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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:

	<u>New/amended standards</u>	<u>Effective date</u>
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.

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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.

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(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.

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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.

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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)
	<u>55,327</u>	<u>11.49%</u>	<u>(6,357)</u>
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)
	<u>65,280</u>	<u>12.05%</u>	<u>(7,866)</u>

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	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)
	<u>38,506</u>	<u>11.95%</u>	<u>(4,603)</u>

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	<u>6,357</u>	<u>7,866</u>	<u>4,603</u>

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	<u>(574)</u>	<u>(510)</u>	<u>(505)</u>

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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

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	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
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
	<u>169,462</u>	<u>17,048</u>	<u>13,233</u>	<u>29,378</u>	<u>229,121</u>
	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
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
	<u>368,281</u>	<u>21,505</u>	<u>227,327</u>	<u>33,267</u>	<u>650,380</u>

(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.

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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.

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(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 (<i>Note 9</i>)	<u>340</u>
As at December 31, 2023	<u>—</u>
As at January 1, 2024	—
Additions	23,495
Disposals	(23,828)
Changes in fair value recognised in the consolidated statements of comprehensive income (<i>Note 9</i>)	<u>333</u>
As at December 31, 2024	<u>—</u>
As at January 1, 2025	—
Additions	114,451
Disposals	(116,026)
Changes in fair value recognised in the consolidated statements of comprehensive income (<i>Note 9</i>)	<u>1,575</u>
As at December 31, 2025	<u>—</u>

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.

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(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.

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(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

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(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.

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(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

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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 (<i>Note 24</i>)	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
	<u>114,645</u>	<u>92,628</u>	<u>102,444</u>

(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	<u>134</u>	<u>272</u>	<u>273</u>
	<u>2,144</u>	<u>4,127</u>	<u>5,073</u>

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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
	<u>1</u>	<u>2</u>	<u>2</u>

(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	<u>193</u>	<u>42</u>	<u>—</u>	<u>235</u>
Total	<u>6,794</u>	<u>577</u>	<u>39,180</u>	<u>46,551</u>

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		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

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	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.

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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.

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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
	<u>6,561</u>	<u>11,993</u>	<u>25,838</u>

- (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)
	<u>(4,031)</u>	<u>7,239</u>	<u>(11,049)</u>

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)
	<u>(5,479)</u>	<u>(3,955)</u>	<u>(5,102)</u>
Finance (costs)/income — net	<u>(4,013)</u>	<u>2,333</u>	<u>6,795</u>

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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.

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	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 (<i>Note 30</i>)	14,130	13,262	8,119
	<u>58,935</u>	<u>73,475</u>	<u>69,401</u>

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	<u>58,935</u>	<u>73,475</u>	<u>69,401</u>

(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	<u>8,025</u>	<u>8,667</u>	<u>9,374</u>

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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
	<u>8,025</u>	<u>8,667</u>	<u>9,374</u>

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) .	<u>86,663</u>	<u>90,243</u>	<u>90,243</u>
Basic earnings per share (RMB)	<u>3.12</u>	<u>3.42</u>	<u>4.03</u>

(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.

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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)	<u>270,117</u>	<u>308,417</u>	<u>363,397</u>
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)	<u>86,663</u>	<u>90,243</u>	<u>90,338</u>
Diluted earnings per share (RMB)	<u>3.12</u>	<u>3.42</u>	<u>4.02</u>

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	<u>(2,482)</u>	<u>(675)</u>	<u>(6)</u>	<u>—</u>	<u>—</u>	<u>(3,163)</u>
Net book value	<u>99,460</u>	<u>40,951</u>	<u>1,918</u>	<u>163</u>	<u>27,758</u>	<u>170,250</u>
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)	<u>(13,652)</u>	<u>(8,267)</u>	<u>(607)</u>	<u>(57)</u>	<u>—</u>	<u>(22,583)</u>
Closing net book value . . .	<u>154,674</u>	<u>49,917</u>	<u>1,339</u>	<u>523</u>	<u>40,683</u>	<u>247,136</u>
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	<u>(2,482)</u>	<u>(675)</u>	<u>(6)</u>	<u>—</u>	<u>—</u>	<u>(3,163)</u>
Net book value	<u>154,674</u>	<u>49,917</u>	<u>1,339</u>	<u>523</u>	<u>40,683</u>	<u>247,136</u>

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	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	<u>203,813</u>	<u>77,923</u>	<u>2,048</u>	<u>419</u>	<u>8,973</u>	<u>293,176</u>
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	<u>203,813</u>	<u>77,923</u>	<u>2,048</u>	<u>419</u>	<u>8,973</u>	<u>293,176</u>
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	<u>189,998</u>	<u>81,142</u>	<u>1,979</u>	<u>742</u>	<u>38,316</u>	<u>312,177</u>
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	<u>189,998</u>	<u>81,142</u>	<u>1,979</u>	<u>742</u>	<u>38,316</u>	<u>312,177</u>

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- (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

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	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	<u>44,968</u>	<u>15,879</u>	<u>161</u>	<u>30</u>	<u>—</u>	<u>61,038</u>
As at December 31, 2024						
Cost	84,229	30,113	2,365	115	—	116,822
Accumulated depreciation . .	<u>(39,261)</u>	<u>(14,234)</u>	<u>(2,204)</u>	<u>(85)</u>	<u>—</u>	<u>(55,784)</u>
Net book value	<u>44,968</u>	<u>15,879</u>	<u>161</u>	<u>30</u>	<u>—</u>	<u>61,038</u>
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	<u>(6,590)</u>	<u>(2,925)</u>	<u>(52)</u>	<u>(19)</u>	<u>—</u>	<u>(9,586)</u>
Closing net book value	<u>37,041</u>	<u>13,619</u>	<u>109</u>	<u>39</u>	<u>113</u>	<u>50,921</u>
As at December 31, 2025						
Cost	74,431	29,600	2,365	143	113	106,652
Accumulated depreciation . .	<u>(37,390)</u>	<u>(15,981)</u>	<u>(2,256)</u>	<u>(104)</u>	<u>—</u>	<u>(55,731)</u>
Net book value	<u>37,041</u>	<u>13,619</u>	<u>109</u>	<u>39</u>	<u>113</u>	<u>50,921</u>

(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.

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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:

	<u>Estimated useful lives</u>	<u>Residual rate</u>
— 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.

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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	<u>10,082</u>	<u>2,453</u>	<u>3,380</u>	<u>25,617</u>	<u>41,532</u>
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 (<i>Note 6</i>)	(246)	(892)	(600)	(1,056)	(2,794)
Closing net book value	<u>9,836</u>	<u>5,396</u>	<u>2,780</u>	<u>23,077</u>	<u>41,089</u>
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	<u>9,836</u>	<u>5,396</u>	<u>2,780</u>	<u>23,077</u>	<u>41,089</u>
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 (<i>Note 6</i>)	(198)	(1,396)	(471)	(1,202)	(3,267)
Closing net book value	<u>8,375</u>	<u>4,407</u>	<u>2,309</u>	<u>24,415</u>	<u>39,506</u>
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	<u>8,375</u>	<u>4,407</u>	<u>2,309</u>	<u>24,415</u>	<u>39,506</u>

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	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 (<i>Note 6</i>) . .	(205)	(1,302)	(472)	(1,267)	(3,246)
Closing net book value	<u>8,233</u>	<u>4,685</u>	<u>1,837</u>	<u>32,971</u>	<u>47,726</u>
As at December 31, 2025					
Cost	11,149	7,728	4,335	39,146	62,358
Accumulated depreciation	<u>(2,916)</u>	<u>(3,043)</u>	<u>(2,498)</u>	<u>(6,175)</u>	<u>(14,632)</u>
Net book value	<u>8,233</u>	<u>4,685</u>	<u>1,837</u>	<u>32,971</u>	<u>47,726</u>

(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 (<i>Note 6</i>)	2,794	3,267	3,246
Expenses relating to low-value and short-term leases (<i>Note 6</i>)	1,833	1,310	1,109
Interest expenses (<i>Note 10</i>)	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.

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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	<u>207</u>	<u>239</u>	<u>1,926</u>	<u>9,693</u>	<u>12,065</u>
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	<u>201</u>	<u>207</u>	<u>1,644</u>	<u>7,390</u>	<u>9,442</u>
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	<u>201</u>	<u>207</u>	<u>1,644</u>	<u>7,390</u>	<u>9,442</u>
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	<u>195</u>	<u>175</u>	<u>1,362</u>	<u>9,343</u>	<u>11,075</u>
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	<u>195</u>	<u>175</u>	<u>1,362</u>	<u>9,343</u>	<u>11,075</u>
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	<u>190</u>	<u>143</u>	<u>1,080</u>	<u>8,825</u>	<u>10,238</u>
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	<u>190</u>	<u>143</u>	<u>1,080</u>	<u>8,825</u>	<u>10,238</u>

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(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
	<u>27,452</u>	<u>29,000</u>	<u>32,419</u>

(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)
	<u>27,452</u>	<u>29,000</u>	<u>32,419</u>
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
	<u>27,452</u>	<u>29,000</u>	<u>32,419</u>

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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
	<u>8,864</u>	<u>11,576</u>	<u>11,194</u>

- (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)
	<u>8,864</u>	<u>11,576</u>	<u>11,194</u>
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
	<u>8,864</u>	<u>11,576</u>	<u>11,194</u>

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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 (<i>Note 6</i>)	(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 (<i>Note 13</i>)	6,852	—	6,852
Additions	953	—	953
Amortisation charge (<i>Note 6</i>)	(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 (<i>Note 6</i>)	(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

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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.

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(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.

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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			
<i>Financial assets at amortised costs :</i>			
— Cash and cash equivalents (<i>Note 21(a)</i>)	207,990	303,633	783,613
— Restricted cash (<i>Note 21(b)</i>)	18,654	16,469	6,049
— Trade receivables (<i>Note 17</i>)	48,970	57,414	33,903
— Other receivables (<i>Note 18</i>)	14,923	20,329	27,287
	290,537	397,845	850,852
Liabilities as per balance sheet			
<i>Financial liabilities at amortised costs:</i>			
— Trade and notes payables (<i>Note 26</i>)	89,512	107,779	133,333
— Accruals and other payables (excluding taxes and surcharges payables and staff costs and welfare accruals) (<i>Note 27</i>)	78,728	54,795	229,263
— Lease liabilities (<i>Note 14(b)</i>)	27,452	29,000	32,419
— Borrowings (<i>Note 28</i>)	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 (<i>Note 34(c)(i)</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

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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	—	—
	<u>55,327</u>	<u>65,280</u>	<u>38,506</u>

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	<u>(104)</u>	<u>(233)</u>	<u>—</u>
	<u>344</u>	<u>1,731</u>	<u>—</u>

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	<u>250</u>	<u>319</u>	<u>—</u>
	<u>448</u>	<u>1,964</u>	<u>—</u>

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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 (<i>Note 34(c)(iii)</i>)	—	—	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

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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	—
	<u>24,494</u>	<u>27,433</u>	<u>38,935</u>
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	<u>300</u>	<u>—</u>	<u>30</u>
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	<u>32</u>	<u>124</u>	<u>14</u>
	<u>2,997</u>	<u>1,399</u>	<u>2,927</u>
Other receivables:			
Deposits	2,877	2,877	2,877
Others	<u>560</u>	<u>813</u>	<u>681</u>
	3,437	3,690	3,558
Less : loss allowance	<u>(192)</u>	<u>(1,877)</u>	<u>(54)</u>
	<u>3,245</u>	<u>1,813</u>	<u>3,504</u>
Current	<u>6,242</u>	<u>3,212</u>	<u>6,431</u>

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

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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)
	<u>50,759</u>	<u>43,872</u>	<u>58,891</u>

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	<u>2,520</u>	<u>1,873</u>	<u>1,378</u>

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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.

	<u>Hybrid sturgeon</u>	<u>Russian sturgeon</u>	<u>Kaluga sturgeon</u>	<u>Beluga sturgeon</u>	<u>Other sturgeon</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
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
	<u>Hybrid sturgeon</u>	<u>Russian sturgeon</u>	<u>Kaluga sturgeon</u>	<u>Beluga sturgeon</u>	<u>Other sturgeon</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
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
	<u>Hybrid sturgeon</u>	<u>Russian sturgeon</u>	<u>Kaluga sturgeon</u>	<u>Beluga sturgeon</u>	<u>Other sturgeon</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
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

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(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	<u>1,389,247</u>	<u>1,553,493</u>	<u>1,748,746</u>

- (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.

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(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
<i>Discount rate</i>			
— Immature sturgeon	12.23%	12.30%	11.18%
— Mature sturgeon	11.23%	11.30%	10.18%
<i>Estimated increase rate of sales volume</i>			
— 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%
<i>The expected selling price of caviar</i>			
— 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

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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

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	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	—	—
Cash and cash equivalents	207,990	303,633	783,613

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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	<u>40,716</u>	<u>127,293</u>	<u>23,390</u>

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)	<u>8,003</u>	<u>8,959</u>	<u>49</u>
	<u>18,654</u>	<u>16,469</u>	<u>6,049</u>

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	<u>—</u>	<u>17</u>	<u>—</u>
	<u>18,654</u>	<u>16,469</u>	<u>6,049</u>

- (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	<u>10,651</u>	<u>7,510</u>	<u>6,000</u>

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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.

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(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:

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

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

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

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- (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 (<i>Note 24</i>) . . .	—	40,285	—	40,285
Surplus Reserve	32,658	—	2,149	34,807
As at December 31, 2023	<u>271,365</u>	<u>41,143</u>	<u>45,122</u>	<u>357,630</u>
As at January 1, 2024	271,365	41,143	45,122	357,630
Share-based compensation expenses (<i>Note 24</i>) . . .	—	10,071	—	10,071
As at December 31, 2024	<u>271,365</u>	<u>51,214</u>	<u>45,122</u>	<u>367,701</u>
As at January 1, 2025	271,365	51,214	45,122	367,701
Issuance of ordinary shares (<i>Note 22</i>)	29,337	—	—	29,337
Shares held for shares award scheme (<i>Note 24</i>) . .	—	—	2,310	2,310
Repurchase obligation under share-based payment arrangements (<i>Note 24</i>)	—	—	(15,824)	(15,824)
Share-based compensation expenses (<i>Note 24</i>) . . .	—	17,943	—	17,943
Surplus Reserve (iii)	—	—	1,155	1,155
As at December 31, 2025	<u>300,702</u>	<u>69,157</u>	<u>32,763</u>	<u>402,622</u>

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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.

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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%

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- (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
	<u>40,285</u>	<u>10,071</u>	<u>17,943</u>

25 DIVIDENDS

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

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	<u>1,332</u>	<u>1,421</u>	<u>954</u>
	21,508	37,579	43,025
Notes payables (a)	<u>68,004</u>	<u>70,200</u>	<u>90,308</u>
	<u>89,512</u>	<u>107,779</u>	<u>133,333</u>

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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
	<u>89,512</u>	<u>107,779</u>	<u>133,333</u>

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	<u>1,287</u>	<u>520</u>	<u>8,161</u>
	<u>89,512</u>	<u>107,779</u>	<u>133,333</u>

(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	<u>362</u>	<u>82</u>	<u>49</u>
	7,812	14,351	18,665
Notes payables	<u>68,004</u>	<u>70,200</u>	<u>90,308</u>
	<u>75,816</u>	<u>84,551</u>	<u>108,973</u>

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

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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
	<u>75,816</u>	<u>84,551</u>	<u>108,973</u>

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
<i>Current</i>			
Amounts due to related parties (<i>Note 34(c)(iv)</i>)	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 (<i>Note 24</i>)	—	—	15,824
Accrued taxes other than income tax	1,198	2,841	5,264
Payable for [REDACTED]	—	—	[REDACTED]
Deposits	1,221	888	934
Others	<u>7,128</u>	<u>10,015</u>	<u>19,427</u>
Total current portion	<u>99,115</u>	<u>78,826</u>	<u>109,223</u>
<i>Non-current</i>			
Borrowings from a third party (i)	—	—	150,617
Others	<u>7,410</u>	<u>6,490</u>	<u>5,570</u>
	<u>7,410</u>	<u>6,490</u>	<u>156,187</u>

- (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.

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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
	<u>106,525</u>	<u>85,316</u>	<u>265,410</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
<i>Current</i>			
Repurchase obligation under share-based payment arrangements (<i>Note 24</i>)	—	—	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	<u>44,456</u>	<u>14,182</u>	<u>34,773</u>

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	—	—
	<u>44,456</u>	<u>14,182</u>	<u>34,773</u>

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28 BORROWINGS

The Group

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

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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
	<u>93,386</u>	<u>25,000</u>	<u>232,617</u>

- (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.

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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:			
<i>Secured</i>			
Long-term bank borrowings	10,000	5,000	—
<i>Guaranteed</i>			
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:			
<i>Secured</i>			
Short-term bank borrowings	—	—	120,084
<i>Guaranteed</i>			
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

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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
	<u>55,250</u>	<u>15,000</u>	<u>220,157</u>

29 DEFERRED INCOME

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Government grants	<u>30,823</u>	<u>48,104</u>	<u>51,777</u>

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	<u>14,669</u>	<u>14,024</u>	<u>12,301</u>

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ACCOUNTANT’S REPORT

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
	<u>29,917</u>	<u>34,260</u>	<u>44,237</u>
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
	<u>160,704</u>	<u>178,309</u>	<u>196,405</u>

(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	—
	<u>29,917</u>	<u>34,260</u>	<u>44,237</u>
Offset of deferred tax liabilities pursuant to set-off provisions	<u>(28,320)</u>	<u>(32,674)</u>	<u>(43,246)</u>
Net deferred tax assets	<u>1,597</u>	<u>1,586</u>	<u>991</u>

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(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
	<u>160,704</u>	<u>178,309</u>	<u>196,405</u>
Offset of deferred tax assets pursuant to set-off provisions	<u>(28,320)</u>	<u>(32,674)</u>	<u>(43,246)</u>
Net deferred tax liabilities	<u>132,384</u>	<u>145,635</u>	<u>153,159</u>

(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	<u>1,963</u>	<u>—</u>	<u>1,206</u>	<u>6,190</u>	<u>14,240</u>	<u>5,977</u>	<u>341</u>	<u>—</u>	<u>29,917</u>
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	<u>2,053</u>	<u>—</u>	<u>1,048</u>	<u>7,824</u>	<u>16,655</u>	<u>6,092</u>	<u>588</u>	<u>—</u>	<u>34,260</u>
	Loss allowances for trade and other receivables and inventories			Share based payment	Unrealised profit	Lease liabilities	Accrued expense		Total
	RMB'000	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	<u>985</u>	<u>1,756</u>	<u>10,955</u>	<u>23,467</u>	<u>7,074</u>	<u>—</u>			<u>44,237</u>

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- (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

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(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

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(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	<u>(372)</u>	<u>(27)</u>	<u>5,960</u>	<u>(585)</u>	<u>4,976</u>
At December 31, 2023	<u>1,329</u>	<u>400</u>	<u>6,089</u>	<u>—</u>	<u>7,818</u>
At January 1, 2024	1,329	400	6,089	—	7,818
Credited to the statements of comprehensive income	<u>407</u>	<u>335</u>	<u>1,025</u>	<u>—</u>	<u>1,767</u>
At December 31, 2024	<u>1,736</u>	<u>735</u>	<u>7,114</u>	<u>—</u>	<u>9,585</u>
At January 1, 2025	1,736	735	7,114	—	9,585
(Charged)/credited to the statements of comprehensive income	<u>(57)</u>	<u>606</u>	<u>1,699</u>	<u>—</u>	<u>2,248</u>
At December 31, 2025	<u>1,679</u>	<u>1,341</u>	<u>8,813</u>	<u>—</u>	<u>11,833</u>

(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	<u>(9,703)</u>	<u>(393)</u>	<u>(10,096)</u>
At December 31, 2023	<u>33,027</u>	<u>1,386</u>	<u>34,413</u>
At January 1, 2024	33,027	1,386	34,413
(Credited)/charged to the statements of comprehensive income . . .	<u>(9,003)</u>	<u>246</u>	<u>(8,757)</u>
At December 31, 2024	<u>24,024</u>	<u>1,632</u>	<u>25,656</u>
At January 1, 2025	24,024	1,632	25,656
Credited to the statements of comprehensive income	<u>(6,164)</u>	<u>(124)</u>	<u>(6,288)</u>
At December 31, 2025	<u>17,860</u>	<u>1,508</u>	<u>19,368</u>

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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 (<i>Note 6</i>)	22,583	27,557	32,609
— Depreciation charges of right-of-use assets (<i>Note 6</i>)	2,794	3,267	3,246
— Amortisation of intangible assets (<i>Note 6</i>)	305	504	1,881
— Losses on disposal of property, plant and equipment (<i>Note 9</i>)	2,949	257	136
— Gains on termination of right-of-use assets (<i>Note 9</i>)	(470)	—	—
— Impairment losses/(gains) on financial assets (<i>Note 3.1(b)</i>)	569	1,878	(1,828)
— Impairment (reversals)/losses of impairment on inventory	(90)	1	160
— Fair value losses on derivative financial instruments (<i>Note 9</i>)	1,987	—	—
— Fair value gains from wealth management products (<i>Note 3.3</i>)	(340)	(333)	(1,575)
— Share-based compensation expenses (<i>Note 24</i>)	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

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(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	<u>71,520</u>	<u>241,278</u>	<u>359,630</u>				
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	<u>(55,250)</u>	<u>(25,000)</u>	<u>(87,515)</u>				
Net cash	<u>71,520</u>	<u>241,278</u>	<u>359,630</u>				
	Liabilities arising from financing activities			Other assets			
	Borrowings (including interests payables recorded in accruals and other payables)					Cash and cash equivalents	Net asset
	Lease liabilities	other payables)	Payable to third parties	Dividend payable	Subtotal		
	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	<u>2,379</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,379</u>	<u>—</u>	<u>2,379</u>
Balance at December 31,							
2023	<u>(27,452)</u>	<u>(93,447)</u>	<u>(8,330)</u>	<u>(7,241)</u>	<u>(136,470)</u>	207,990	71,520

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	Liabilities arising from financing activities					Other assets	
	Borrowings (including interests payables recorded in accruals and					Cash and cash equivalents	Net asset
	Lease liabilities	other payables)	Payable to third parties	Dividend payable	Subtotal		
	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	<u>(29,000)</u>	<u>(25,025)</u>	<u>(8,330)</u>	<u>—</u>	<u>(62,355)</u>	<u>303,633</u>	<u>241,278</u>
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	<u>(32,419)</u>	<u>(232,617)</u>	<u>(158,947)</u>	<u>—</u>	<u>(423,983)</u>	<u>783,613</u>	<u>359,630</u>

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
	<u>24,918</u>	<u>4,985</u>	<u>38,362</u>

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(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 (<i>Note 20</i>)	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

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(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	—	—

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(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

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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.

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36 SUBSIDIARIES

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

Company Name	Place and date of incorporation	Registered/ Paid-in capital	Attributable equity interest of the Group				Direct or indirect	Principal activities and place of operation	Note
			As at December 31,			As at the date of this report			
			2023	2024	2025				
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)

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Company Name	Place and date of incorporation	Registered/ Paid-in capital	Attributable equity interest of the Group				Direct or indirect	Principal activities and place of operation	Note
			As at December 31,			As at the date of this report			
			2023	2024	2025				
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)
	<u>258,757</u>	<u>268,338</u>	<u>539,203</u>

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- (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.

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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.

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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.

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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

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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.

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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.

APPENDIX I

ACCOUNTANT’S REPORT

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.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

This appendix is primarily intended to provide potential investors with an overview of the Articles of Association. As the following information is only a summary, it does not contain all information that may be material to potential investors.

SHARE OFFERING

The offering of the Company’s shares shall follow the principles of openness, fairness, and impartiality, and each share of the same class shall have equal rights. Shares of the same class offered at the same time shall be issued under the same terms and at the same price; subscribers shall pay the same price for each share they subscribe for.

INCREASE, DECREASE AND REPURCHASE OF SHARES

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws, administrative regulations, the securities regulatory rules of the Company’s stock listing place, and the *Hong Kong Listing Rules*, and upon resolutions of the shareholders’ meeting:

- (i) Issuing shares to unspecified subscribers;
- (ii) Issuing shares to specified subscribers;
- (iii) Distributing bonus shares to existing shareholders;
- (iv) Converting capital reserve into share capital;
- (v) Other methods approved by laws, administrative regulations, CSRC, and the Hong Kong Stock Exchange.

The Company may decrease its registered capital. The decrease of the Company’s registered capital shall be carried out in accordance with the procedures stipulated by the *PRC Company Law*, the *Hong Kong Listing Rules*, other applicable regulations, and the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its own shares except under any of the following circumstances, provided that such repurchase complies with applicable laws, administrative regulations, the securities regulatory rules of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association:

- (i) To reduce the Company’s registered capital;
- (ii) To merge with another company holding the Company’s shares;
- (iii) To use the shares for employee stock ownership plans or equity incentives;
- (iv) To repurchase shares upon a shareholder’s request who have voted against the resolution of the shareholders’ meeting on the Company’s merger or division;

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- (v) To use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares;
- (vi) As necessary to safeguard the Company’s value and the rights and interests of shareholders.

Where the Company repurchases its shares under the circumstances specified in items (i) and (ii) above, such repurchase shall be approved by the shareholders’ meeting. Where the Company repurchases its shares under the circumstances specified in items (iii), (v), and (vi) above, such repurchase shall be approved by the Board of Directors at a Board meeting attended by more than two-thirds of the directors.

After the Company repurchases its shares under the circumstances specified above: for the circumstance under item (i), the shares shall be canceled within ten days from the date of repurchase; for the circumstances under items (ii) and (iv), the shares shall be transferred or canceled within six months; for the circumstances under items (iii), (v), and (vi), the total number of shares held by the Company shall not exceed 10% of its total issued shares, and such shares shall be transferred or canceled within three years. Where laws, regulations, or the securities regulatory authorities at the Company’s stock listing place provide otherwise in respect of share repurchases, such provisions shall prevail. The repurchase of H shares shall comply with the *Hong Kong Listing Rules* and other applicable laws, regulations, and regulatory requirements of the place where the Company’s H shares are [REDACTED].

After repurchasing its shares, the Company shall fulfill its information disclosure obligations in accordance with the requirements of the stock exchange where its shares are [REDACTED] and other applicable securities regulatory rules.

Transfer of Shares

The Company’s shares may be transferred in accordance with the law.

All transfers of H shares shall be effected by written transfer documents in the ordinary or common form or in any other form acceptable to the Board of Directors (including the standard transfer form or instrument of transfer prescribed by the Hong Kong Stock Exchange from time to time); such written transfer documents may only be executed by hand signature or affixed with the Company’s valid seal (if the transferor or transferee is the Company). If the transferor or transferee is a recognized clearing house as defined by the relevant ordinances from time to time in force under Hong Kong law (hereinafter “**recognized clearing house**”) or its nominee, the written transfer document may be executed either by hand signature or machine imprint. All transfer documents shall be kept at the Company’s registered address or at such other place as the Board of Directors may from time to time designate.

The Company shall not accept its shares as the subject of a pledge.

Shares issued by the Company prior to its [REDACTED] shall not be transferred within one year from the date on which the Company’s shares are [REDACTED] and [REDACTED] on a stock exchange. If laws, administrative regulations, the CSRC, or Hong Kong Stock Exchange provide otherwise regarding a shareholder’s transfer of shares held in the Company, such provisions shall prevail.

Directors, and senior management members of the Company shall report to the Company the shares they hold in the Company and any changes therein. During their term of office as determined when they assume the posts, they shall not transfer more than 25% of the total number of shares they

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hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company’s shares are [REDACTED] and [REDACTED]. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions. If the listing rules at the Company’s stock listing place provide otherwise regarding restrictions on the transfer of the Company’s shares, such provisions shall prevail.

Directors, senior management members and shareholders holding more than 5% of the Company’s shares who sell shares or other rights-bearing securities they hold in the Company within six months of purchase, or repurchase them within six months of sale, shall have the gains derived therefrom belonging to the Company, and the Company’s Board of Directors shall recover such gains, except where a securities company holds more than 5% of the shares as a result of purchasing the remaining shares after an underwritten offering, or in other circumstances prescribed by the securities regulatory authority of the State Council. If the listing rules of the Company’s stock listing place provide otherwise regarding restrictions on the transfer of the Company’s shares, such provisions shall prevail.

The shares or other equity securities held by the directors, senior management, or individual shareholders referred to in the preceding paragraph include those held by their spouses, parents, and children, as well as those held through accounts of other persons. If the Board of Directors fails to comply with the provisions of the preceding paragraph, shareholders have the right to request the Board of Directors to implement them within 30 days. If the Board of Directors fails to do so within the specified period, shareholders may, in the interest of the Company, directly initiate legal proceedings in their own names with the People’s Court. If the Board of Directors fails to comply with the provisions of the preceding paragraph, responsible directors shall bear joint and several liability in accordance with the law.

SHAREHOLDERS AND THE SHAREHOLDERS’ MEETING

Shareholders

Shareholders of the Company are those who legally hold the Company’s shares and whose names are registered in the register of shareholders. The Company shall establish the register of shareholders based on the certificates provided by the securities registration and clearing institution. The register of shareholders is conclusive evidence of shareholders’ ownership of the Company’s shares. The original copy of the H Share register of shareholders is kept in Hong Kong, entrusted overseas agent shall ensure at all times the consistency between the original and duplicate copies of the register of shareholders for overseas listed shares. The Hong Kong sub-register of shareholders must be available for inspection by shareholders; however, the Company may, in accordance with applicable laws and regulations and the laws and regulations of the Company’s stock listing place, suspend the registration of shareholders. Shareholders shall enjoy rights and assume obligations in accordance with the class of shares they hold. Shareholders holding the same class of shares shall enjoy equal rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

- (i) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;
- (ii) To request, convene, preside over, attend, or appoint a shareholder proxy to attend shareholders’ meetings and exercise corresponding rights to speak and vote in accordance with the law;
- (iii) To supervise the Company’s operations and make suggestions or inquiries;

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- (iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, the securities regulatory rules of the Company’s stock listing place, and the Articles of Association;
- (v) To inspect and copy the Articles of Association, register of shareholders, minutes of shareholders’ meetings, resolutions of the Board of Directors, financial accounting reports, and accounting books and vouchers of the Company if they meet the prescribed requirements;
- (vi) To participate in the distribution of the Company’s remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) To request the Company to repurchase their shares if they vote against resolutions of the shareholders’ meeting regarding the Company’s merger or division;
- (viii) Other rights stipulated by laws, administrative regulations, rules, the securities regulatory rules of the Company’s stock listing place, or the Articles of Association.

Shareholders requesting to inspect or copy relevant materials of the Company shall comply with the *PRC Company Law*, the *Securities Law*, the securities regulatory rules of the Company’s stock listing place, and other applicable laws and administrative regulations.

Shareholders requesting to inspect the information referred to in the preceding article or to obtain relevant materials shall provide the Company with written evidence proving the class and number of shares they hold. Upon verifying the shareholder’s identity, the Company shall provide such information or materials in accordance with the shareholder’s request.

Shareholders who, individually or collectively, have held more than 3% of the Company’s shares for more than 180 consecutive days and request to inspect the Company’s accounting books and accounting vouchers shall be subject to the provisions of the second, third, and fourth paragraphs of Article 57 of the *PRC Company Law*. If the Articles of Association specify a lower shareholding threshold, such provisions shall prevail.

Requests by shareholders to inspect or copy materials of the Company’s wholly-owned subsidiaries shall be subject to the provisions of the preceding three paragraphs.

If the resolutions of the shareholders’ meeting or the Board of Directors violate laws or administrative regulations, shareholders have the right to apply to the People’s Court for a declaration of invalidity. If the meeting convening procedures or voting methods of the shareholders’ meeting or the Board of Directors violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to apply to the People’s Court for revocation within 60 days from the date the resolution is made. However, if the meeting convening procedures or voting methods of the shareholders’ meeting or the Board of Directors have only minor defects and do not have a substantial impact on the resolutions, this provision shall not apply.

Shareholders who were not notified to attend the shareholders’ meeting may apply to the People’s Court for revocation within 60 days from the date they knew or should have known of the shareholders’ meeting resolution. If the right to apply for revocation is not exercised within one year from the date of the resolution, the right shall lapse.

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Shareholders of the Company shall bear the following obligations:

- (i) To comply with laws, administrative regulations, the *Hong Kong Listing Rules*, and the Articles of Association;
- (ii) To pay for their shares according to the shares subscribed and the method of subscription;
- (iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;
- (iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company’s independent legal person status and shareholders’ limited liability to damage the interests of the Company’s creditors;
- (v) Other obligations stipulated by laws, administrative regulations, the *Hong Kong Listing Rules*, and the Articles of Association.

Shareholders who abuse their rights and cause losses to the Company or other shareholders shall bear compensation liability according to the law. Shareholders who abuse the Company’s independent legal personality and shareholders’ limited liability to evade debts and seriously damage the interests of the Company’s creditors shall bear joint and several liability for the Company’s debts.

GENERAL PROVISIONS ON THE SHAREHOLDERS’ MEETING

The shareholders’ meeting of the Company shall be composed of all shareholders. The shareholders’ meeting is the Company’s governing body and shall exercise the following powers in accordance with the law, among others:

- (i) To elect and replace directors, and decide on matters relating to their remuneration;
- (ii) To review and approve the Board of Directors’ report;
- (iii) To review and approve the Company’s profit distribution plan and loss recovery plan;
- (iv) To make resolutions on the Company’s increase or decrease of registered capital;
- (v) To make resolutions on the issuance of corporate bonds;
- (vi) To make resolutions on the Company’s merger, division, dissolution, liquidation, or change of corporate form;
- (vii) To amend the Articles of Association;
- (viii) To make resolutions on the appointment and dismissal of the accounting firm undertaking the Company’s audit business;
- (ix) To review and approve the guarantee matters and the financial assistance matters stipulated in Articles 48 and 49 of the Articles of Association, respectively;
- (x) To review and approve matters related to the Company’s purchase or sale of major assets exceeding 30% of the Company’s most recent audited total assets within one year;

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- (xi) To review transactions entered into by the Company (excluding transactions not involving consideration, and not subject to any obligation, such as financial assistance, provision of guarantees, donation of cash assets to the Company, or debt forgiveness) which, in accordance with the *Hong Kong Listing Rules*, shall be submitted to the shareholders’ meeting for approval;
- (xii) To review connected transactions that are required to be submitted to the shareholders’ meeting for approval under the *Measures for the Administration of Connected Transactions*;
- (xiii) To review and approve changes in the use of raised funds;
- (xiv) To review equity incentive plans and employee stock ownership plans;
- (xv) To review matters relating to the Company’s repurchase of its own shares under circumstances specified in items (i) and (ii) of the relevant provision;
- (xvi) To review other matters that, under laws, administrative regulations, departmental rules, the regulatory rules of the Hong Kong Stock Exchange (including but not limited to Chapters 14 and 14A of the *Hong Kong Listing Rules*), or the Articles of Association, are required to be decided by the shareholders’ meeting.

The shareholders’ meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Except as otherwise provided by laws, administrative regulations, departmental rules, or the regulatory rules of the Hong Kong Stock Exchange, the powers of the shareholders’ meeting set forth above shall not be exercised by the Board of Directors or any other body or individual through delegation.

The following external guarantees of the Company must be reviewed and approved by the shareholders’ meeting:

- (i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries reaching or exceeding 50% of the Company’s most recent audited net assets;
- (ii) Any guarantee provided after the total external guarantees of the Company exceeding 30% of the Company’s most recent audited total assets;
- (iii) Any guarantee provided by the Company to others after the total amount of guarantees provided within one year exceeding 30% of the Company’s most recent audited total assets;
- (iv) Any guarantee provided to a guaranteed party with a debt-to-asset ratio exceeding 70%;
- (v) Any single guarantee with an amount exceeding 10% of the Company’s most recent audited net assets;
- (vi) Any guarantee provided to shareholders, actual controllers, and their connected persons;
- (vii) Other circumstances as stipulated in the Articles of Association;

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- (viii) Other guarantee matters as required by laws, administrative regulations, rules, other normative documents, the laws and regulations of the Company’s stock listing place, and the *Hong Kong Listing Rules*.

When the Board of Directors reviews guarantee matters, such matters shall be approved by more than two-thirds of the directors present at the meeting. When the shareholders’ meeting reviews the guarantee matters under item (iii) of the preceding paragraph, such matters shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Guarantees provided by the Company for its wholly-owned subsidiaries, or for its controlled subsidiaries within the scope of its consolidated financial statements where other shareholders of such subsidiaries provide guarantees in proportion to their equity, without harming the Company’s interests, may be exempted from the provisions of items (i), (iv), and (v) of the preceding paragraph, unless otherwise provided by laws, administrative regulations, the *Hong Kong Listing Rules*, other securities regulatory rules of the Company’s stock listing, or the Articles of Association.

The Board of Directors has the right to review and approve external guarantee matters other than those requiring approval by the shareholders’ meeting as mentioned above.

When the shareholders’ meeting reviews guarantee matters under item (vi), the shareholder concerned, or shareholders controlled by the actual controller, shall not participate in the voting. The resolution shall be passed by a simple majority of the voting rights held by other shareholders attending the meeting.

Shareholders’ meetings are classified into annual shareholders’ meetings and extraordinary shareholders’ meetings. The annual shareholders’ meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

If any of the following circumstances occur, the Company shall convene an extraordinary shareholders’ meeting within two months from the date the facts arise:

- (i) When the number of directors is less than the minimum quorum stipulated by the *PRC Company Law* or two-thirds of the number stipulated by the Articles of Association;
- (ii) When the Company’s unrecovered losses reach one-third of the total paid-in share capital;
- (iii) When shareholders who individually or jointly hold more than 10% of the Company’s shares request it;
- (iv) When the Board of Directors deems it necessary;
- (v) When the Audit Committee proposes to convene;
- (vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, or the Articles of Association.

Under item (iii) in the preceding paragraph, the number of shares held shall be calculated as of the date on which the shareholders submit the written request.

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If an extraordinary shareholders’ meeting is convened in response to the requirements of the securities regulatory rules of the Company’s stock listing place, the actual date of the meeting may be adjusted in accordance with the approval progress of the stock exchange at the Company’s stock listing place.

CONVENING OF A SHAREHOLDERS’ MEETING

With the consent of more than half of all independent non-executive directors, independent non-executive directors have the right to propose to the Board of Directors to convene an extraordinary shareholders’ meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary shareholders’ meeting within ten days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five days of making the resolution; if the Board of Directors does not agree to convene an extraordinary shareholders’ meeting, it shall explain the reasons and make an announcement. Any changes to the original proposal in the notice shall obtain the consent of more than half of the independent non-executive directors.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary shareholders’ meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary shareholders’ meeting within ten days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five days of making the resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors does not agree to convene an extraordinary shareholders’ meeting or fails to provide feedback within ten days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the shareholders’ meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company’s shares (excluding treasury shares) have the right to request the Board of Directors to convene an extraordinary shareholders’ meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association, provide written feedback within ten days after receiving the request, indicating whether it agrees to convene an extraordinary shareholders’ meeting. If the Board of Directors agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five days of making the resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary shareholders’ meeting or fails to provide feedback within ten days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company’s shares (excluding treasury shares) have the right to propose to the Audit Committee to convene an extraordinary shareholders’ meeting and shall submit the request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of the shareholders’ meeting within five days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the shareholders’ meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene or preside over the

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shareholders’ meeting, and shareholders individually or jointly holding more than 10% of the Company’s shares (excluding treasury shares) for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or the shareholders decide to convene a shareholders’ meeting on their own, they must notify the Board of Directors in writing and, if required, file with the stock exchange in accordance with the securities regulatory rules of the Company’s stock listing place. Before the announcement of the shareholders’ meeting resolution, the proportion of shares held by the convening shareholders shall not be less than 10%. When issuing the notice of the shareholders’ meeting and the announcement of the shareholders’ meeting resolution, the Audit Committee or the convening shareholders shall, if required, submit the relevant supporting materials as required by the stock exchange at the Company’s stock listing place.

For shareholders’ meetings convened by the Audit Committee or shareholders themselves, the Board of Directors and the Board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

The necessary expenses for shareholders’ meetings convened by the Audit Committee or shareholders themselves shall be borne by the Company.

PROPOSALS AND NOTICES OF THE SHAREHOLDERS’ MEETING

When the Company convenes a shareholders’ meeting, the Board of Directors, the Audit Committee, and shareholders who individually or collectively hold more than 1% of the Company’s shares have the right to submit proposals to the Company.

Shareholders individually or jointly holding more than 1% of the Company’s shares may submit additional proposals in writing to the convener ten days before the shareholders’ meeting. The convener shall issue a supplementary notice of the shareholders’ meeting within two days of receiving the proposal, specifying the content of the additional proposal, and submit the additional proposal to the shareholders’ meeting for review. However, additional proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the authority of the shareholders’ meeting, shall be excluded. The Company shall not increase the shareholding threshold required for shareholders to submit such proposals.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the shareholders’ meeting or add new proposals after issuing the notice of the shareholders’ meeting.

Proposals not listed in the notice of the shareholders’ meeting or not in compliance with Article 61 of the Articles of Association shall not be voted on or resolved at the shareholders’ meeting.

The convener shall notify all shareholders 21 days before the annual shareholders’ meeting and 15 days before the extraordinary shareholders’ meeting.

The notice of the shareholders’ meeting shall include the following content:

- (i) The time, place, and duration of the meeting;
- (ii) The matters and proposals to be reviewed at the meeting;

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- (iii) The record date for shareholders entitled to attend the shareholders’ meeting;
- (iv) A clear statement that all shareholders are entitled to attend the shareholders’ meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;
- (v) The name and telephone number of the standing contact person for meeting affairs;
- (vi) Where a shareholders’ meeting is convened online or by other means, the notice of the shareholders’ meeting shall specify the time and procedures for voting online or by other means.

The notice of the shareholders’ meeting and any supplementary notices shall provide a full and comprehensive explanation of the complete details of all proposals, as well as all information or explanations necessary for shareholders to make an informed judgment on the matters to be discussed.

HOLDING OF A SHAREHOLDERS’ MEETING

All shareholders registered on the register of shareholders on the record date or their proxies have the right to attend the shareholders’ meeting and exercise their voting rights in accordance with applicable laws, regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association (unless certain shareholders are required by the laws and regulations of the Company’s stock listing place or the *Hong Kong Listing Rules* to abstain from voting on specific matters).

Shareholders may attend the shareholders’ meeting in person, or appoint proxies to attend and vote on its behalf. Any shareholder entitled to attend and vote at the shareholders’ meeting may appoint one or more persons (who need not be a shareholder of the Company) to act as its proxies to attend and vote on its behalf.

Individual shareholders who attend the meeting in person shall present their ID card or other valid certificate or proof of identity. If a shareholder appoints a proxy to attend, the proxy shall present his/her valid ID card and a power of attorney from the shareholder.

A corporate shareholder shall attend the meeting through its legal representative or a proxy authorized by the legal representative. Where the legal representative attends the meeting, he/she shall present his/her ID card and valid proof of his/her qualification as the legal representative. Where a proxy attends the meeting, the proxy shall present his/her ID card and a written power of attorney duly issued by the legal representative of the corporate shareholder (except where the shareholder is a recognized clearing house or its nominee).

A partnership shareholder shall attend the meeting through its managing partner (including a representative appointed by the managing partner) or a proxy authorized by the managing partner. Where the managing partner (including its appointed representative) attends the meeting, he/she shall present his/her ID card and valid proof of qualification as the managing partner (including as the appointed representative of the managing partner). Where a proxy attends the meeting, the proxy shall present his/her ID card and a written power of attorney duly issued by the managing partner of the partnership shareholder.

Where a shareholder is a recognized clearing house or its nominee, such shareholder may authorize one or more persons it deems appropriate to act as its representative(s) at any shareholders’ meeting or creditors’ meeting. However, if more than one person is so authorized, the instrument of authorization shall specify the number and class of shares to which each authorized person relates. The instrument of authorization shall be signed by a person authorized by the recognized clearing house. A person so authorized may act on behalf of the recognized clearing house (or its nominee) to exercise its rights

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without producing share certificates, notarized authorizations, and/or further evidence of due authorization, and shall enjoy the same statutory rights as other shareholders, including the rights to speak and vote as if such person were an individual shareholder of the Company.

The power of attorney for appointing a proxy to attend the shareholders’ meeting shall specify the following content:

- (i) The name of the appointing shareholder and the class and quantity of shares held;
- (ii) The name of the proxy;
- (iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the shareholders’ meeting;
- (iv) The date of issuance and validity period of the power of attorney;
- (v) The signature (or seal) of the appointing shareholder. If the appointing shareholder is a corporate shareholder, the power of attorney shall be affixed with its official seal, or be signed by its director or duly authorized proxy or person.

The shareholders’ meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his/her duties, the vice chairman shall preside. If the vice chairman is unable or unwilling to perform his/her duties, a director elected by more than half of the directors shall preside. The shareholders’ meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or unwilling to perform his/her duties, a member of the Audit Committee elected by more than half of the Audit Committee members shall preside. The shareholders’ meeting convened by shareholders themselves shall be presided over by a representative elected by the convener. If the meeting chairperson violates the Articles of Association or the rules of procedure for the shareholders’ meeting, making it impossible to continue the meeting, the shareholders’ meeting may elect a person to act as the meeting chairperson with the consent of more than half of the voting rights held by the shareholders present at the meeting, and continue the meeting.

VOTING AT THE SHAREHOLDERS’ MEETING

Resolutions of the shareholders’ meeting are classified into ordinary resolutions and special resolutions. An ordinary resolution of the shareholders’ meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies) present at the meeting. A special resolution of the shareholders’ meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

The following matters shall be passed by an ordinary resolution of the shareholders’ meeting:

- (i) The work reports of the Board of Directors;
- (ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;
- (iii) The appointment and dismissal of members of the Board of Directors, and their remuneration and payment methods;

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- (iv) Other matters except those that, as stipulated by laws, administrative regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by a special resolution of the shareholders’ meeting:

- (i) The increase or decrease of the Company’s registered capital;
- (ii) The merger, division, dissolution and liquidation of the Company;
- (iii) Amendments to the Articles of Association;
- (iv) The Company’s purchase or sale of major assets or provision of guarantees to others with an amount exceeding 30% of the Company’s most recent audited total assets within a year;
- (v) Equity incentive plans;
- (vi) Other matters stipulated by laws, administrative regulations, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, or the Articles of Association, as well as matters deemed by the shareholders’ meeting via ordinary resolutions to have a significant impact on the Company and require a special resolution.

Shareholders (including shareholder proxies) shall exercise their voting rights according to the number of voting shares they represent, with each share carrying one vote. When voting, a shareholder (including shareholder proxies) entitled to two or more votes need not cast all of his/her/its votes in favor of, against, or in abstention from a resolution.

When the shareholders’ meeting considers major matters affecting the interests of minority investors, the votes of minority investors shall be counted separately. The results of such separate voting shall be promptly disclosed.

Shares held by the Company carry no voting rights and shall not be included in the total number of voting shares present at the shareholders’ meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, the laws and regulations of the Company’s stock listing place, and the *Hong Kong Listing Rules*, if any shareholder is required to abstain from voting on any particular resolution, or is restricted to voting only in favor or only against, any vote cast in violation of such requirements or restrictions by the shareholder (or its proxy) shall not be counted in the voting results.

When the shareholders’ meeting considers connected transactions, the connected shareholders shall not vote, and the number of voting shares they represent shall not be included in the total number of valid votes. The announcement of the shareholders’ meeting resolution shall fully disclose the voting results of non-connected shareholders.

BOARD OF DIRECTORS

Directors

The Company’s directors may include executive directors, employee representative directors, non-executive directors, and independent non-executive directors. A non-executive director refers to a director who does not hold any management position in the Company.

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The Company’s directors shall be natural persons. A person with any of the following circumstances shall not serve as a director of the Company:

- (i) Having no capacity for civil conduct or limited capacity for civil conduct;
- (ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than five years have elapsed since the expiration of the execution period, or if on probation, less than two years have elapsed since the expiration of the probation period;
- (iii) Having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- (iv) Having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to violations of law, and being personally liable therefor, where less than three years have elapsed since the revocation of the business license or the order for closure of such company or enterprise;
- (v) Having a large-amount debt due but unpaid and being listed as a dishonest judgment debtor by the People’s Court;
- (vi) Having been subject to restrictions on access to the securities market imposed by the CSRC, which have not yet expired;
- (vii) Having been publicly determined by the stock exchange as unfit to serve as a director or senior management member of listed companies, which has not yet expired;
- (viii) Other circumstances stipulated by laws, administrative regulations, or departmental rules.

Directors shall be elected or replaced by the shareholders’ meeting, and may be removed from office by the shareholders’ meeting before their term of office expires. The term of office of a director shall be three years, which, upon expiration, may be renewed in accordance with the securities regulatory rules of the Company’s stock listing place.

A director may concurrently serve as general manager or other senior management positions, but the total number of directors who concurrently serve as general manager or other senior management positions shall not exceed half of the total number of directors.

A director may resign before his/her term of office expires. The director shall submit a written resignation report to the Board of Directors, and the Board shall disclose the relevant information within the time limit required by the securities regulatory rules of the Company’s stock listing place. Where the resignation of a director results in the number of directors falling below the statutory minimum, the resigning director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, normative documents, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, and the Articles of Association until a new director is elected and assumes office.

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Board of Directors

The Company shall have a Board of Directors consisting of nine directors, including at least three independent non-executive directors. The Board shall have one chairman and one vice chairman, each elected by a majority of all directors.

The Board of Directors shall exercise the following powers:

- (i) Convening shareholders’ meetings and reporting to the shareholders’ meeting;
- (ii) Implementing resolutions of the shareholders’ meeting;
- (iii) Deciding on the Company’s business plans and investment proposals;
- (iv) Deciding on the Company’s business policies and investment plans;
- (v) Reviewing and approving the Company’s annual financial budget and final accounts;
- (vi) Formulating the Company’s profit distribution plans and loss recovery plans;
- (vii) Formulating plans for the Company’s increase or decrease of registered capital, issuance of corporate bonds or other securities, and [REDACTED];
- (viii) Drafting plans for major acquisitions, repurchases of the Company’s shares under the circumstances specified in items (i) and (ii) of the first paragraph of Article 25 of the Articles of Association, or for mergers, divisions, dissolution, or changes in the corporate form of the Company, subject to compliance with the securities regulatory rules of the Company’s stock listing place;
- (ix) Where the thresholds for submission to the shareholders’ meeting are not met, or within the scope authorized by the shareholders’ meeting, deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, and connected transactions; and authorizing the general manager to make decisions on certain routine operational matters within the Board’s authority;
- (x) Deciding on the establishment of the Company’s internal management structure and branches;
- (xi) Deciding on the appointment or dismissal of the general manager, Board secretary and other senior management members, and determining their remuneration as well as matters concerning rewards and penalties; based on the general manager’s nomination, deciding on the appointment or dismissal of deputy general managers, the chief financial officer and other senior management members, and determining their remuneration as well as matters concerning rewards and penalties;
- (xii) Formulating and amending the Company’s basic management systems;
- (xiii) Formulating amendments to the Articles of Association;
- (xiv) Managing the Company’s information disclosure matters;
- (xv) Proposing to the shareholders’ meeting the appointment or replacement of the accounting firm auditing the Company;

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- (xvi) Hearing the work reports of the general manager and supervising the general manager’s work;
- (xvii) Making resolutions regarding the repurchase of the Company’s shares under the circumstances specified in items (iii), (v), or (vi) of the first paragraph of Article 25 of the Articles of Association;
- (xviii) Other powers as granted by laws, administrative regulations, departmental rules, the laws and regulations of the Company’s stock listing place, the *Hong Kong Listing Rules*, or the Articles of Association.

A Board meeting shall be held only if more than half of the directors are present. Resolutions of the Board of Directors shall be passed by more than half of all directors, unless otherwise stipulated by laws, administrative regulations, the securities regulatory rules of the Company’s stock listing place, or the Articles of Association. Voting on Board resolutions shall be conducted on a one director, one vote basis.

If a director has a connected relationship with any enterprise or individual involved in the matter to be resolved by the Board of Directors, the director shall promptly submit a written report to the Board. A director with a connected relationship shall not exercise voting rights on that resolution, nor act as a proxy for another director to vote. The Board meeting shall be convened with the presence of more than half of the non-connected directors, and resolutions of the Board meeting must be passed by a majority of the non-connected directors present. If fewer than three non-connected directors attend the Board meeting, the matter shall be submitted to the shareholders’ meeting for deliberation.

The Board of Directors shall establish the Audit Committee, Strategy Committee, Nomination Committee, and Remuneration and Assessment Committee. The specialized committees are accountable to the Board and shall perform their duties in accordance with the Articles of Association and authorization from the Board; their proposals shall be submitted to the Board for review and approval. All members of the specialized committees shall be directors. For the Audit Committee (which includes an internal audit department), Nomination Committee, and Remuneration and Assessment Committee, independent non-executive directors shall form the majority and act as conveners. The convener of the Audit Committee shall be an accounting professional, and the Nomination Committee must include at least one director of a different gender. The Board shall formulate the working procedures of the specialized committees to regulate their operations.

General Manager and Other Senior Management Members

The Company shall have one general manager, who shall be nominated by the chairman of the Board, appointed or dismissed by the Board of Directors. The Company shall also have several deputy general managers, one chief financial officer and one Board secretary, who shall be nominated by the chairman. The chief financial officer may be nominated by the general manager. All shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general managers, chief financial officer and Board secretary shall constitute senior management of the Company.

The provisions of the Articles of Association regarding circumstances where a person may not serve as a director, as well as the resignation management rules, shall also apply to senior management members. Similarly, the provisions of the Articles of Association concerning directors’ duties of loyalty and diligence shall apply to senior management members.

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The term of office of the general manager shall be three years, and the general manager may be reappointed upon the expiration of each term.

The general manager shall be accountable to the Board of Directors and shall exercise the following powers:

- (i) Presiding over the Company’s production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;
- (ii) Implementing the Company’s annual business plans and investment proposals;
- (iii) Drafting proposals for the establishment of the Company’s internal management structure;
- (iv) Drafting the Company’s basic management systems;
- (v) Formulating the Company’s specific regulations;
- (vi) Proposing to the Board of Directors the appointment or dismissal of the deputy general managers and the chief financial officer;
- (vii) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors, and formulating the staff remuneration, welfare, and reward and punishment schemes or policies;
- (viii) Deciding on transactions, other than those requiring approval by the shareholders’ meeting or the Board of Directors, either by the chairman or the general manager authorization by the chairman;
- (ix) Exercising the powers of the legal representative and signing documents that are required to be signed by the Company’s legal representative.

The Board secretary shall be responsible for preparing shareholders’ meetings and Board meetings, maintaining documents, managing shareholder information, and handling information disclosure matters.

Senior management members shall faithfully perform their duties and safeguard the best interests of the Company and all shareholders. If a senior management member fails to perform his/her duties faithfully or breaches the duty of integrity, causing damage to the Company or shareholders, he/she shall be liable for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations, the laws and regulations of the Company’s stock listing place, and the *Hong Kong Listing Rules*.

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company’s assets shall not be stored in accounts opened in the name of any individual.

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Profit Distribution System

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company’s statutory reserve fund. If the cumulative amount of the statutory reserve fund exceeds 50% of the Company’s registered capital, the Company may cease to make further allocations. If the Company’s statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year’s profits to cover the losses before allocating the statutory reserve fund as stipulated above.

After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the shareholders’ meeting. After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders. If the shareholders’ meeting distributes profits to shareholders in violation of the *PRC Company Law*, the shareholders shall return the improperly distributed profits to the Company; shareholders, as well as the responsible directors and senior management members, shall bear liability for any resulting losses caused to the Company. Shares of the Company held by the Company itself (if any) shall not participate in profit distribution.

The Company’s reserve funds shall be used to cover the Company’s losses, expand the Company’s production and operation, or convert into additional share capital. When reserve funds are used to cover losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When the statutory reserve fund is converted into share capital, the retained statutory reserve fund shall not be less than 25% of the Company’s registered capital before the conversion.

Internal Audit

The Company shall implement an internal audit system, which clarifies the leadership structure, responsibilities and powers, staffing, budgetary support, utilization of audit results, and accountability for internal audit work. The internal audit system shall be implemented upon approval by the Board of Directors and be disclosed externally. The internal audit department shall report to the Board of Directors.

Engagement of an Accounting Firm

The Company shall engage an accounting firm that complies with the *Securities Law of the People’s Republic of China*, other applicable laws and regulations, and the securities regulatory rules of the Company’s stock listing place to conduct audits of accounting statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

The engagement or dismissal of the accounting firm shall be decided by the shareholders’ meeting. The Board of Directors shall not appoint the accounting firm before the shareholders’ meeting has made its decision.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

The audit fees of the accounting firm shall be decided by the shareholders’ meeting.

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When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm seven days in advance. When the shareholders’ meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to present its opinions.

If the accounting firm resigns, it shall explain to the shareholders’ meeting whether there are any improper circumstances in the Company

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

The Company’s merger may be in the form of an absorption merger or a consolidation merger.

When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property inventory. The Company shall notify its creditors within ten days from the date of adopting the merger resolution and make an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees.

When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly.

When the Company divides, it shall prepare a balance sheet and a property inventory. The Company shall notify its creditors within ten days from the date of the division resolution and make an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System within 30 days.

The companies resulting from the division shall bear joint and several liabilities for the Company’s debts existing before the division, unless otherwise agreed in a written agreement on the settlement of debts reached between the Company and its creditors before the division.

When the Company reduces its registered capital, it must prepare a balance sheet and a property inventory.

The Company shall notify its creditors within ten days from the date of the shareholders’ meeting resolution on the capital reduction and make an announcement on the designated newspaper within 30 days. Creditors have the right request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When the Company reduces its registered capital, it shall correspondingly reduce the capital contribution or shares held by shareholders in proportion to their respective contributions or shareholding, unless otherwise provided by laws or the Articles of Association.

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When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive rights, except as otherwise provided in the Articles of Association or as resolved by the shareholders’ meeting granting such rights. Shareholders subscribing for new shares shall pay the subscription price in accordance with the provisions of the *PRC Company Law* and other applicable laws and regulations on the capital contribution for joint stock companies.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the company registration authority in accordance with the law. When the Company is dissolved, it shall apply for cancellation of registration in accordance with the law. When a new company is established, it shall apply for establishment registration in accordance with the law.

When the Company increases or reduces its registered capital, it shall apply for a change of registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company may be dissolved for the following reasons:

- (i) The business term stipulated in the Articles of Association expires or other dissolution causes stipulated in the Articles of Association arise;
- (ii) The shareholders’ meeting resolves to dissolve the Company;
- (iii) The Company needs to be dissolved due to a merger or division;
- (iv) The Company is lawfully revoked of its business license, ordered to close, or rescinded;
- (v) The Company’s operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders’ interests, and no other solutions can be found. In such circumstances, Shareholders holding 10% or more of the Company’s voting rights may request the People’s Court to dissolve the Company.

When the Company encounters any of the dissolution causes mentioned above, it shall publicize the dissolution causes through the National Enterprise Credit Information Publicity System within ten days.

If the Company encounters the circumstances mentioned in items (i) and (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or by a resolution of the shareholders’ meeting. Such an amendment or resolution requires approval by more than two-thirds of the voting rights held by shareholders present at the shareholders’ meeting.

If the Company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The directors shall serve as the liquidation obligors and establish a liquidation team within 15 days from the date the dissolution cause arises to commence the liquidation. The liquidation team shall consist of directors, unless the Articles of Association provide otherwise or the shareholders’ meeting resolves to appoint others. If the Company is dissolved due to the circumstances mentioned in item (iv) above, the authority that revokes the business license, orders the closure, or rescinds the Company, or the company registration authority, may apply to the People’s Court to appoint relevant personnel to form a liquidation team to carry out the liquidation.

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The liquidation team shall notify creditors within ten days from the date of its establishment and make an announcement on the designated newspaper or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation team shall register the claims.

During the claim declaration period, the liquidation team shall not settle claims with creditors.

After cleaning up the Company’s assets and preparing a balance sheet and a property inventory, the liquidation team shall formulate a liquidation plan and submit it to the shareholders’ meeting or the People’s Court for confirmation. During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company’s assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

After cleaning up the Company’s assets and preparing a balance sheet and a property inventory, if the liquidation team finds that the Company’s assets are insufficient to settle its debts, it shall apply to the People’s Court for a declaration of bankruptcy in accordance with the law. Upon the People’s Court ruling to declare bankruptcy, the liquidation team shall transfer the liquidation matters to the bankruptcy administrator designated by the People’s Court.

After the Company’s liquidation is completed, the liquidation team shall prepare a liquidation report, submit it to the shareholders’ meeting or the People’s Court for confirmation, and file it with the company registration authority to apply for the Company’s deregistration and announce the Company’s termination.

Where the Company is legally declared bankrupt, it shall implement bankruptcy liquidation in accordance with the relevant enterprise bankruptcy laws.

Amendments to the Articles of Association

If any of the following circumstances arise, the Company will amend the Articles of Association:

- (i) After amendments to the *PRC Company Law*, or relevant laws, administrative regulations, departmental rules, normative documents, the laws and regulations of the Company’s stock listing place, and the *Hong Kong Listing Rules*, the provisions of the Articles of Association conflict with the amended laws, administrative regulations, departmental rules, normative documents, the laws and regulations of the Company’s stock listing place, or the *Hong Kong Listing Rules*;
- (ii) Changes occur in the Company’s circumstances that are inconsistent with the matters recorded in the Articles of Association;
- (iii) The shareholders’ meeting resolves to amend the Articles of Association.

Amendments to the Articles of Association approved by the shareholders’ meeting that require approval from competent authorities shall be submitted to the competent authorities for such approval; if the amendments involve company registration matters, the changes shall be registered in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the shareholders’ meeting on amendments to the Articles of Association and the approval opinions of the relevant competent authorities.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

On April 18, 2003, the predecessor of our Company, Hangzhou Qiandao Lake Xunlong Technology Development Co., Ltd. (杭州千島湖鱖龍科技開發有限公司), was established as a limited liability company in Hangzhou, the PRC, with a registered capital of RMB6,600,000. On July 2, 2010, our Company was converted into a joint stock company with limited liability and renamed as Hangzhou Qiandao Lake Xunlong Technology Co., Ltd. (杭州千島湖鱖龍科技股份有限公司).

We have established a place of business in Hong Kong at Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and have been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 19 November 2025. Ms. CHEUNG Hin Kiu (張顯翹女士) has been appointed as our agent for the acceptance of services of process and notices on behalf of our Company in Hong Kong.

As we are incorporated in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in “Regulatory Overview” of this Document and “Documents Delivered to the Registrar of Companies and Available for Inspection” in Appendix V to this Document.

B. Changes in the Share Capital of our Company

The following sets out the changes in our Company’s share capital within the two years immediately preceding the issue of this Document:

- on September 18, 2025, the registered capital of our Company was increased from RMB90,242,700 to RMB92,552,700.

Save as disclosed above, there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

C. Resolutions of the Shareholders of our Company

On October 27, 2025 the shareholders of our Company passed, among other things, the following resolutions:

- (i) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be [REDACTED] on the [REDACTED];
- (ii) the number of H Shares to be issued shall not be more than [REDACTED] of the total issued share capital of our Company as enlarged by the [REDACTED] (before the exercise of the [REDACTED]), and the grant of the [REDACTED] of not more than [REDACTED] of the number of H Shares to be [REDACTED] initially under the [REDACTED];
- (iii) authorization of the Board and/or its authorized persons to handle all matters relating to, among other things, the issue and the [REDACTED] of the H Shares; and
- (iv) subject to the completion of the [REDACTED], the adoption of the Articles of Association which shall become effective on the [REDACTED], and authorization to the Board to amend the Articles of Association for the purpose of the [REDACTED].

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D. Conversion

In preparation of the [REDACTED], we have applied for, the Conversion of the Unlisted Shares into H Shares, details of which are set out in “Share Capital” in this Document. The Conversion of the Unlisted Shares into H Shares is still subject to the filing of the CSRC and the approval by the Stock Exchange.

E. Subsidiaries of Our Company

(i) Subsidiaries

Certain details of our subsidiaries are set forth in the Accountant’s Report in Appendix I to this Document.

(ii) Changes in the share capital of subsidiaries

The following subsidiaries have been established within the two years immediately preceding the date of this Document:

<u>Name of subsidiary</u>	<u>Place of establishment</u>	<u>Date of establishment</u>
Quzhou Kecheng Kalujia Catering Management Co., Ltd. (衢州柯城卡露伽餐飲管理有限公司)	PRC	October 31, 2024
Quzhou Kalujia Import and Export Co., Ltd. (衢州卡露伽進出口有限公司)	PRC	February 8, 2025
Hubei Kalujia Food Co., Ltd. (湖北卡露伽食品有限公司)	PRC	June 12, 2025
Sichuan Kalujia Import and Export Trading Co., Ltd. (四川卡露伽進出口貿易有限公司)	PRC	June 24, 2025
Sichuan Kalujia Aquaculture Co., Ltd. (四川卡露伽水產養殖有限公司)	PRC	June 24, 2025
Jiangxi Xunlong Food Co., Ltd. (江西鱘龍食品有限公司)	PRC	September 22, 2025
Jiangxi Xunlong Import and Export Co., Ltd. (江西鱘龍進出口有限公司)	PRC	September 22, 2025
Quzhou Kalujia Fishery Technology Development Co., Ltd. (衢州卡露伽水產科技開發有限公司)	PRC	September 23, 2025
Hong Kong Red Apple International Development Limited (香港紅蘋果國際發展有限公司)	HK	November 12, 2025

The following change in the share capital of our subsidiaries took place during the two years immediately preceding the date of this Document:

- on August 11, 2025, the registered capital of Quzhou Xunlong Aquatic Food Technology Development Co., Ltd. (衢州鱘龍水產食品科技開發有限公司) was increased from RMB50,000,000 to RMB110,606,061.
- on February 3, 2026, the registered capital of Quzhou Kalujia Fishery Technology Development Co., Ltd. (衢州卡露伽水產科技開發有限公司) was increased from RMB1,000,000 to RMB50,000,000.

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- on April 8, 2026, the registered capital of Beijing Qiandao Xunyu Technology Development Co., Ltd. (北京千島鱘業科技發展有限公司) was increased from RMB300,000 to RMB1,000,000.

Save as disclosed above, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this Document.

A summary of the corporate information and the particulars of our subsidiaries are set out in note 36 to the Accountant’s Report as set out in Appendix I.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following material contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this Document and a copy of each has been delivered to the Registrar of Companies in Hong Kong for registration:

- (i) the [REDACTED]; and
- (ii) [●]

B. Our Material Intellectual Property Rights

(i) Patents

As of the Latest Practicable Date, the following patents have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Name of patent holder	Description	Type of patent	Patent no.	Place of registration	Date of registration
1	The Company, Quzhou Xunlong	A multi-cell purification pond for the purification of aquaculture tailwater	Invention	ZL202210473524.7	China	2022.04.29
2	The Company, Quzhou Xunlong	An intelligent sturgeon-specific industrialized recirculating aquaculture system	Invention	ZL202110908300.X	China	2021.08.09
3	Quzhou Xunlong, Ocean University of China	A method for preparing sturgeon soup from sturgeon heads, and the sturgeon soup	Invention	ZL202110667379.1	China	2021.06.16
4	Quzhou Xunlong, Ocean University of China	A sturgeon bone and tendon product and its preparation method	Invention	ZL202110579368.8	China	2021.05.26
5	The Company, Quzhou Xunlong	A cold-water purification and cultivation method for female fish used as raw material in sturgeon caviar processing	Invention	ZL201811379708.7	China	2018.11.19

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No.	Name of patent holder	Description	Type of patent	Patent no.	Place of registration	Date of registration
6	The Company, Quzhou Xunlong	A sturgeon-specific industrialized recirculating aquaculture water supply system	Invention	ZL201810427856.5	China	2018.05.07
7	The Company, Quzhou Xunlong	A technique for sex determination in young sturgeon via lateral abdominal incision	Invention	ZL201710401007.8	China	2017.05.31
8	The Company, Quzhou Xunlong	An automatic cleaning, sterilization, and disinfection system for sturgeon processing	Invention	ZL201710381448.6	China	2017.05.25
9	The Company	A sturgeon southern land pond summering system	Invention	ZL201510538702.X	China	2015.08.28
10	The Company	A special soft pellet feed for female sturgeon and its preparation method	Invention	ZL201510332214.3	China	2015.06.16
11	Quzhou Xunlong	Sturgeon tendon extraction and drying processing technology	Invention	ZL201510292656.X	China	2015.06.02
12	The Company	A groundwater circulation water-saving sturgeon ecological aquaculture method	Invention	ZL201410761654.6	China	2014.12.12
13	Quzhou Xunlong	A production process for canned sturgeon in tomato sauce	Invention	ZL201410002407.8	China	2014.01.03
14	The Company	Sturgeon deep-water cage aquaculture device	Invention	ZL201310193945.5	China	2013.05.23
15	The Company	Drop circulation land pond fish farming process	Invention	ZL201210384183.2	China	2012.10.11
16	The Company	A liquid oxygen aeration high-density sturgeon aquaculture method	Invention	ZL201210358409.1	China	2012.09.25
17	The Company	A smoking and processing technology for sturgeon	Invention	ZL201210299167.3	China	2012.08.22
18	Quzhou Xunlong	Live sturgeon hanging slaughter system	Invention	ZL201210296928.X	China	2012.08.21
19	The Company	Live fish two-way conveying device	Invention	ZL201110087552.7	China	2011.04.08
20	The Company	A caviar processing technology	Invention	ZL200810120236.3	China	2008.08.13
21	The Company	Ultrasonic method for sexing sturgeon	Invention	ZL200810063379.5	China	2008.08.12

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No.	Name of patent holder	Description	Type of patent	Patent no.	Place of registration	Date of registration
22	The Company	A method for artificial breeding of Siberian sturgeon and an incubation device	Invention	ZL200710070446.1	China	2007.08.01
23	The Company, Quzhou Xunlong	A self-cleaning ultrasonic cleaning machine for caviar processing tools	Utility model	ZL202222538424.6	China	2022.09.20
24	The Company, Quzhou Xunlong	An isolation device	Utility model	ZL202221126890.7	China	2022.05.11
25	The Company, Quzhou Xunlong	A side-pull Type all-stainless-steel sealed sluice gate	Utility model	ZL202221054985.2	China	2022.04.29
26	The Company, Quzhou Xunlong	A sturgeon inspection rack	Utility model	ZL202221057842.7	China	2022.04.29
27	The Company, Quzhou Xunlong	An auxiliary arm device for forklift fish transport	Utility model	ZL202221001106.X	China	2022.04.24
28	The Company, Quzhou Xunlong	A caviar holster set machine	Utility model	ZL202121611276.5	China	2021.07.15
29	The Company, Quzhou Xunlong	Sturgeon large water surface aquaculture Tailwater pure oxygen ecological treatment device	Utility model	ZL202022979928.2	China	2020.12.09
30	The Company, Quzhou Xunlong	A sturgeon low-through aquaculture high-density liquid oxygen aeration system	Utility model	ZL201921604961.8	China	2019.09.25
31	The Company, Quzhou Xunlong	A sturgeon artificial breeding broodstock egg retrieval and sperm collection workbench	Utility model	ZL201921358864.5	China	2019.08.21
32	The Company, Quzhou Xunlong	A clean workbench for caviar processing	Utility model	ZL201920849633.8	China	2019.06.05
33	The Company, Quzhou Xunlong	Round-head evisceration knife for sturgeon processing	Utility model	ZL201920694365.7	China	2019.05.15
34	The Company, Quzhou Xunlong	Flow-through aquaculture low dissolved oxygen water source non-energy consuming aeration device	Utility model	ZL201920646054.3	China	2019.05.07
35	The Company, Quzhou Xunlong	A sturgeon caviar packaging can automatic capping device	Utility model	ZL201821925445.0	China	2018.11.21
36	The Company, Quzhou Xunlong	A camera combination device for sturgeon image recognition and counting	Utility model	ZL201821708041.6	China	2018.10.21

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No.	Name of patent holder	Description	Type of patent	Patent no.	Place of registration	Date of registration
37	The Company, Quzhou Xunlong	A sterilization and disinfection device for sturgeon processing tools	Utility model	ZL201821705354.6	China	2018.10.21
38	The Company, Quzhou Xunlong	A multi-variety caviar combination canning structure	Utility model	ZL201721517192.9	China	2017.11.14
39	The Company, Quzhou Xunlong	A sturgeon processing, cleaning, sterilization, and disinfection device	Utility model	ZL201720594779.3	China	2017.05.25
40	The Company, Quzhou Xunlong	A fish inlet flushing chute device for processing and slaughtering workshops	Utility model	ZL201720240441.8	China	2017.03.13
41	Quzhou Xunlong	A specialized camera lightbox for sturgeon caviar	Utility model	ZL201620568807.X	China	2016.06.14
42	The Company	Packaging can (golden egg)	Industrial design	ZL202230270247.0	China	2022.05.10
43	The Company, Quzhou Xunlong	Caviar can (plastic)	Industrial design	ZL202230008722.7	China	2022.01.07
44	The Company, Quzhou Xunlong	Glass bottle (Xunbao)	Industrial design	ZL202130865718.8	China	2021.12.28
45	The Company, Quzhou Xunlong	Caviar bowl	Industrial design	ZL202130413011.3	China	2021.07.01
46	The Company	Packaging box (four-can gift set)	Industrial design	ZL202130143409.X	China	2021.03.17
47	The Company	Packaging box (single-can gift set)	Industrial design	ZL202130143799.0	China	2021.03.17
48	The Company	Packaging box (two-can gift set)	Industrial design	ZL202130536656.6	China	2021.03.17
49	The Company	Label (caviar can)	Industrial design	ZL202130056669.3	China	2021.01.26
50	The Company, Quzhou Xunlong	Label (canned sturgeon caviar)	Industrial design	ZL201730051924.9	China	2017.02.27
51	The Company, Quzhou Xunlong	Label (canned sturgeon caviar)	Industrial design	ZL201730052002.X	China	2017.02.27
52	The Company, Quzhou Xunlong	A secondary labeling machine for visual inspection	Invention	ZL202210441079.6	China	2022.04.25
53	The Company, Quzhou Xunlong	A preparation method for osmanthus sturgeon cartilage glue	Invention	ZL202310497748.6	China	2023.05.04
54	The Company, Quzhou Xunlong	An isolation cabinet for molecular sex identification of sturgeon fry	Utility model	ZL202420434757.0	China	2024.03.06

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No.	Name of patent holder	Description	Type of patent	Patent no.	Place of registration	Date of registration
55	The Company, Quzhou Xunlong	A sturgeon water basket summering system	Utility model	ZL202420524050.9	China	2024.03.18
56	The Company, Quzhou Xunlong	An outdoor timed water dispenser	Utility model	ZL202322624787.6	China	2023.09.26
57	The Company, Quzhou Xunlong	A sturgeon roe screen device for recovering losses during the flushing process	Utility model	ZL202320982300.9	China	2023.04.24
58	The Company, Quzhou Xunlong	A sterilizing cabinet	Utility model	ZL202320553209.5	China	2023.03.17
59	The Company, Baibeiyun (Zhejiang) IoT Technology Co., Ltd.	A dispenser	Utility model	ZL202420125182.4	China	2024.01.18
60	The Company, Quzhou Xunlong	Caviar jar	Industrial design	ZL202330824326.6	China	2023.12.14
61	The Company, Quzhou Xunlong	Packaging box	Industrial design	ZL202330150686.2	China	2023.03.27
62	The Company, Quzhou Xunlong	Packaging box	Industrial design	ZL202330093953.7	China	2023.03.06
63	The Company	Specific DNA fragment SSM1 for sturgeon sex identification and its application	Invention	ZL201910066600.0	China	2019.01.24
64	The Company	Specific DNA fragment SSM2 for sturgeon sex identification and its application	Invention	ZL201910066586.4	China	2019.01.24
65	The Company	Female Acipenser schrenckii specific DNA fragment and its application	Invention	ZL201910066534.7	China	2019.01.24
66	The Company	Specific DNA fragment for paddlefish sex identification and its application	Invention	ZL202411097125.0	China	2024.08.12
67	The Company, Quzhou Xunlong	Backwash filter pool for aquaculture	Utility model	ZL202422494836.3	China	2024.10.15
68	The Company, Quzhou Xunlong	A net cover device to reduce vortex intensity and prevent fish entanglement	Utility model	ZL202422122293.2	China	2024.08.28
69	Quzhou Xunlong, The Company	Gift Box (Tendon Fish Maw)	Industrial design	ZL202430713801.7	China	2024.11.12

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No.	Name of patent holder	Description	Type of patent	Patent no.	Place of registration	Date of registration
70	Zhejiang University, The Company	A light environment regulation method to enhance female Russian sturgeon's gonadal development	Invention	ZL202311265668.4	China	2023.09.27
71	Zhejiang University, The Company	A Russian sturgeon co-rearing method to enhance female Russian sturgeon's gonadal development	Invention	ZL202311263857.8	China	2023.09.27
72	The Company, Yangtze River Fisheries Research Institute, Chinese Academy of Fishery Sciences	A specific DNA fragment combination for distinguishing female russian sturgeon and female kaluga (huso dauricus) and its application	Invention	ZL202511740958.9	China	2025.11.25

(ii) Trademarks

As of the Latest Practicable Date, the following trademarks have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
1		China	The Company	61512466	29	2022.06.28–2032.06.27
2		China	The Company	5100941	29	2018.11.14–2028.11.13
3	卡露伽	China	The Company	9047250	1	2022.01.21–2032.01.20
4	卡露伽	China	The Company	9047303	2	2022.01.21–2032.01.20
5	卡露伽	China	The Company	9047347	3	2022.01.21–2032.01.20
6	卡露伽	China	The Company	9047378	4	2022.01.21–2032.01.20
7	卡露伽	China	The Company	9047420	5	2022.01.21–2032.01.20
8	卡露伽	China	The Company	9047466	6	2022.01.21–2032.01.20
9	卡露伽	China	The Company	9047503	7	2022.01.21–2032.01.20
10	卡露伽	China	The Company	9047533	8	2022.01.21–2032.01.20
11	卡露伽	China	The Company	9047560	9	2022.01.21–2032.01.20
12	卡露伽	China	The Company	9047586	10	2022.01.21–2032.01.20
13	卡露伽	China	The Company	9050742	11	2022.01.21–2032.01.20

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No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
14	卡露伽	China	The Company	9050781	12	2022.01.21–2032.01.20
15	卡露伽	China	The Company	9050826	13	2022.01.21–2032.01.20
16	卡露伽	China	The Company	9050868	14	2022.01.21–2032.01.20
17	卡露伽	China	The Company	9050901	15	2022.01.21–2032.01.20
18	卡露伽	China	The Company	9050933	16	2022.01.21–2032.01.20
19	卡露伽	China	The Company	9050992	17	2022.05.14–2032.05.13
20	卡露伽	China	The Company	9051035	18	2022.01.21–2032.01.20
21	卡露伽	China	The Company	9051090	19	2022.05.14–2032.05.13
22	卡露伽	China	The Company	9051144	20	2022.01.21–2032.01.20
23	卡露伽	China	The Company	9054618	21	2022.01.21–2032.01.20
24	卡露伽	China	The Company	9054659	22	2022.01.21–2032.01.20
25	卡露伽	China	The Company	9054699	23	2022.01.21–2032.01.20
26	卡露伽	China	The Company	9073962	24	2022.01.28–2032.01.27
27	卡露伽	China	The Company	9073979	25	2022.01.28–2032.01.27
28	卡露伽	China	The Company	9074008	26	2022.01.28–2032.01.27
29	卡露伽	China	The Company	9074034	27	2022.01.28–2032.01.27
30	卡露伽	China	The Company	9074060	28	2022.01.28–2032.01.27
31	卡露伽	China	The Company	9074085	29	2022.07.07–2032.07.06
32	卡露伽	China	The Company	9077870	30	2022.01.28–2032.01.27
33	卡露伽	China	The Company	9077896	31	2022.04.07–2032.04.06

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No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
34	卡露伽	China	The Company	9077924	32	2022.01.28–2032.01.27
35	卡露伽	China	The Company	9077941	33	2022.01.28–2032.01.27
36	卡露伽	China	The Company	9077993	34	2022.01.28–2032.01.27
37	卡露伽	China	The Company	9078027	35	2022.01.28–2032.01.27
38	卡露伽	China	The Company	9078065	36	2022.01.28–2032.01.27
39	卡露伽	China	The Company	9078119	37	2022.01.28–2032.01.27
40	卡露伽	China	The Company	9078142	38	2022.01.28–2032.01.27
41	卡露伽	China	The Company	9078160	39	2022.01.28–2032.01.27
42	卡露伽	China	The Company	9083565	40	2022.02.07–2032.02.06
43	卡露伽	China	The Company	9083593	41	2022.02.07–2032.02.06
44	卡露伽	China	The Company	9083630	42	2022.02.07–2032.02.06
45	卡露伽	China	The Company	9083661	43	2022.02.07–2032.02.06
46	卡露伽	China	The Company	9083734	44	2022.02.07–2032.02.06
47	卡露伽	China	The Company	9083820	45	2022.02.07–2032.02.06
48		China	The Company	9073916	29	2022.06.28–2032.06.27
49		China	The Company	40411618	14	2020.05.14–2030.05.13
50	 这一克拥有 这一刻品位	China	The Company	38670996	29	2020.02.28–2030.02.27
51		China	The Company	50004823	25	2021.09.14–2031.09.13

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No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
52		China	The Company	50004753	22	2021.06.07–2031.06.06
53		China	The Company	50002866	31	2021.05.28–2031.05.27
54		China	The Company	50000317	20	2021.06.07–2031.06.06
55		China	The Company	49999332	13	2021.05.28–2031.05.27
56		China	The Company	49999029	8	2021.06.07–2031.06.06
57		China	The Company	49998286	23	2021.06.07–2031.06.06
58		China	The Company	49998176	18	2021.06.07–2031.06.06
59		China	The Company	49998124	16	2021.05.28–2031.05.27
60		China	The Company	49997478	36	2021.06.07–2031.06.06
61		China	The Company	49997151	45	2021.06.14–2031.06.13
62		China	The Company	49995155	26	2021.06.07–2031.06.06
63		China	The Company	49994381	21	2021.05.28–2031.05.27
64		China	The Company	49994243	37	2021.05.28–2031.05.27

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No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
65		China	The Company	49993647	19	2021.05.28–2031.05.27
66		China	The Company	49993114	10	2021.06.14–2031.06.13
67		China	The Company	49992877	42	2021.05.28–2031.05.27
68		China	The Company	49992717	7	2021.05.28–2031.05.27
69		China	The Company	49992620	32	2021.05.28–2031.05.27
70		China	The Company	49991510	39	2021.08.21–2031.08.20
71		China	The Company	49990790	17	2021.06.07–2031.06.06
72		China	The Company	49989982	34	2021.06.14–2031.06.13
73		China	The Company	49989947	33	2022.01.07–2032.01.06
74		China	The Company	49987852	38	2021.06.14–2031.06.13
75		China	The Company	49987709	4	2021.06.07–2031.06.06
76		China	The Company	49984285	12	2021.05.28–2031.05.27
77		China	The Company	49984000	24	2021.06.07–2031.06.06

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No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
78		China	The Company	49983645	40	2021.06.07–2031.06.06
79		China	The Company	49982340	44	2021.05.28–2031.05.27
80		China	The Company	49981802	30	2021.05.28–2031.05.27
81		China	The Company	49979958	28	2021.06.14–2031.06.13
82		China	The Company	49979933	27	2021.05.28–2031.05.27
83		China	The Company	49978160	9	2021.06.07–2031.06.06
84		China	The Company	49977755	6	2021.05.28–2031.05.27
85		China	The Company	49977055	15	2021.05.28–2031.05.27
86		China	The Company	49976994	43	2021.06.14–2031.06.13
87		China	The Company	49975913	2	2021.06.07–2031.06.06
88		China	The Company	49975136	11	2021.06.07–2031.06.06
89		China	The Company	49973993	41	2021.06.07–2031.06.06
90		China	The Company	49972686	5	2021.06.28–2031.06.27

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No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
91		China	The Company	49972459	35	2021.06.07–2031.06.06
92		China	The Company	49972365	14	2021.06.07–2031.06.06
93		China	The Company	49972005	29	2021.06.14–2031.06.13
94		China	The Company	49971266	3	2021.06.14–2031.06.13
95		China	The Company	49971234	1	2021.06.14–2031.06.13
96		China	The Company	77501705	30	2024.09.28–2034.09.27
97		China	The Company	76952395	9	2024.09.14–2034.09.13
98		China	The Company	76954399	19	2024.09.14–2034.09.13
99		China	The Company	76955821	37	2024.09.14–2034.09.13
100		China	The Company	76967850	42	2024.09.14–2034.09.13
101		China	The Company	76956331	5	2024.09.14–2034.09.13
102		China	The Company	76963095	30	2024.09.14–2034.09.13
103		China	The Company	76961621	43	2024.09.14–2034.09.13

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No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
104		China	The Company	76949805	32	2024.09.21–2034.09.20
105		China	The Company	76951194	10	2024.09.14–2034.09.13
106		China	The Company	76949969	12	2024.09.21–2034.09.20
107		China	The Company	76961315	25	2024.11.21 –2034.11.20
108		China	The Company	76959504	16	2024.09.14–2034.09.13
109		China	The Company	76964378	22	2024.09.14–2034.09.13
110		China	The Company	76965378	17	2024.09.14–2034.09.13
111		China	The Company	76964273	45	2024.09.14–2034.09.13
112		China	The Company	76969676	15	2024.09.14–2034.09.13
113		China	The Company	76950924	1	2024.09.14–2034.09.13
114		China	The Company	76961118	24	2024.09.14–2034.09.13
115		China	The Company	76953309	40	2024.09.14–2034.09.13

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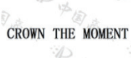
No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
116		China	The Company	76950778	44	2024.09.14–2034.09.13
117		China	The Company	76960764	41	2024.09.14–2034.09.13
118		China	The Company	76952696	14	2024.09.14–2034.09.13
119		China	The Company	76955582	21	2024.09.14–2034.09.13
120		China	The Company	76951185	11	2024.09.14–2034.09.13
121		China	The Company	76963116	28	2024.09.14–2034.09.13
122		China	The Company	76954815	7	2024.09.14–2034.09.13
123		China	The Company	76966539	33	2024.09.21–2034.09.20
124		China	The Company	76962726	31	2024.09.14–2034.09.13
125		China	The Company	76948951	2	2024.09.14–2034.09.13
126		China	The Company	76955937	13	2024.09.14–2034.09.13
127		China	The Company	76967055	8	2024.09.14–2034.09.13
128		China	The Company	76963537	39	2024.09.14–2034.09.13

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No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
129		China	The Company	76969165	27	2024.09.14–2034.09.13
130		China	The Company	76958553	36	2024.09.14–2034.09.13
131		China	The Company	76957928	6	2024.09.14–2034.09.13
132		China	The Company	76968785	26	2024.09.14–2034.09.13
133		China	The Company	76962692	38	2024.09.14–2034.09.13
134		China	The Company	76961171	18	2024.09.14–2034.09.13
135		China	The Company	76966841	20	2024.09.14–2034.09.13
136		China	The Company	76956360	3	2024.09.14–2034.09.13
137		China	The Company	76954351	35	2024.09.14–2034.09.13
138		China	The Company	76956339	4	2024.09.14–2034.09.13
139		China	The Company	76957331	34	2024.09.14–2034.09.13
140		China	The Company	76957042	23	2024.09.14–2034.09.13
141		China	The Company	76964258	29	2024.09.14–2034.09.13

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No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Effective period
142		Hong Kong	The Company	306969629	29, 30, 31, 32, 33, 35, 43, 44	2025.12.16–2035.12.16
143		China	The Company	69665474	29	2023.08.14–2033.08.13

The class number represents the specifications of products or services which have already been applied for or registered. Detailed specifications of the products or services represented by that class number are set out in the relevant application forms or registration certificates.

(iii) Domain Name

As of the Latest Practicable Date, the following domain names have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

No.	Domain name	Registrant	Date of registration	Expiry Date
1	卡露伽.中國	The Company	2021.05.06	2027.05.06
2	卡露伽.com	Quzhou Xunlong	2021.05.06	2027.05.06
3	卡露伽.net	The Company	2021.05.06	2027.05.06
4	卡露伽.cn	The Company	2021.05.06	2027.05.06
5	kalugaqueen.com	The Company	2011.03.10	2027.03.10
6	kalugaqueen.net	Quzhou Xunlong	2026.02.27	2027.02.27

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3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Particulars of Directors’ Contracts

Each of our Directors [has] entered into a service agreement or letter of appointment with our Company. The principal particulars of these service agreements and letters of appointment comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service agreements and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

B. Directors’ Remuneration

The aggregate amount of remuneration paid to our Directors (including salaries, remuneration, pension, discretionary bonus, benefits-in-kind, share-based compensation and other welfares) for the years ended December 31, 2023, 2024 and 2025 was approximately RMB46.07 million, RMB10.49 million and RMB14.01 million, respectively.

For each of the years ended December 31, 2023, 2024 and 2025, the aggregate amount of fees, salaries, allowances, discretionary bonus, pension schemes contribution, share-based compensation and other benefits in kind (if applicable) paid to the five highest-paid individuals of our Group was approximately RMB48.3 million, RMB12.7 million and RMB16.8 million, respectively.

Based on the current arrangements in force as of the Latest Practicable Date, it is estimated that under the arrangements currently in force, the aggregate amounts of remuneration payable by our Company to our Directors for the year ending December 31, 2026 is approximately RMB10 million in aggregate (excluding any discretionary bonus).

None of the Directors (or former Directors) or the five highest paid individuals has been paid any sum of money for the Track Record Period (i) as an inducement to join or upon joining us; or (ii) as compensation for loss of office in connection with the management of the affairs of any member of our Group.

Save as disclosed above, no other payments have been made or are payable in respect of the years ended December 31, 2023, 2024 and 2025 by any member of our Group to any of our Directors.

4. DISCLOSURE OF INTERESTS

A. Directors and Chief Executive

Immediately following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised, the interests or short positions of our Directors and the chief executive in any Shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which, once the H Shares are [REDACTED], will be required (a) to be notified to our Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of Part XV of the SFO, to be entered in the

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register referred to therein; or (c) to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, are as follows:

(i) *Interests in the Shares of Our Company*

<u>Name of Director/ chief executive</u>	<u>Nature of interest</u>	<u>Number of Shares</u>	<u>Description of Shares</u>	<u>Approximate percentage of shareholding in our total share capital ⁽¹⁾</u>
Mr. Wang ⁽²⁾	Beneficial interest, interest held by controlled corporations	[REDACTED]	[REDACTED]	[REDACTED]%
Mr. DONG Zhendong (董振東)	Beneficial interest	[REDACTED]	[REDACTED]	[REDACTED]%

Notes:

(1) The calculation is based on the total number of [REDACTED] H Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Unlisted Shares into H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

(2) See the section headed “Substantial Shareholders” in this Document

(ii) *Interest in shares of associated corporations of our Company*

Our Directors and chief executive are not interested in the shares of any associated corporation of our Company.

B. Substantial shareholders of our Company

Save as disclosed in the section headed “Substantial Shareholders” in this Document, as of the Latest Practicable Date, our Directors are not aware of any other person who will, immediately following the Conversion of Unlisted Shares into H Shares and upon completion of the [REDACTED] have an interest or short position in our Shares or the underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO.

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C. Substantial shareholders of other members of our Group

So far as our Directors are aware, as at the Latest Practicable Date, the following person (other than our Directors or chief executive of our Company) was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of other members of our Group.

<u>Name of members of our Group</u>	<u>Name of the substantial shareholder</u>	<u>Approximate percentage shareholding</u>
Quzhou Xunlong Aquatic Food Technology Development Co., Ltd. (衢州鱖龍水產食品科技開發有限公司) . . .	Zhejiang Rural Revitalization Investment Fund Co., Ltd. (浙江省鄉村振興投資基金有限公司)	20.55%
Hubei Kalujia Food Co., Ltd. (湖北卡露伽食品有限公司)	Hubei Qiandao Lake Xunlong Technology Development Co., Ltd. (湖北千島湖鱖龍科技開發有限公司)	20.00%
Shandong Xunlong Fishing Technology Development Co., Ltd. (山東鱖龍漁業科技開發有限公司)	Sishui County Yurun Fishery Co., Ltd. (泗水縣雨潤漁業有限公司)	30.00%
Hubei Qiandao Lake Xunlong Technology Development Co., Ltd. (湖北千島湖鱖龍科技開發有限公司)	ZHAO Guangming (趙光明)	49.00%
Sichuan Kalujia Aquaculture Co., Ltd. (四川卡露伽水產養殖有限公司)	CHEN Yulin (陳玉林)	49.00%

D. Disclaimers

Save as disclosed in this Document:

- (i) none of our Directors or chief executive of our Company has any interests and short positions in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in Appendix C3 to the Listing Rules to be notified to us and the Stock Exchange, in each case once our Shares have been [REDACTED];
- (ii) none of our Directors is a director or employee of a company which is expected to have an interest in our Shares falling to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once our Shares have been [REDACTED] on the [REDACTED];

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- (iii) none of our Directors nor any of the parties listed in “— 6. Other Information — G. Qualification of Experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business;
- (iv) none of our Directors nor any of the parties listed in “— 6. Other Information — G. Qualification of Experts” in this Appendix is interested in our promotion, or in any assets which have, within two years immediately preceding the issue of this Document, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
- (v) none of the parties listed in the paragraph headed “— 6. Other Information — G. Qualification of Experts” in this Appendix: (a) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (b) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities; and
- (vi) none of our Directors or their respective associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers.

5. RESTRICTED SHARE INCENTIVE SCHEMES

We have adopted 2023 Restricted Share Incentive Scheme and 2025 Restricted Share Incentive Scheme on July 20, 2023 and September 3, 2025, respectively, to attract and retain the talents and to provide incentives that align the interests of shareholders, our Company and employees, for long-term development of our Company. Pursuant to the Restricted Share Incentive Schemes, Hangzhou Kalujiaren and Hangzhou Xunlongren were established in the PRC as our Employee Incentive Platforms which directly hold Shares in our Company. As of the Latest Practicable Date, a total of 6,607,270 restricted Shares had been granted under the Restricted Share Incentive Schemes, representing approximately [REDACTED]% of the issued Shares immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). For details of the grantees of such Employee Incentive Platforms, including the interests held by our core connected persons, see “History, Development and Corporate Structure — Employee Incentive Platforms.”

The terms of the Restricted Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules. The following is a summary of the principal terms of the Restricted Share Incentive Schemes:

2023 Restricted Share Incentive Scheme

(i) Purpose

The 2023 Restricted Share Incentive Scheme aims to further establish and improve the Company’s long-term incentive mechanism, attract and retain talents, fully motivate the Company’s core team, and effectively integrate the interests of Shareholders, the Company, and the individual interests of the core team, so that all parties will make joint efforts for the long-term development of the Company.

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(ii) *Participants*

The participants of the 2023 Restricted Share Incentive Scheme includes Mr. Wang and senior and middle-level management personnel, core technical personnel, and core business personnel who have valid employment relationships with the Company or its wholly-owned subsidiaries.

(iii) *Administration*

The 2023 Restricted Share Incentive Scheme shall be approved, revised and terminated by the shareholders’ meeting of the Company, and the handling and implementation of the scheme shall be authorized to the Board and the chairman authorized by the Board. The Board is responsible for formulating the plan and implementing and handling relevant matters of the scheme in accordance with the authorization of the shareholders’ meeting, and acts as the administrator of the scheme.

The Board, within its authority, authorized the chairman of the Board to implement and handle matters related to the 2023 Restricted Share Incentive Scheme. The specific authorized matters are as follows:

- (1) To specifically implement the 2023 Restricted Share Incentive Scheme and handle matters related to the scheme, including signing all documents related to the scheme on behalf of the Company;
- (2) To determine or update the eligibility, list of participants, and number of shares in the 2023 Restricted Share Incentive Scheme, and to grant incentive shares under the scheme;
- (3) To determine the relevant rights and obligations of each eligible participant in the 2023 Restricted Shares Incentive Scheme;
- (4) If the share incentive platform adopts the form of a limited partnership, the chairman of the Board is authorized to act as the executive partner of the share incentive platform and shall properly perform his duties;
- (5) To monitor the operation of the 2023 Restricted Share Incentive Scheme in real time during its implementation;
- (6) To unlock sales restrictions and handle matters related to the transfer and re-granting of shares due to participants’ withdrawal from the 2023 Restricted Share Incentive Scheme;
- (7) To formulate, amend, sign or terminate agreements, notices and other documents related to the 2023 Restricted Share Incentive Scheme on behalf of the Company;
- (8) Other matters related to the specific implementation of the 2023 Restricted Share Incentive Scheme;
- (9) Other duties and powers granted by the Board.

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Except as otherwise provided in the 2023 Restricted Share Incentive Scheme, the formulation and amendment of the scheme shall be considered and approved by the Board. At the same time, when the Board deliberates, the interested directors shall abstain from voting.

(iv) *Source and maximum number of shares*

The Company issues restricted Shares to the share incentive platform and participants indirectly hold restricted Shares of the Company by holding equity interest in the share incentive platform.

The restricted Shares are subject to a lock-up period and can only be unlocked upon the fulfillment of specified unlocking conditions. The maximum number of restricted Shares that can be granted under the 2023 Restricted Share Incentive Scheme is 4,297,270 Shares.

(v) *Date of grant and term of the Scheme*

The date on which the restricted Shares are granted shall be determined by the chairman as authorized by the Board after the approval of the 2023 Restricted Share Incentive Scheme by the shareholders’ meeting, and shall not be a date prohibited by other laws, regulations, regulatory documents or the Listing Rules.

(vi) *Lock-up period*

The lock-up period for restricted Shares granted under the 2023 Restricted Share Incentive Scheme is from the date of grant of the restricted Shares to the participant until the date on which such shares are released from the restriction. The restricted Shares granted to the participants shall not be transferred, used as security or for repayment of debts before the unlocking.

(vii) *Conditions to the grant of restricted Shares:*

1. The following conditions shall be fulfilled by the participants:
 - (1) Comply with the requirements of relevant laws and regulations and the 2023 Restricted Share Incentive Scheme;
 - (2) Special talents who, while not meeting certain provisions of the 2023 Restricted Share Incentive Scheme (except where participation is prohibited by laws, regulations, normative documents, or other mandatory requirements), may be granted special approval by the management if such talents are deemed to have a significant impact on the Company’s development or to have made exceptional contributions during critical periods or events. This category includes, but is not limited to, individuals with performance exceeding expectations, high-potential talents identified through talent reviews, and employees who have recently been promoted.

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2. Conditions under which grants are not permitted:

The Company shall not grant restricted Shares to the participants if any of the following circumstances occurs:

- (1) The participant has been publicly censured or declared an unsuitable person by a stock exchange in the recent three years;
- (2) The participant has been subject to administrative penalties by Chinese government functional departments due to material violation of laws and regulations within the last three years;
- (3) Any other circumstance under which a person may not serve as a director, supervisor or senior management as stipulated in the Company Law;
- (4) The Company has sufficient evidence to prove that the participant, during their tenure, engaged in illegal or disciplinary actions such as misappropriation of funds, embezzlement, theft, or disclosure of business and technical secrets, which are detrimental to the Company’s interests and reputation, or committed serious dereliction of duty or malfeasance, causing losses to the Company;
- (5) The participant resigns for causes or is dismissed by the Company;
- (6) Other circumstances determined by the administrator that disqualify participation in the incentive scheme.

(viii) *Conditions for Unlocking:*

1. The employment relationship between the employee and the Company continues;
2. The participant has not been subject to any of the circumstances under paragraph (vii) above that would disqualify him/her from being granted restricted Shares;
3. Participants have not experienced the restricted stock exit situations mentioned below;
4. If a participant encounters any of the following circumstances, the restricted Shares granted to them shall, depending on the specific situation, either remain with the individual or be transferred to the executive partner of the share incentive platform or to a person designated and confirmed under the 2023 Restricted Share Incentive Scheme.

a. *Non-fault termination*

If any of the following circumstances occurs, the restricted Shares held by the participant that have been released from restrictions shall belong to the participant, while the portion still under lock-up shall be transferred in accordance with the provisions of the 2023 Restricted Share Incentive Scheme. The transfer price shall be calculated based on the lowest of the following: (1) grant price + 5% annual simple interest; (2) if the Company is [REDACTED] and the average share price within 20 trading days from the trigger date is lower than the grant price, then the average share

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price within those 20 trading days + 5% annual simple interest; (3) the Company’s unaudited net asset value per share at the end of the most recent fiscal year + 5% annual simple interest.

- (i) The participant’s employment contract with the Company expires, and both parties agree not to renew it after negotiation;
- (ii) The participant’s employment contract with the Company has not expired, but the participant resigns with the Company’s consent.

b. *Fault-based termination*

If any of the following circumstances occur, the restricted Shares held by the participant shall be handled as follows: The portion that has been released from lock-up shall belong to the participant, while the portion still under lock-up shall be transferred in accordance with the provisions of the 2023 Restricted Share Incentive Scheme. The transfer price shall be calculated based on the lowest of the following: (1) the original grant price; (2) if, after the Company’s [REDACTED], the average share price during the 20 trading days following the trigger date is lower than the grant price, then the average share price during those 20 trading days; (3) the Company’s unaudited net asset value per share as of the most recent year-end.

The circumstances include:

- (i) The participant’s employment contract with the Company has not expired, the participant is dismissed due to personal performance, significant violations of laws and regulations, or serious breaches of the Company’s rules and regulations;
- (ii) If a participant is subject to any circumstance under the 2023 Restricted Share Incentive Scheme that prevents them from being granted restricted Shares;
- (iii) If the participant’s employment contract with the Company has not expired and they resign without the Company’s consent;
- (iv) Where the participant is prosecuted as a result of a criminal offense;
- (v) The participant disposes of their restricted Shares (including but not limited to transfer, mortgage, pledge, gift, trust, etc.) without the consent of the administrator.

c. *Unexpected conditions*

If any of the following circumstances occurs to a participant, the restricted Shares held by the participant that have been released from restrictions shall belong to the participant, and the unreleased portion shall be transferred in accordance with the provisions of the 2023 Restricted Share Incentive Scheme. The transfer price shall be calculated at the lower of the following prices: (1) grant price + 5% annual simple interest; (2) if the average share price of the Company within 20 trading days from the trigger date is lower than the grant price after the Company’s [REDACTED], it shall be

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calculated based on the average share price of the Company within 20 trading days from the trigger date + 5% simple interest per annum; (3) the Company’s unaudited net asset value per share at the end of the most recent year + 5% simple interest per annum, and the legally determined heirs shall cooperate in handling the relevant procedures:

- (i) The participant loses capacity for civil acts due to serious illness or other reasons;
- (ii) The participant dies.

d. *Employee Retirement*

If a participant reaches the statutory retirement age and retires normally, and no longer signs a re-engagement/renewal contract with the Company, then among the restricted Shares held by the participant, the unlocked portion shall belong to the participant, and the unvested portion shall be transferred in accordance with the 2023 Restricted Share Incentive Scheme. The transfer price shall be calculated at the lower of the following prices: (1) grant price + 5% annual simple interest; (2) if the Company’s average share price within 20 trading days from the trigger date after the Company’s [REDACTED] is lower than the grant price, it shall be calculated based on the Company’s stock average price within 20 trading days from the trigger date + 5% annual simple interest; (3) the Company’s unaudited net asset per share at the end of the most recent year + 5% annual simple interest.

(ix) *Unlocking of restricted Shares:*

If the participants meet the conditions for lifting restricted sales, they may exercise relevant rights in accordance with the provisions of the 2023 Restricted Share Incentive Scheme, and the arrangements for lifting restricted sales shall be determined according to the following principles:

1. The restricted Shares held by the participant shall be subject to a lock-up period of 36 months from the grant date.
2. After 36 months from the grant date, the restricted Shares held by participants shall be unlocked in two tranches, with 50% being unlocked on the 48th month and 60th month from the grant date, respectively.
3. *Special Provisions*
 - (1) If the Company proceeds with [REDACTED], the arrangements for the repurchase or transfer of restricted Shares held by participants shall also comply with the requirements of relevant laws and regulations. If there are other stipulations in laws and regulations regarding the reduction of holdings by participants, the relevant participants shall comply with applicable legal provisions when selling restricted Shares.
 - (2) The restricted period and unlocking arrangements for the restricted Shares newly granted to participants under the 2023 Restricted Share Incentive Scheme shall be determined by the administrator on the grant date. After the participants are granted restricted Shares, they shall not dispose of the granted restricted Shares by way of gift, transfer, guarantee, debt repayment or other arrangements. The

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restricted Shares granted to participants shall not be transferred during the restricted period, except for transfers due to specific circumstances as stipulated under the 2023 Restricted Share Incentive Scheme; new shares obtained from the Company’s distribution of bonus shares or dividends, or conversion of capital reserves into shares, shall be locked up simultaneously, and the lifting of sales restrictions for such new shares shall be the same as their corresponding restricted Shares.

- (3) The dividend amount of the restricted Shares granted to the participants will be paid to the participants after the expiry of the restricted sales period of the corresponding shares. If the restricted sales cannot be lifted according to the 2023 Restricted Share Incentive Scheme, all dividends obtained by participants during the restricted period shall be returned.
- (4) If the restricted Shares cannot be unlocked under the 2023 Restricted Share Incentive Scheme or cannot be unlocked due to failure to meet the unlocking conditions, the restricted Shares held by the participant shall be transferred to the executive partner of the share incentive platform or its designated personnel confirmed under the 2023 Restricted Share Incentive Scheme.
- (5) The transfer of restricted Shares of the Company legally and indirectly held by participants due to the lifting of restrictions shall remain subject to the provisions of laws and regulations, the requirements of regulatory authorities and the stock exchange, or other provisions of the Articles of Association.

2025 Restricted Share Incentive Scheme**(i) Purpose**

The 2025 Restricted Share Incentive Scheme aims to further establish and improve the Company’s long-term incentive mechanism, attract and retain talents, fully motivate the Company’s core team, and effectively align the interests of shareholders, the Company, and the individual interests of the core team, so that all parties will make joint efforts for the long-term development of the Company.

(ii) Participants

The participants of the 2025 Restricted Share Incentive Scheme include Mr. Wang and employees with valid employment relationships with the Company or its wholly-owned or controlled subsidiaries. Eligible participants cover senior and middle management, core technical personnel, core business personnel, key reserve talents, entrepreneurial team members, and outstanding employees. To qualify as a reserve talent, an employee must have been with the Company for at least one year, be under 45 years of age, demonstrate strong development potential, and possess expertise in technical, sales, or management roles. Additionally, they must express a commitment to grow with the Company for more than five years. Among them, the education requirements are: college degree or above for aquaculture, processing, and sales; bachelor’s degree or above for management.

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(iii) *Administration*

The 2025 Restricted Share Incentive Scheme shall be approved, amended and terminated by the shareholders’ meeting, and the handling and implementation of the scheme shall be authorized to the Board and the chairman authorized by the Board of Directors. The Board and the chairman authorized by the Board are responsible for formulating the scheme and implementing and handling matters related to the scheme in accordance with the authorization of the shareholders’ meeting, acting as the administrator of the scheme.

The Board within its scope of authority, authorizes the chairman of the Board to implement and handle matters related to the 2025 Restricted Share Incentive Scheme. The specific authorized matters are as follows:

- (1) To specifically implement the 2025 Restricted Share Incentive Scheme and handle matters related to the scheme, including signing all documents related to the scheme on behalf of the Company;
- (2) To determine or update the eligibility, list of participants, and number of shares in the 2025 Restricted Share Incentive Scheme, and grant shares under the scheme;
- (3) To determine the relevant rights and obligations of each eligible participant upon participating in the 2025 Restricted Share Incentive Scheme;
- (4) If the share incentive platform is structured as a limited partnership, the chairman of the Board is authorized to act as the executive partner of the platform and shall properly perform his duties;
- (5) To supervise the operation of the 2025 Restricted Shares Incentive Scheme in real time during its implementation;
- (6) To unlock sales restrictions and handle matters related to the transfer and re-granting of shares due to participants’ withdrawal from the 2025 Restricted Share Incentive Scheme.
- (7) To formulate, amend, sign or terminate agreements, notices and other documents related to the 2025 Restricted Share Incentive Scheme on behalf of the Company;
- (8) Other matters related to the specific implementation of the 2025 Restricted Share Incentive Scheme;
- (9) Other duties and powers granted by the Board.

Except as otherwise provided in the 2025 Restricted Share Incentive Scheme, any modification to the scheme shall be considered and approved by the Company’s Board. At the same time, when the Board deliberates, the interested directors shall abstain from voting.

(iv) *Source and maximum number of shares*

The Company issues restricted Shares to the share incentive platform and participants indirectly hold restricted Shares of the Company by holding equity interest in the share incentive platform.

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The restricted Shares are subject to a lock-up period and can only be unlocked upon the fulfillment of specified unlocking conditions. The maximum number of restricted Shares that may be granted under the 2025 Restricted Share Incentive Scheme is 2,310,000 Shares.

(v) *Date of grant and term of the Scheme*

The date on which the restricted Shares are granted shall be determined by the chairman, as authorized by the Board, after the approval of the 2025 Restricted Share Incentive Scheme by the shareholders’ meeting of the Company, and shall not be a date prohibited by other laws, regulations, regulatory documents or the Listing Rules.

(vi) *Lock-up period*

The lock-up period for restricted Shares granted under the 2025 Restricted Share Incentive Scheme is from the date the participant is granted the restricted Shares until the date such shares are released from the restriction. Except as otherwise provided in the 2025 Restricted Share Incentive Scheme, the restricted Shares granted to participants shall not be transferred, used as security or to repay debts before the lifting of the restrictions on sale.

(vii) *Conditions to the grant of restricted Shares:*

1. The following conditions shall be fulfilled by the participants:
 - (1) Comply with the requirements of relevant laws and regulations and the 2025 Restricted Share Incentive Scheme;
 - (2) Special talents who, while not meeting certain provisions of the 2025 Restricted Share Incentive Scheme (except where participation is prohibited by laws, regulations, normative documents, or other mandatory requirements), may be granted special approval by the management if such talents are deemed to have a significant impact on the Company’s development or to have made exceptional contributions during critical periods or events. This category includes, but is not limited to, individuals with performance exceeding expectations, high-potential talents identified through talent reviews, and employees who have recently been promoted.
2. Conditions under which grants are not permitted:

The Company shall not grant restricted Shares to the Participants if any of the following circumstances occurs:

- (1) the participant has been publicly censured or declared an unsuitable person by the CSRC, the stock exchange where the Company’s shares are proposed to be [REDACTED] and/or the securities regulatory authority where the Company’s shares are proposed to be [REDACTED] (hereinafter referred to as the “Securities Regulatory Authority”) within three years prior to the grant date;
- (2) the participant has been subject to administrative penalties or market entry prohibitions by Chinese government functional departments due to material violations of laws and regulations within three years prior to the grant date;

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- (3) any other circumstance under which a person may not serve as a director, supervisor or senior management as stipulated in the PRC Company Law;
- (4) the Company has sufficient evidence to prove that the participant, during their tenure, caused losses to the Company due to illegal and disciplinary acts such as misappropriation of funds, embezzlement, theft, disclosure of business and technical secrets, which are detrimental to the Company’s interests and reputation, or due to serious dereliction of duty or malfeasance;
- (5) the participant resigns for cause or is dismissed by the Company;
- (6) other circumstances determined by the administrator as not meeting the eligibility requirements for participation in the scheme;
- (7) other circumstances under which a person may not participate in equity incentive schemes as determined by the CSRC, the stock exchange or other Securities Regulatory Authorities.

(viii) Conditions for Unlocking:

- 1. The Company completes the company-level performance assessment requirements, and the participants complete the personal-level performance assessment requirements;
- 2. The participant’s employment/engagement relationship with the Company is ongoing;
- 3. The Participant has not been subject to any of the circumstances under paragraph (vii) above that would disqualify him/her from being granted restricted Shares;
- 4. Participants have not experienced the restricted stock exit situations mentioned below;
- 5. If a participant encounters any of the following circumstances, the restricted Shares granted to them shall, depending on the specific situation, either remain with the individual or be transferred to the executive partner of the share incentive platform or to a person designated and confirmed under the 2025 Restricted Share Incentive Scheme.

a. *Non-fault termination*

In any of the following circumstances, the portion of restricted Shares held by the participant that has been unlocked shall belong to the participant, and the unlocked portion shall be transferred in accordance with the provisions of the 2025 Restricted Share Incentive Scheme, with the transfer price calculated at the lowest of the following: (1) grant price + 5% simple annual interest; (2) if the average stock price of the Company within 20 trading days from the trigger date is lower than the grant price after the Company’s [REDACTED], it shall be calculated as the average stock price of the Company within 20 trading days from the trigger date + 5% simple annual interest; (3) the Company’s unaudited net asset per share at the end of the most recent year + 5% simple annual interest:

- (i) The employment contract between the participant and the Company expires, and both parties agree not to renew it after negotiation, or either the Company or the participant proposes not to renew it;

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- (ii) If the Participant’s employment contract with the Company has not expired, and the Participant (provided there are no major violations of laws and regulations or serious breaches of Company rules and regulations by the Participant) resigns from the Company with the Company’s consent;
- (iii) The Company proposes to terminate the employment contract with the Participant (where the Participant has not committed any material violations of laws and regulations or serious breaches of the Company’s rules and regulations) before the expiry of the Participant’s employment contract with the Company.

b. *Fault-based termination*

If any of the following circumstances occur, the restricted Shares held by the participant shall be handled as follows: The portion that has been released from lock-up shall belong to the participant, while the portion still under lock-up shall be transferred in accordance with the provisions of the 2025 Restricted Share Incentive Scheme. The transfer price shall be calculated based on the lowest of the following: (1) The original grant price; (2) If, after the Company’s [REDACTED], the average share price during the 20 trading days following the trigger date is lower than the grant price, then the average share price during those 20 trading days; (3) The Company’s unaudited net asset value per share as of the most recent year-end.

The circumstances include:

- (i) The participant is dismissed prior to the expiration of the employment contract, and such dismissal is attributable to the participant’s poor performance, material legal or regulatory violation, or serious breach of the Company’s internal regulations;
- (ii) If a participant is subject to any of the circumstances stipulated in the 2025 Restricted Share Incentive Scheme under which restricted Shares may not be granted;
- (iii) If a participant’s employment contract with the Company has not expired, and the participant resigns without the Company’s consent by completing resignation procedures;
- (iv) Where the participant is prosecuted as a result of a criminal offense;
- (v) The participant disposes of their restricted Shares (including but not limited to transfer, mortgage, pledge, gift, trust, etc.) without the consent of the Administrator.

c. *Unexpected conditions*

If any of the following circumstances occurs to a participant, the restricted Shares held by the participant that have been released from restrictions shall belong to the participant, and the unreleased portion shall be transferred in accordance with the provisions of the 2025 Restricted Share Incentive Scheme, with the transfer price calculated at the lower of the following prices: (1) grant price + 5% simple annual

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interest; (2) if the average share price of the Company within 20 trading days from the trigger date is lower than the grant price after the Company’s [REDACTED], it shall be calculated based on the average share price of the Company within 20 trading days from the trigger date + 5% simple interest per annum; (3) the Company’s audited net asset value per share at the end of the most recent year + 5% simple interest per annum, and the legally determined heirs shall cooperate in handling the relevant procedures:

- (i) the participant no longer possesses the capacity for civil acts due to serious illness or other reasons;
- (ii) in the event of the death of the participant.

d. *Employee Retirement*

If a participant reaches the statutory retirement age and retires normally, and no longer signs a re-engagement/renewal contract with the Company, the unrestricted portion of the restricted Shares held by the participant shall belong to the participant, and the unreleased portion shall be transferred in accordance with the provisions of the 2025 Restricted Share Incentive Scheme. The transfer price shall be calculated at the lower of the following prices: (1) grant price + 5% annual simple interest; (2) if, after the Company’s [REDACTED], the average share price of the Company within 20 trading days from the trigger date is lower than the grant price, it shall be calculated as the average stock price of the Company within 20 trading days from the trigger date + 5% annual simple interest; (3) the unaudited net asset per share of the Company at the end of the most recent year + 5% simple annual interest.

(ix) *Unlocking of restricted Shares:*

If the participants meet the conditions for lifting restricted sales, they may exercise relevant rights in accordance with the provisions of the 2025 Restricted Share Incentive Scheme. The arrangements for lifting restricted sales shall be determined according to the following principles:

1. The restricted Shares held by the participant shall be subject to a lock-up period of 36 months from the grant date.
2. After 36 months from the grant date, the restricted Shares held by participants shall be unlocked in two tranches, with 50% being unlocked on the 48th month and 60th month from the grant date, respectively.
3. *Special Provisions*
 - (1) If the Company proceeds with [REDACTED], the repurchase or transfer of restricted Shares held by participants shall also comply with the relevant laws and regulations. If there are other stipulations in laws and regulations regarding the reduction of holdings by participants, the relevant participants shall comply with applicable provisions when disposing of restricted Shares.
 - (2) The lock-up period and unlocking arrangements for newly granted restricted Shares to participants under the 2025 Restricted Share Incentive Scheme shall be determined by the administrator on the grant date. After the participants are granted restricted Shares, they shall not dispose of the granted restricted Shares by

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way of gift, transfer, guarantee, debt repayment or other arrangements. The restricted Shares granted to participants shall not be transferred during the restricted period, except for transfers resulting from specific circumstances as stipulated under the 2025 Restricted Share Incentive Scheme; new shares obtained due to the Company’s distribution of bonus shares, capitalization issue from capital reserve, etc., shall be locked up simultaneously, and the lifting of restrictions on such new shares shall be the same as their corresponding restricted Shares.

- (3) The dividend of the restricted Shares granted to the participants will be paid to the participants after the expiry of the lock-up period of the corresponding shares. If the restricted sales cannot be lifted according to the 2025 Restricted Share Incentive Scheme, the dividends obtained by the participant during the lock-up period shall be fully returned.
- (4) If the restricted Shares cannot be unlocked according to the 2025 Restricted Share Incentive Scheme or cannot be unlocked due to the failure to meet the unlocking conditions, the restricted Shares held by the participants shall be transferred by the executive partner of the share incentive platform or the person designated by it and confirmed according to the 2025 Restricted Share Incentive Scheme.
- (5) The transfer of restricted Shares of the Company legally and indirectly held by participants due to the lifting of restrictions shall remain subject to the provisions of laws and regulations, requirements of regulatory authorities and stock exchanges, or other provisions of the Articles of Association.

6. OTHER INFORMATION

A. Estate Duty

We have been advised that no material liability for estate duty under the PRC law is likely to fall upon our Company or any member of our Group.

B. Litigation

As of the Latest Practicable Date, save as disclosed in this Document, we were not involved in any material litigation, arbitration or administrative proceedings, and so far as our Directors are aware, no such material litigation, arbitration or administrative proceedings are pending or threatened against any member of our Group.

C. Joint Sponsors

The Joint Sponsors have declared its independence pursuant to Rule 3A.07 of the Listing Rules. Our Company has entered into engagement agreements with the Joint Sponsors, pursuant to which our Company agreed to pay an aggregate of USD700,000 to the Joint Sponsors to act as the sponsors to our Company in connection with the [REDACTED].

The Joint Sponsors has made an application on our behalf to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], our H Shares. All necessary arrangements have been made to enable the H Shares to be admitted into [REDACTED].

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D. Compliance Advisor

We appointed Red Solar Capital Limited as our compliance advisor effective upon the [REDACTED] in compliance with Rules 3A.19 of the Listing Rules.

E. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

F. Promoters

The promoters of our Company are Mr. Wang, William Francis Holst II, Chunan Hongpingguo, Qianfa Group, East China Sea Fisheries Research Institute, Chinese Academy of Fishery Sciences (中國水產科學研究院東海水產研究所), Chinese Academy of Fishery Sciences (中國水產科學研究院), Newline Media, Zhejiang Yidu Venture Capital Co., Ltd. (浙江億都創業投資有限公司), Gaojing Luoke, Hangzhou Lingfeng Cybnaut Venture Capital Partnership (Limited Partnership) (杭州靈峰賽伯樂創業投資合夥企業(有限合夥)), Hangzhou Tianhai Holding Group Co., Ltd. (杭州天海控股集團有限公司), Zhejiang Free Trade Zone Yuehai Enterprise Management Co., Ltd. (浙江自貿區悅海企業管理有限公司), Tibet Fumao Industrial Co., Ltd. (西藏福茂實業有限公司), Zhejiang Provincial Fisheries Technology Extension Center (浙江省水產技術推廣總站), and Beijing Liantian Technology Development Co., Ltd. (北京聯天科技發展有限責任公司).

Save as disclosed in this Document, within the two years immediately preceding the date of this Document, no cash, securities or other interest have been paid, allotted or given to the above promoters in connection with the [REDACTED] or related transactions in this Document.

G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given their opinions or advice in this Document, are as follows:

Name	Qualification
CITIC Securities (Hong Kong) Limited	A corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
China Securities (International) Corporate Finance Company Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong)
Tian Yuan Law Firm	Legal advisor as to PRC laws

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Name	Qualification
China Insights Industry Consultancy Limited	Independent industry consultant
AVISTA Asset Appraisal (Beijing) Co., Ltd	Independent biological assets valuer

H. Consents of Experts

Each of the experts as referred to in “— 6. Other Information — G. Qualification of Experts” in this Appendix has given, and has not withdrawn, its respective written consents to the issue of this Document with the inclusion of its reports and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above has any shareholding interests in any member of our Group or the right (other than the penal provisions) of sections 44A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of the H Shares being sold or transferred. For further details in relation to taxation, please refer to the section headed “Regulatory Overview — Laws and Regulations Relating to Major Taxes Applicable to the Company in the PRC” in this Document.

J. No Material Adverse Change

Save as disclosed in this Document, our Directors confirm that there has been no material adverse change in our financial or operational position since June 30, 2025 and up to the Latest Practicable Date.

K. Binding effect

This Document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

L. Related Party Transactions

Within the two years immediately preceding the date of this Document, we have entered into the related party transactions as described in Note 36 to the financial information in the Accountant’s Report set out in Appendix I to this Document.

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M. Agency Fees or Commissions Paid or Payable

Save as disclosed in this Document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years preceding the date of this Document.

N. Miscellaneous

Save as disclosed in this Document:

- (i) within the two years immediately preceding the date of this Document, we have not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (ii) no share or loan capital of our Group, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (iii) we have not issued or agreed to issue any founder shares, management shares or deferred shares;
- (iv) our Group has no outstanding convertible debt securities or debentures;
- (v) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (vi) within the two years immediately preceding the date of this Document, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of our Company;
- (vii) there is no arrangement under which future dividends are waived or agreed to be waived;
- (viii) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and
- (ix) none of the equity and debt securities of our Company, if any, is [REDACTED] or dealt with in any other stock exchange nor is any [REDACTED] or permission to deal being or proposed to be sought.

O. Bilingual Document

The English language and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

- (a) the Articles of Association;
- (b) the audited consolidated financial statements of our Group for the three years ended December 31, 2023, 2024 and 2025;
- (c) the accountant’s report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this Document;
- (d) the report from PricewaterhouseCoopers on the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this Document;
- (e) the industry report issued by China Insights Industry Consultancy Limited referred to in “Industry Overview” in this Document;
- (f) the PRC legal opinion issued by Tian Yuan Law Firm, our PRC Legal Advisor, in respect of, among other things, certain general corporate matters and property interests matters of our Group;
- (g) the valuation report considering the fair values of biological assets belonging to our Group prepared by AVISTA;
- (h) the material contracts referred to in “Statutory and General Information — 2. Further Information about our Business — A. Summary of Our Material Contracts” in Appendix IV to this Document;
- (i) the written consents referred to in “Statutory and General Information — 6. Other Information — H. Consents of Experts” in Appendix IV to this Document;
- (j) the contracts and appointment letters referred to in the section headed “Statutory and General Information — 3. Further Information About Our Directors and Substantial Shareholders — A. Particulars of Directors’ Contracts” in Appendix IV to this Document; and
- (k) the PRC Company Law, the Securities Law of the PRC, and the Overseas Listing Trial Measures, together with unofficial English translations.