
BUSINESS

OVERVIEW

Founded in 2003, we have grown from a regional poultry farming business into one of the major providers of high-quality meat and meat products in China. We have built vertically integrated full-industry-chain operations for our core products including Qingyuan Chickens, pigs, and related meat products. Our business model spans the entire value chain encompassing breeding, elite stock multiplication, eco-farming (via Self-operated Farm Model and Family Farm Model), feed production, slaughtering, food processing, and brand marketing. This integrated “source-to-table” approach ensures robust food safety and consistent product quality across the entire production process.

According to the Frost & Sullivan Report, we were the largest Qingyuan Chicken provider in China for each year of the Track Record Period in terms of the sales volume of Qingyuan Chicken. In 2025, we accounted for approximately 65.3% market share of Qingyuan Chicken in China, exceeding the combined total of all other Qingyuan Chicken providers in China. In terms of our pig business, according to the Frost & Sullivan Report, we ranked tenth in terms of revenue for the year ended December 31, 2025 among pig farming enterprises in the Southwest China.

Since our inception, we have empowered tens of thousands of local farmers to achieve common prosperity through their hard work. Our Family Farm Model effectively addresses the challenges faced by local farmers including production input, technology, quality control, customer reach, and market risk. In 2023, 2024, and 2025, we have recorded RMB304.4 million, RMB369.9 million, and RMB376.7 million family farming fee to local farmers, respectively. These reliable income streams have substantially elevated the quality of life for numerous farming families. We believe that corporate success is measured not only by financial performance, but also by our contribution to broad-based prosperity and shared growth throughout China. Our approach serves as a practical embodiment of China’s rural revitalization strategy, demonstrating how market-based mechanisms can drive sustainable development in the agricultural sector.

We have been honored with numerous accolades, including “National Key Leading Enterprise in Agricultural Industrialization,” “National Leading Enterprise in Poverty Alleviation,” “Good Chicken Production Award (Five-Star),” “Leading Brand in China’s Premium Native Chicken Industry,” “Top 500 Innovative Enterprises in China,” and the “Typical Case of Agricultural Brand Innovation Development in 2022” awarded by the MARA.

Our Products

We offer a comprehensive portfolio primarily consisting of Qingyuan Chicken and other native chickens, pigs, and fresh and other products, catering to evolving consumer preferences. During the Track Record Period, sales of pigs contributed the majority of our revenue, accounting for 61.6%, 67.1% and 62.4% of our total revenue in 2023, 2024 and 2025, respectively.

Qingyuan Chicken and Other Native Chickens

Our Qingyuan Chicken are indigenous native chickens with unique characteristic, renowned for its high meat quality and distinctive partridge feathering. We operate a national core breeding farm for broiler chickens and a national breeding expansion base for broiler breeds. We are also authorized to use the “Qingyuan Chicken” Chinese national geographical indication. Our other native chickens also include Lingnan native chicken, etc. All our Qingyuan Chicken and other native chickens are yellow-feathered broilers.

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Pigs

Our pigs mainly include market hogs, pig breeders and market piglets. We introduced pig breeders from abroad, and established integrated breeding system for the production of market hogs. These pig breeders exhibit superior traits including rapid growth, high feed conversion, high meat quality, strong adaptability, and excellent reproductive performance. We continue to develop Chinese indigenous pig breeds such as Rongchang Pig (榮昌豬) to cater to specific domestic consumer preferences.

Fresh and Other Products

Leveraging our proprietary breeding and farming expertise in Qingyuan Chicken, we have established a diversified product portfolio comprising fresh products, processed meat products and other products to catering to evolving consumer demands. Our fresh product offerings primarily include whole fresh chicken and portioned chicken, while our other products offerings mainly consist of processed meat products (including ready-to-eat products and semi-finished products). We market our fresh and other products under our own brands “Tiannong” (天農) and “Fengzhonghuang” (鳳中皇). Our brand lineup includes products tailored to different breeding cycles, rearing methods, and flavor profiles, such as Tiannong 138 Qingyuan Chicken (天農138清遠雞), Tiannong 168 Qingyuan Chicken (天農168清遠雞), and Fengzhonghuang Qingyuan Chicken (鳳中皇清遠雞).

The products under these brands have received multiple honors, such as inclusion in the “China Agricultural Brand Catalog”, recognition as the “Guangdong Famous-Brand Agricultural Products”, “Guangdong High-Quality New Agricultural Products”, “Guangdong Top-Quality Chicken”, “Guangdong’s Most Representative Local Specialty”, as well as awards including the Panama Spring Festival Gala World Expo Gold Award, and the SIAL in China Awards.

Our full-industry-chain business model

Our full-industry-chain business model spans the entire Qingyuan Chicken and pig industry value chain, including breeding, elite stock multiplication, eco-farming, feed production, slaughtering, food processing, and brand marketing.

For breeding, we have established high-standard core breeding farms, where we carrying out ongoing genetic resource preservation and improvement for breeds such as Qingyuan Chicken, to enhance the productivity and genetic potential of our core breeding stock, providing healthy and high-yield commercial stock breeders for subsequent farming operations.

For feed production, we operate our own feed production bases, exercising rigorous control over raw material procurement and formula research and development, achieving precise nutritional balance and full-process quality traceability, and safeguarding livestock health and product quality from the source.

For eco-farming, we adopt a dual model comprising Self-operated Farm Model and Family Farm Model. Under the Family Farm Model, we provide partner farmers with chicks/piglets, feeds, vaccines, medicines and standardized breeding techniques supports, while retaining ownership of the livestock and production inputs. This facilitates an asset-light operational model while ensuring compliance with ecological and quality standards throughout the farming process. Our self-operated farms are efficiently managed to achieve intensive farming, high scalability, and high automation. Automated and digital management practices have been fully implemented to enhance efficiency and oversight. Both models are built on principles of resource conservation and environmental sustainability, thereby advancing green farming and ecological harmony.

For slaughtering and food processing, we are equipped with modern production lines and strictly implement quarantine procedures and hygiene control systems and offer a diversified product portfolio including ready-to-eat products, whole fresh chicken, portioned chicken and semi-finished products to meet the needs of various sales channels and consumer groups.

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For end-market branding and marketing, we have established an integrated online-and-offline sales network and leverage our own brands for market promotion, continuously enhancing product recognition and consumer loyalty, strengthening our ability to command a price premium.

Our Market Strategy

We have established a nationwide, omnichannel marketing network that integrates distribution and direct sales network to maximize market penetration. Offline, we leverage distributor networks to expand regional coverage and deepen product penetration. Our dedicated sales team also directly serves key customers, including but not limited to supermarket chains, catering and food processing enterprises. Online, we utilize leading e-commerce platforms as well as community-based fresh produce platforms, on-demand retail channels and live-streaming e-commerce channels to enhance customer reach, streamlining the integration of production, marketing, and distribution for efficient product delivery to our customers.

Our customer base consists of distributors and direct sales customers, including supermarket chains, community fresh food markets, catering and food processing enterprises, and e-commerce platforms.

Our Growth Opportunities

According to Frost & Sullivan, the market size of Qingyuan Chicken with National Geographical Indication increased from RMB1,876.2 million in 2025 to RMB2,916.8 million in 2030, representing a CAGR of 11.2% between 2026 and 2030, primarily driven by policy support and increasing brand recognition. The market size of China’s pig farming industry is expected to remain stable from RMB1,241.5 billion in 2025 to RMB1,240.5 billion in 2030, representing a CAGR of 3.8% between 2026 and 2030, driven mainly by a recovery in pig prices under a more stable supply environment supported by policy regulation over pig breeder inventory.

STRENGTHS

Established Breeding Stock and Multiplication System

Since our inception, we have been consistently prioritizing on the breed selection and development of superior breeds, continuously investing in pedigree conservation and genetic enhancement to raise the productivity and genetic potential of our core breeding stocks. We are authorized to use the “Qingyuan Chicken” national geographical indication on our products. We have been recognized by the MARA as a national core breeding farm and a national breeding expansion base for broilers. Building on this, we have established a complete four-tier breeding system (Great Grandparent Stock, Grandparent Stock, Parent Stock, and Commercial Stock) and developed the proprietary “Original Qingyuan Chicken”, “Tiannong Partridge Chicken” and other multiple supporting lines. This breeding structure and related genetic programs support product diversification and contribute to the stability and consistency of meat quality across different product lines.

In our pig business, we engaged in deep collaboration with leading international breeding companies and expert teams. By introducing Great Grandparent Stock with specific breeding traits, we establish the genetic foundation of our breeding herd. Our breeding practices adhere to international standards for genetic evaluation and selection, which contribute to the genetic development of our pig herd. We apply “self-breeding, self-raising, self-farming” principle, and work closely with universities and research institutes in China to continuously improve both breeding and meat quality.

We maintain one of the industry’s largest and highest-quality breeding population. As of December 31, 2025, we operated five Qingyuan Chicken breeder farms, with a core breeding flock of approximately 0.7 million sets.

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This robust foundation ensures a stable supply of day-old chicks and piglets, providing us with core cost and quality advantages and enabling rapid production ramp-up during market upcycles. As of December 31, 2025, our breeding flock supports an annual capacity of approximately 90 million chicks, and our pig breeding system can support approximately 1.8 million piglets per year.

A Brand-driven Holistic Go-to-market Approach

Our flagship Qingyuan Chicken is a national geographical indication product. Key product lines such as “Fengzhonghuang” and “Tiannong” Qingyuan Chicken have received numerous accolades, including “Panama Spring Festival Gala World Expo Gold Award” “SIAL in China Awards”, “Top Ten Meat Brands in China”, “Guangdong Famous Agricultural Products” and “Guangdong Famous Chicken Brand”, establishing a strong market reputation and brand value. Our green-eggshell eggs are also recognized as a national geographical indication product.

To serve customers across different sales channels and market segments, we operate the “Fengzhonghuang” and “Tiannong” brands and offer differentiated product offerings for foodservice, supermarkets chains, community-based fresh produce platforms, on-demand retail channels and live-streaming e-commerce channels to address evolving consumer demand across various channels and market tiers. Through effective control over upstream sourcing and production processes, we are able to transform chicken products into value-added, modern and ready-to-eat products.

We employ a holistic go-to-market approach for fresh and other product, making us a leading provider for key account channels. We have built a comprehensive omnichannel sales network centered around a carefully crafted dual-brand product matrix, “Fengzhonghuang” for premium markets and “Tiannong” for mainstream markets. Our sales network reaches supermarket chains, restaurant chains, and e-commerce platforms. For example, we operate our own flagship stores on third-party online marketplaces and collaborate with other third-party online marketplaces to sell our fresh and other products to end consumers. In 2025, we also became the chicken supplier for the 15th National Games. This brand-centric strategy not only elevates product value and consumer recognition, but also creates positive feedback across the entire value chain.

Full-Industry-Chain Business Model Driving Consistent Product Quality

We operate a full-industry-chain business model that spans breeding, elite stock multiplication, eco-farming, feed production, slaughtering, and food processing and brand marketing. This end-to-end model supports production consistency, food safety, effective cost control, and consistent product quality across different stages of operations.

We have established a comprehensive and stringent quality control system across full-industry-chain that complies with national food safety traceability policies. Our robust animal welfare and disease prevention systems protect the biosecurity of breeder and commercial livestock and poultry by standardizing disease control measures to reduce antibiotic use, strictly regulating medication standards and withdrawal periods, with antibiotic residues levels managed in line with applicable national standards.

Qingyuan Chicken is known for its crispy skin, rich flavor, and savory bones, as one of the key ingredients in Cantonese cuisine. It is highly versatile and adaptable to various cooking method. To preserve its distinctive flavor profile, we have established an end-to-end supply chain spanning from breeding to end-market sales.

At the breeding, we adhere to generic preservation and selective breeding, ensuring the pure lineage and superior traits of Qingyuan Chicken from the source. During the farming process, we adopt ecological and standardized management, supported by customized feed and green farming

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techniques. For the slaughtering and processing, we employ gentle processing methods and a fully integrated cold chain. This fully integrated industry chain model supports the traceability and consistent quality and flavor characteristics of Qingyuan Chicken from the source to the dining table.

We employ modern, intensive, large-scale, and standardized breeding pig farm production models integrated with contracted pig family farms, achieving highly efficient “breeding-farming integration”. Precision operations are driven by full-process digital management, with real-time data tracking for sows, precise analysis of cost, productivity, and profitability, and advanced automation in feeding and environmental controls. Our farming operations achieve industry-leading labor efficiency, with a breeding farm of around 8,000 basic sows and around 3,000 gilts managed by 45-48 staff members (including around 36 production personnel). The highly standardized processes across all production phases drive workforce productivity substantially above industry benchmarks.

Core Markets Enables Logistics Efficiency and Product Freshness

Our Qingyuan Chicken production is strategically clustered near core consumption markets. Our core breeding farms are strategically located in Qingyuan City, Guangdong, adjacent to the vibrant Greater Bay Area, where we benefit from:

- **Efficient logistics:** Short-haul transportation to major high-consumption markets in the Pearl River Delta, Hong Kong, Macau and Southwest China enables a streamlined supply chain, allowing products to be delivered to end customers on the same day from slaughter.
- **Exclusive Geographical Indication Certification:** Our Qingyuan Chickens are all raised in the designated areas required for “Qingyuan Chicken” geographical indication, including Qingcheng District, Qingxin County, Yingde City, and Fogang County under Qingyuan City. This certification serves as authoritative validation of our Qingyuan Chickens’ “genetic” purity and distinctive flavor profile;
- **Direct access to high-consumption markets:** The annual per capita poultry consumption in the Greater Bay Area reaches 31 kg, twice of the national average;

Our pig farm locations are strategically planned to balance biosecurity and market access. Our pig business operations are strategically distributed across Southwest and South China, with bases in Sichuan, Chongqing, Guizhou, Guangdong, Hunan and Jiangxi. The Southwest region is the area with the highest per capita pork consumption. Chongqing City, Guizhou Province and Sichuan Province offer topographical biosecurity advantages and favorable policy environments, supporting cost leadership. Guangdong Province bases provide direct access to high-density, high-consumption Greater Bay Area market, where pig prices are consistently above the national average.

Farming Models Driving Efficiency, Market Penetration, and Scalable Growth

We have adopted a Family Farm Model for Qingyuan Chickens and pigs.

We standardize and align the operations under Self-operated Farm Model and Family Farm Model. We provide family farms with “Six Centralized Services” encompassing centralized provision of chicks, feed, medications, farming protocols, technical guidance and fee settlement. Our model effectively address challenges faced by farm operators including financing, technology and expertise, market risk, quality control and customer reach. We combine self-operated large-scale bases with scaled family farms, implementing modern, standardized production for high-performance, environmentally friendly farming. Participating farmers must meet strict

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construction and facility requirements, with “Eight Centralized Services” encompassing planning, supply of piglets, feed supply, disease prevention, standardized feeding protocols, technical guidance, collection and sales, ensuring quality and minimizing market risk.

Our Family Farm Model has achieved leading production cost efficiencies for market hogs. As of December 31, 2025, our per capita herd size reached 2,728 pigs/person, exceeding the industry standard. The capital-light nature of our Family Farm Model enables rapid expansion. Our model leverages the pre-existing land and fixed assets of family forms, allowing for rapid onboarding of new farms and expansion of production capacity with short timeframe.

As of December 31, 2025, we collaborated with 980 Qingyuan Chicken family farms in Guangdong and 224 pig family farms in Guangdong, Southwest, and other regions, forming a robust regional network. In Yingde City alone, as of December 31, 2025, we had 487 Qingyuan Chicken family farms. Our scientifically managed and mature family farming system supports further national business expansion.

Visionary Founders and Experienced Management Team Leading a Professional, Skilled Workforce

Our founders, Mr. Xiao and Dr. Zhang, both have prior experience as university lecturers in animal husbandry possessing strong academic backgrounds and over 40 years of practical experience in the industry. They are recognized industry leaders with clear vision, technical depth, and operational expertise, supported by a core management team with extensive industry and management expertise. Mr. Xiao was recognized as an Outstanding Builder of Socialism with Chinese Characteristics in Guangdong Province, an Outstanding Private Entrepreneur of the New Socialist Countryside in Guangdong Province, and an Outstanding Entrepreneur of Guangdong Province. Dr. Zhang is a recipient of the State Council Special Allowance, and has been recognized as a “National March 8th Red-Banner Pacesetter,” “Spark Technology Disseminator,” “Exemplary Figure in China’s Poverty Reduction,” “Guangdong Provincial Model Worker,” and has served as vice president of the China Poultry Industry Association.

We value talent development. As of December 31, 2025, we had three doctoral degree holders and 89 master’s degree holders on our team. These professionals graduated from leading agricultural universities, with strong academic foundations and extensive industry experience. In addition to internal talents, we collaborate with leading research institutions, including China Agricultural University, Guangdong Academy of Agricultural Sciences, South China Agricultural University, Foshan University, Chongqing Academy of Animal Sciences, and the National Swine Technology Innovation Center. Through these collaborations, distinguished professors provide ongoing knowledge transfer, fostering a culture of continuous learning within our team.

Our management team has witnessed and shaped industry evolution over the past 40 years, establishing a full suite of practical standardized processes and operating guidelines for Qingyuan Chicken and other native chickens, pigs and fresh and other products categories. Their deep expertise enables us to achieve corporate objectives through a highly professional and efficient workforce.

STRATEGY

Build a Leading Meat Product Brand

We will expand our brand matrix. We will refine the positioning of our brands for its targeted audience, and implement precise marketing. To capture high-potential markets, we plan to launch dedicated organic and functional sub-brands to complement our existing multi-brand matrix where “Tiannong” serves the mass market and “Fengzhonghuang” targets high-end customization. We will develop pork products and pork brands. We will also advance local specialty pig projects to achieve product differentiation, stabilize volume, and enhance product value and price premium.

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We plan to expand product categories of fresh and other meat products. We will keep developing new product categories. For ready-to-eat series, we will deepen the R&D of instant-cook, instant-heat, and ready-to-eat products with innovative flavors suited to national preferences, such as Cantonese style chicken hotpot. For functional products, we plan to develop poultry products rich in specific nutrients, such as nourishing chicken soup, postpartum care chicken (月子雞) and selenium-rich chicken, to address consumers’ dietary considerations and consumption needs. We will continue to increase the proportion of fresh and other products in the future, further raising the share of value-added products as part of our strategic initiatives.

Launch Causal Dining Restaurants

Leveraging our full industry chain capabilities, we exercise end-to-end quality control from upstream breeding through processing and distribution, supporting stable supply, consistent product standards and cost efficiency. These capabilities provide a solid operational foundation for the development of our restaurant business.

With longstanding expertise in Qingyuan Chicken genetics, breeding techniques and meat quality management, we have accumulated in-depth knowledge of the product’s distinctive flavor profile and culinary characteristics. Building on this foundation, we plan to develop menu offerings that highlight the unique qualities of Qingyuan Chicken, strengthening product recognition and differentiation.

Through the expansion of restaurants, we aim to build a recognizable dining brand focused on Qingyuan Chicken cuisine and establish direct engagement with consumers. Supported by centralized processing and standardized product delivery, this approach is expected to support scalable restaurant replication, improve operational efficiency and enhance the overall value realization of our core products. For the specific expansion plans, please refer to the “Future Plans and Use of [REDACTED]” section.

Expand Sales Network and Upgrade Supply Chain

We will expand sales network, with a focused expansion of channels for processed meat products:

- Foodservice key account channel: leveraging Qingyuan Chicken’s established brand recognition and quality, we will further expand and deepen our cooperative relationships with national top 100 restaurant chains, leading regional restaurant brands, and Qingyuan Chicken distributors and retail terminals across North, Southwest, and East China.
- Supermarket and retail channels: We will deepen strategic partnerships with leading national and regional supermarkets. By establishing branded counters in their core fresh food sections, we aim to enhance product penetration, expand our high-value-added offerings, and drive growth in both fresh-cut and cooked food sales.
- New retail channels: We will expand digital touchpoints (livestreaming e-commerce channels, community-based fresh produce platforms and on-demand retail channels) and enhance omni-channel integration via pop-ups and campaigns. Co-branding with key IPs and clients will elevate our brand, while infusing Lingnan food culture into products will drive snackification and occasion-based sales.

We will build an intelligent, end-to-end supply chain to enable nationwide distribution of fresh and processed meat products. Key initiatives include: a temperature-controlled cold chain from slaughter to last-mile delivery; standardized regional processing centers for front-end operations; and IoT/digital platforms to optimize inventory and order fulfillment.

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Enhance Production and R&D Capabilities

We will drive automated, scaled, and intensified operation. In alignment with national policies promoting scaled and automated production, such as centralized slaughter and fresh products distribution, we will invest in large-scale automated breeding and modernized processing.

We will expand fresh and processed meat production capacity. For Qingyuan Chicken business, we will build new modern processing facilities, optimizing regional presence through city-based front-end stations and asset-light ODM partnerships in key markets, and enhancing operational efficiency with automation and digital systems. For pigs, we are establishing an integrated regional production and sales system, including standardized slaughter and processing plants within a 100 km radius of Chongqing. We will also promote the Tinoo’s pork brand by leveraging Qingyuan Chicken’s existing retail, catering, and e-commerce channels, supported by dedicated chain stores.

We will increase R&D spending towards high growth product categories. We have successfully launched new products such as chicken hotpot sets, which have received positive market feedback, and intends to further invest in the development of ready-to-eat products targeting overseas markets where at-home cooking is less prevalent, including Hong Kong, Macau and Singapore. In parallel, we aim to optimise our product portfolio in response to evolving consumer trends by developing more trendy, convenient and small-packaged products that cater to fast-paced modern lifestyles. In addition, we are cooperating with the national swine research centre to establish a food research institute dedicated to ongoing product innovation tailored to local consumer preferences.

We will continue to develop superior livestock breeds. Our commercial breeding efforts will focus on securing national certification for the proprietary “Fengzhongfeng No.1” Qingyuan Chicken line, expanding Silkie chicken varieties for the southwestern and national markets, and creating new Rongchang Pig lines enhanced with introduced genetics for the Chinese market. These breeding initiatives will be further strengthened through R&D partnerships and awards applications with academic institutions.

We will strengthen biosecurity and food safety. We will rigorously update protocols to counter disease threats like African Swine Fever. This involves increased investment in detection, environmental controls, and sanitation, alongside partnerships with government and academic bodies for better epidemic risk management. We are also enhancing our end-to-end traceability system, enforcing strict disease prevention, and investing in breeding technology, nutrition, and quality control.

Attract Talents and Optimize Human Resources

We will continually optimize human resource allocation, recruit new professionals, and refine team structure to match business needs. Training and education will be enhanced, for example through the establishment of Tiannong Academy, to rapidly replicate management talent and raise team quality. We will further improve compensation, performance incentives, and employee welfare, building an effective incentive system.

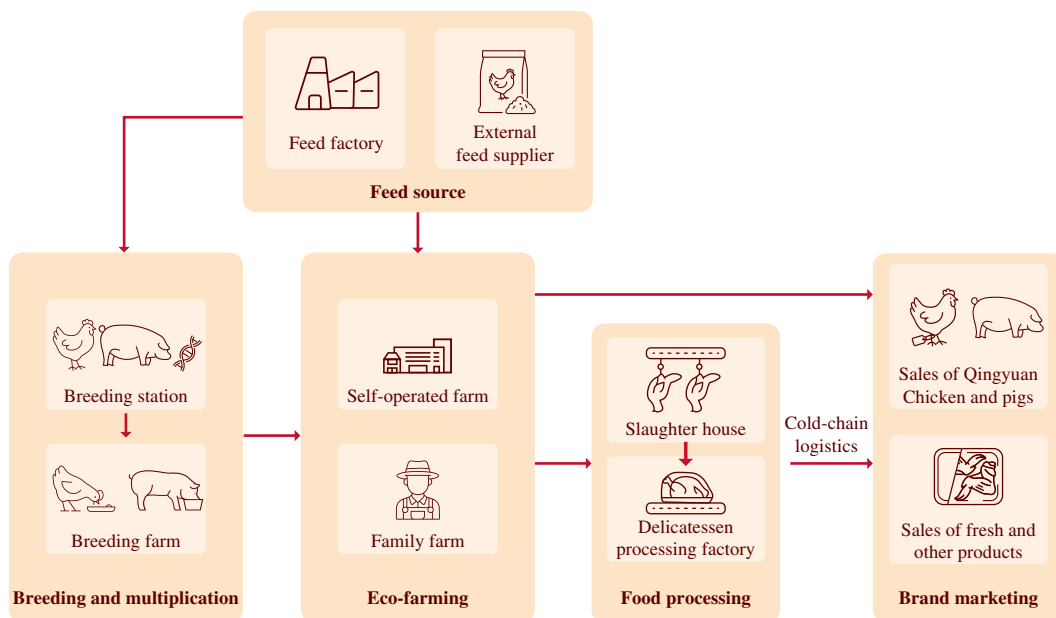
Seek Strategic Alliances, Joint Ventures, or Other Acquisition Opportunities

While our primary growth will be organic, we will also consider forming strategic alliances, joint ventures, or pursuing acquisition opportunities as opportunities arise. Through such partnerships or acquisition strategies, we can rapidly expand our fresh food and restaurants businesses, accelerating our emergence as a leading national fresh food brand.

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OUR BUSINESS MODEL AND PRODUCTS

We operate in full-industry-chain business model, focusing on Qingyuan Chicken, pigs and related meat products. Our business model spans the entire Qingyuan Chicken and pig industry value chain encompassing breeding, elite stock multiplication, eco-farming (via Self-operated Farm Model and Family Farm Model), feed production, slaughtering and food processing, as well as brand marketing. This integrated “source-to-table” approach ensures robust food safety and consistent food quality across the entire production process. In the course of such operations, we make payments to suppliers for feed ingredients and other raw materials. We supply feeds and chicks or piglets to family farmers under the Family Farm Model and settles the family farming fees upon delivery of mature chickens or pigs, after deducting any outstanding amounts payable by the family farmers, where applicable. We subsequently sell the mature livestock directly, or, in certain cases, after slaughtering and processing, to customers and receives funds from customers accordingly. The diagram below illustrates our full-industry-chain business model:



Qingyuan Chicken and other native chickens

Our Qingyuan Chicken and other native chickens mainly include Qingyuan Chicken, Lingnan native chicken and chicks, all of which are yellow-feathered broilers. Substantially all of our Qingyuan Chicken and other native chickens are Qingyuan Chicken.

We are authorized to use the ‘Qingyuan Chicken’ geographical indication on our products. Our Qingyuan Chicken has received honors such as the “Panama Spring Festival Gala World Expo Gold Award”, the “Good Chicken Production Award (Five-Star) (福利養殖金雞獎(五星級))”, and the “SIAL in China Awards (西雅國際金獎)”.

While Qingyuan Chickens are our primary breed, we have also cultivated other poultry breed lines, including Lingnan native chicken, etc.

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Pictures of our Qingyuan Chicken and other native chickens are as follows:



Qingyuan Chicken



Chick



**Qingyuan Chicken
Ecological Farming**

Pigs

Our pigs mainly include market hogs, pig breeders, and market piglets. According to the Frost & Sullivan report, we rank tenth in terms of revenue for the year ended December 31, 2025 among pig farming enterprises in Southwest China. We introduced overseas pig breeders and have established integrated breeding systems to produce market hogs. These pig breeders exhibit superior traits including rapid growth, high feed conversion, high meat quality, strong adaptability, and excellent reproductive performance.

Pictures of our pigs are as follows:



Market Hogs



Pig Breeder



Market Piglets

Fresh and other products

Leveraging our breeding and farming expertise in Qingyuan Chicken, we have developed a comprehensive meat product portfolio primarily comprising ready-to-eat products, whole fresh chicken, portioned chicken, semi-finished products, and green-eggshell eggs products to address evolving consumer demands. Our fresh and other products predominantly consist of chicken products. We market our fresh and other products under our owned brands “Fengzhonghuang” and “Tiannong”.

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The following diagram illustrates our fresh and other products portfolio:



Key Metrics

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

	Year ended December 31,					
	2023		2024		2025	
	Revenue	% of the total revenue	Revenue	% of the total revenue	Revenue	% of the total revenue
	RMB'000		RMB'000		RMB'000	
Qingyuan Chicken and other native chickens	990,832	27.6	1,070,714	22.4	974,666	22.9
Pigs	2,214,119	61.6	3,203,010	67.1	2,660,771	62.4
Fresh and other products	391,054	10.8	502,089	10.5	625,996	14.7
Total	3,596,005	100.0	4,775,813	100.0	4,261,433	100.0

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During the Track Record Period, sales of pigs contributed the majority of our revenue, accounting for 61.6%, 67.1% and 62.4% of our total revenue in 2023, 2024 and 2025, respectively.

The following table sets forth the sales volume and the average selling price of our products by product category for the Track Record Period:

	Year ended December 31,								
	2023			2024			2025		
	Sales volume		Average selling price ⁽¹⁾⁽⁵⁾	Sales volume		Average selling price ⁽¹⁾⁽⁵⁾	Sales volume		Average selling price ⁽¹⁾⁽⁵⁾
	(‘000 heads or birds)	(RMB per head or bird)	(RMB per kg)	(‘000 heads or birds)	(RMB per head or bird)	(RMB per kg)	(‘000 heads or birds)	(RMB per head or bird)	(RMB per kg)
Qingyuan Chicken and other native chickens ⁽²⁾	28,423	34.9	20.9	28,747	37.2	21.5	31,093	31.3	17.8
Pigs ⁽³⁾	1,113	1,989.8	15.6	1,404	2,281.6	17.6	1,402	1,897.8	14.7
Fresh and other products ⁽⁴⁾ . . .	8,165	47.9	n/a	11,285	44.5	n/a	15,950	39.2	n/a

Notes:

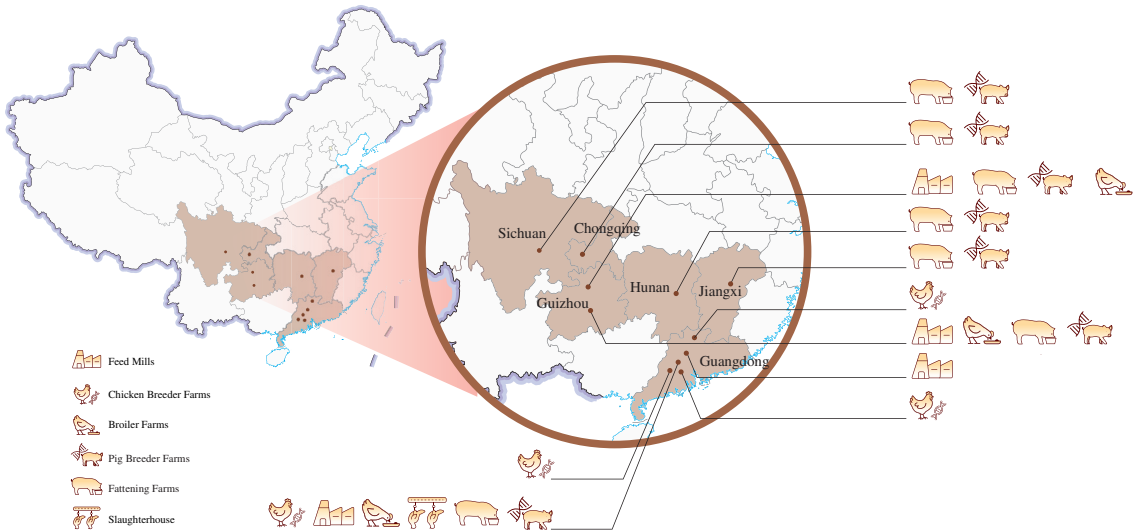
- (1) Average selling price per heads or birds represents the revenue for the year divided by the sales volumes in heads or birds of the product category for the respective year.
- (2) For illustrative purpose, it only uses the main product (commercial broiler, excluding day-old chicks) to represent the sales volumes.
- (3) For illustrative purpose, it only uses the main product (market hogs, excluding piglets) to represent the sales volumes.
- (4) For illustrative purpose, the above sales volume includes the total number of whole fresh chickens and other chicken products; other chicken products are converted into an equivalent number of chickens based on weight.
- (5) Average selling price per kilogram represents the revenue for the year divided by the sales volumes in kilogram of the product category for the respective year.

PRODUCTION

We have strategically positioned our production facilities in regions with the highest consumption demand for chickens and pigs. Our farming basement for chickens is primarily located in Guangdong Province. Our pig production is primarily concentrated in Guizhou Province, Chongqing City, Sichuan Province, Guangdong Province, Hunan Province and Jiangxi Province. This layout enables us to leverage regional market advantages, efficiently arrange our pig breeding and farming operations, and expand end markets. We have established a modernized slaughtering and cutting system near our farms to ensure that chickens and pigs can be delivered swiftly and efficiently from the farms to processing facilities. During the production of fresh and other products, we implement stringent hygiene and quality control standards.

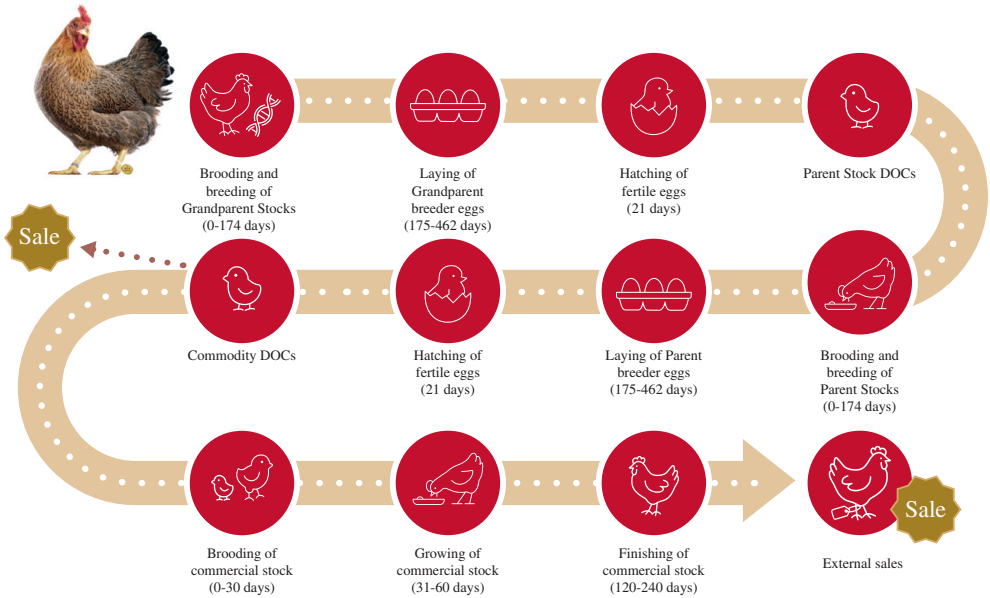
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As of December 31, 2025, we had four feed mills, five chicken breeder farms, eight broiler farms, ten pig breeder farms, 42 pig fattening farms and one slaughtering plant. The map and tables below illustrate the geographical distribution of our main production facilities as of December 31, 2025:



Qingyuan Chicken and Other Native Chickens Production

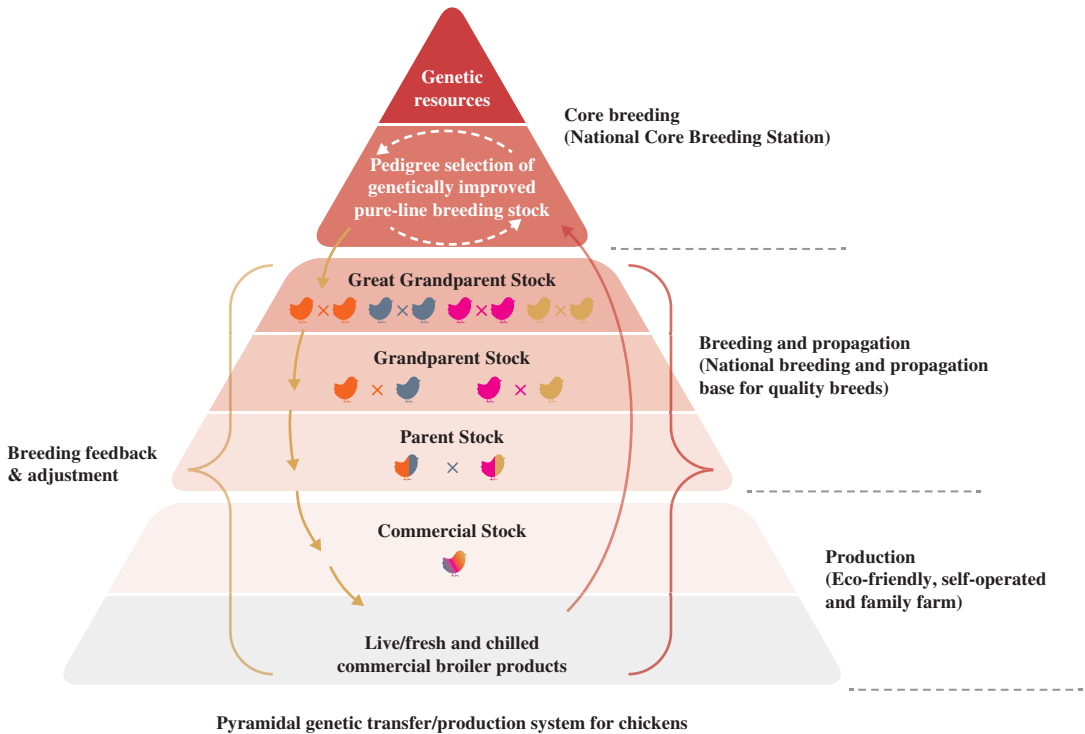
The following diagram illustrates our production process, with approximate time required for certain key stages, from chicken breeders, chicks to broilers:



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Qingyuan Chicken and Other Native Chickens Breeding

We have established a complete four-tier breeding system spanning Great Grandparent Stock → Grandparent Stock → Parent Stock → Commercial Stock. Our comprehensive breeding system is illustrated in the diagram below:



We have adopted the family equal random breeding (家系等量隨機留種法) for conservation, safeguarding genetic diversity and establishing a DNA identification system to verify the authenticity of Qingyuan Chicken. Using molecular quantitative genetics for breeding, we have also built specialized lines. For details, please refer to the section headed “— Research and Development.”

We have implemented an intelligent breeder information management and analytics system, enabling fully automated and paperless data collection for breeding stock. This system significantly reduces manual labor intensity while enhancing operational efficiency and data accuracy. With support from the MARA, we undertook the Qingyuan Chicken Breed Resource Conservation and Utilization Project and have also received financial support for five consecutive years to fund the protection of our national conservation farm and the livestock and poultry performance testing. Furthermore, in 2022, we were designated as a “Leading Competitive Matrix Enterprise” within the National Livestock and Poultry Seed Industry Matrix, underscoring our dominant position in China’s yellow-feathered broiler breeding sector.

Qingyuan Chicken breeder farms

We raise chicken breeders at our self-operated breeder farms, with core production processes comprising chick brooding, reserved chicken breeder farming, chicken breeder production, fertile egg hatching, chick sorting, chick immunity and chick distribution. As of December 31, 2025, we had five chicken breeder farms, all of which are located in Guangdong Province.

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The following table sets out the production capacity and utilization rates of our self-operated chicken breeder farms during the Track Record Period:

Self-operated chicken breeder farms	As of December 31, Year ended December 31,		
	2023	2024	2025
	'000	'000	'000
Qingyuan Chicken and other native chickens capacity ⁽¹⁾ (birds)	90,459	92,802	106,373
Qingyuan Chicken and other native chickens production ⁽²⁾ (birds)	78,182	83,054	90,672
Utilization rate (%)	86.4	89.5	85.2

Notes:

- (1) Average standard annual egg production per laying hen in stock at the beginning and end of each year.
- (2) Actual number of healthy chicks produced by laying hens in each relevant year.

Chicken breeders rearing and fertile egg hatching

Our enclosed chicken breeder farms are instaled with automatic environmental control, lighting and manure cleaning system, creating the optimal living environment for our chicken breeders. We adopt different feeding methods for chicken breeders at different growth stages to maximize their production performance. For example, through integrated biosecurity protocols including water purification and automated in-house disinfection, combined with diagnostic monitoring systems, we have established a pullorum purification protocol and a leukemia purification protocol specifically for our Qingyuan Chicken breeder stock. These protocols secured a near-negative seroprevalence rate for both pullorum and leukemia.

Below are some of the measures we adopt for chicken breeders at different growth stages:

- During the brooding period, we strictly comply with the relevant biosecurity measures and implement a fully enclosed management system. This ensures the flock successfully navigates the disease-susceptible stage in the early brooding phase, improves the survival rate of the chicks, and guarantees uniform growth of the flock, enhancing the uniformity of body size and weight.
- During the rearing period, we conduct breeder selection in accordance with established standards, accurately group the breeder flock, timely adjust transition feeds, and adopt a graded rearing approach to achieve a body weight at point of lay that meets breed standards and ensure uniformity in sexual maturity at point of lay.
- During the laying period, we maintain stable lighting conditions and develop reasonable feed quantities based on comprehensive assessments to meet egg production requirements, rapidly improve quality, and achieve the hatching rate specified by the breed standards.

We used advanced equipment to hatch fertile eggs, which maintains a stable hatching environment through an automated environmental control system to ensure a high hatching rate of fertile eggs and stable quality of chicks. To safeguard our production, we also use a centralized control system and video surveillance to monitor the production process.

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Broiler farming

For broiler farming, we adopt Self-operated Farm Model, Family Farm Model and “Self-operated + Family Farm” Model:

- Self-operated Farm Model: we operate the farms and employ labourers to carry out scaled breeding, fattening and other related process. This model has the advantage of high level of centralization and standardization. Our Self-operated Farm Model utilize high-density precision farming systems, featuring fully enclosed modern poultry farm equipped with integrated automation for ventilation, thermal control, feeding, watering, and manure removal, managed through IoT-enabled monitoring systems to achieve efficient production. The vast majority of broilers raised in our self-operated farms are used for slaughtering and food processing, transforming into fresh and other products. As a result, we achieve a closed-loop chain from breeding to end consumer goods.
- Family Farm Model: family farms provide the land and facilities and raise the broilers according to our standards, while we provide chicks, feeds, medicines and technical support. We settle the family farming fee with the family farms after collection of broilers. We do not require compensation from family farmers for any mortality-related losses.
- The “Self-operated + Family Farm” Model: based on the above Family Farm Model, after collecting the broilers and settling the family farming fee with the farm owner, the farm owner will transport the broilers to our self-operated farm. Subsequently, we will raise and fatten the broilers for 30 to 50 days to enhance the quality and flavor of our fresh and other products.

The vast majority of our broilers are raised under the Family Farm Model, which allows us to minimize capital investment in fixed assets while focusing our resources on technological innovation, product development, and nutritional research. During the Track Record Period and up to the Latest Practicable Date, all the family farms we contracted with were operated by Independent Third Parties and were mainly located in Guangdong Province.

The table below sets forth the movement in the number of our family farms for Qingyuan Chicken for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Qingyuan Chicken Family Farms			
At the beginning of the year	866	853	927
Addition	154	182	175
Termination	(167)	(108)	(122)
At the end of the year	<u>853</u>	<u>927</u>	<u>980</u>

As of December 31, 2023, 2024 and 2025, the number of our Qingyuan Chicken family farms remained relatively stable at 853, 927 and 980, respectively. The fluctuation in the number of our Qingyuan Chicken family farms was due to our optimization of family farm operations. Such optimization involved our internal review and assessment of existing family farms, and the gradual reduction or replacement of certain family farms that failed to satisfy our updated operational requirements, compliance standards and performance benchmarks. During the Track Record Period, we unilaterally terminated our agreements with certain farm owners due to their failure to comply with our standards regarding raising and delivering broilers.

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Relationship with farm owners

We have pre-cooperation screening of farm owners for our Family Farm Model. Under this model, farm owners provide farming sites, equipment, and labor, while we supply chicks, feed, vaccines, and medicines conforming to our quality standards. Farm owners raise these chicks to broiler specifications under our continuous technical supervision, with all supplied materials retaining our ownership throughout the process.

Upon completing breeding cycle at the family farms, the farm owners will deliver the mature broilers. We will settle family farming fees with farm owners after such delivery. The delivery methods of broilers generally include:

- (a) Farm owners transport and deliver mature broilers to our sales platforms, where we will subsequently centralize, grade and conduct sales of the broilers sourced from multiple family farms. As a result, the broilers we sell to a single customer may be sourced from multiple family farms. As of December 31, 2025, we have four sales platforms, located in Qingyuan City and Foshan City, Guangdong Province;
- (b) In a few cases, farm owners transport and deliver mature broilers to our self-operated farms, we subsequently further raise and fatten for a period of 30 to 50 days to enhance their quality and flavor. The majority of the broilers raised at our self-operated farms are subsequently used for slaughtering and food processing, turning into fresh and other products; and
- (c) In rare cases, farm owners directly deliver mature broilers to our customers.

We sign the family farming agreement with the farm owners. The key terms of our family farming agreements with farm owners include the followings:

Responsibilities: Farm owners are responsible for raising broilers with their own farms, facilities and staff, for the family farming fee. Farm owners are required to comply with our standards with respect to the operation of family farms, which include complying with the applicable laws and regulations. We are responsible for providing chicken breeders, technical guidance and support, feeds, medicines and vaccines. The costs of such feeds, vaccines and medicines, which are typically determined by reference to our procurement costs or production costs are settled by way of deduction from the family farming fee.

Deposits: Farm owners are generally required to pay an upfront deposit that ranged from RMB2.5 to RMB3.0 per bird that are raised in the farm.

Ownership: We retain ownership of the broilers raised by the farm owners, as well as the feeds, vaccines and medicines. Farm owners retain ownership of the farms and facilities.

Termination: The agreement can be terminated by mutual consent. If the farm owners breach any contractual terms, including but not limited to failing to meet production thresholds resulting in significant financial loss, or disposing of broilers, feed or other materials without authorization, we may unilaterally terminate the agreement.

Family farming fee: Family farming fee is calculated based on the number of broilers collected multiplied by the price per broiler, minus by the costs of the chicks, feed, medicine and others we provide to the farm owner. The price per broiler is determined with reference to a number of qualitative and quantitative factors, including (i) the quality grade, weight range and health condition of the broilers upon collection, (ii) the mortality rate and feed conversion efficiency achieved during the growing cycle, (iii) applicable subsidies or incentives, and (iv) performance-based rewards, as well as penalties or deductions arising from non-compliance with our farming and

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biosecurity standards. For 2023, 2024, and 2025, family farming fee for Qingyuan Chicken and other native chickens under the Family Farm Model amounted to RMB139.4 million, RMB146.3 million, and RMB157.4 million, respectively, which are recognized in the consolidated statements of comprehensive income.

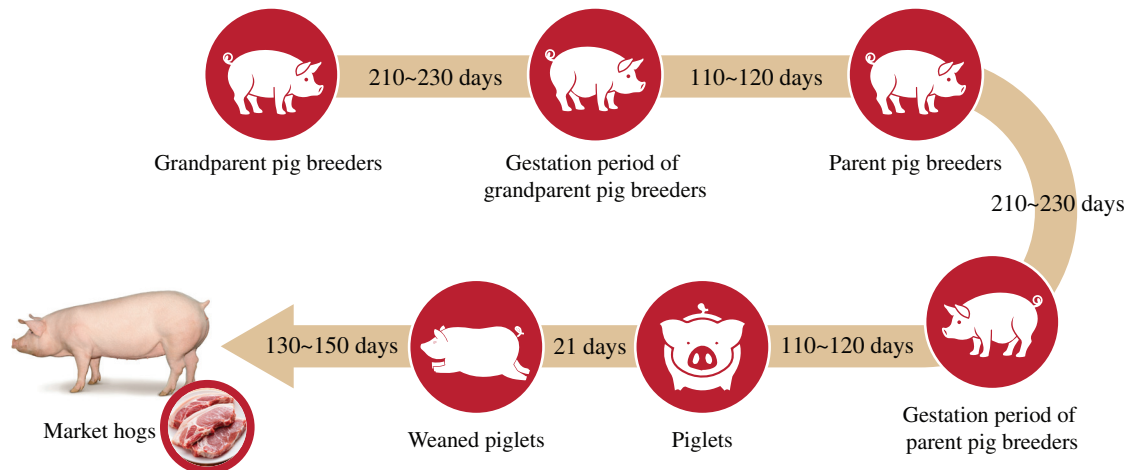
Selection, training and supervision of farm owners

We have established a comprehensive set of standards and procedures to manage and support farm owners. Farm owner candidates are selected based on key criteria, including personal integrity, availability of family labor, adequacy of farm facilities and land, and overall financial conditions.

We maintain close supervision throughout all stages of farm owners’ operations to ensure compliance with our standards. In particular, during our regular inspections, we examine if the operations of family farms comply with the requisite standards, and assess and record the status of the feed consumption and the status of biological assets at the family farms. Our farm managers conduct routine weekly inspections on the production conditions at family farms, with routine inspections covering growth performance indicators, animal welfare and biosecurity compliance.

Pig Production

The following diagram illustrates our production process, with the approximate time required for certain key stages, from breeding pigs, piglets to market hogs:



Pig Breeding

We have introduced pig breeders from abroad and established integrated breeding system to select for superior production traits, such as faster growth and improved feed efficiency.

Effective pig breeder production system

We have adopted an innovative production model for pig breeder farms featuring a single-line capacity of up to 8,000 basic sows and around 3,000 gilts. By leveraging fully automated systems for environmental control, fully automated feeding, waste management, fully enclosed facilities, and fully automated mist disinfection systems, we have integrated all critical aspects of pig breeder production, thereby forming a comprehensive management system.

- **Farm Site Selection and Construction.** Our pig breeder farms are strategically located based on the internal scoring system to assess biosecurity, selecting areas with superior geographical positions and external biosecurity environments with relatively low risks.

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The farm is designed with clear functional divisions, including personnel isolation areas, employee living quarters, pig breeder production zones, and zones for harmless treatment and wastewater processing. Surrounding land is utilized as a biosecurity buffer zone, with three levels of disinfection points and personnel isolation facilities. All pig houses are fully enclosed and use automated environmental control system to adjust temperature and humidity in a timely manner, ensuring optimal conditions.

- *Standardized Biosecurity System.* Our pig breeder farms are among the first in China to be certified as an African swine fever-free zone, and we have established a tailored biosecurity system. The followings are the key components of our standardized biosecurity system:
 - (i) *Disinfection Facilities:* We maintain three levels of disinfection points. Mandatory disinfection is applied to all vehicles to completely block transmission pathways. Secondary disinfection points include thorough washing and drying processes, in compliance with standardized procedures.
 - (ii) *Disease Control Measures:* We implement peripheral personnel isolation points centralized material warehouse, and dedicated veterinary laboratory to strengthen African swine fever prevention.
 - (iii) *Management Protocols:* We enforce comprehensive biosecurity regulations, standard operating procedures, traceability systems, and corrective management procedures. Regular epidemiological surveys provide the basis for us to adjust our ASF prevention strategies, ensuring sustained production safety.
- *Efficient and Excellent Digital Production Management.* Our production management system integrates domestic and international practices and has been developed into the proprietary system, which emphasises biosecurity and operational management. The followings are the key features:
 - (i) *High Per Capita Efficiency:* Our breeding farm with a capacity of 8,000 basic sows and around 3,000 gilts operates with only around 36 production personnel, with their scope of work covering all production stages from the boar station, reserve station, mating and gestation barns to farrowing barns.
 - (ii) *Excellent herd health and production performance:* Our sows, utilizing L1050 maternal lines, achieve a pigs weaned per sow per year (PSY) significantly exceeding the national average through optimized artificial insemination and pregnancy management, according to the Frost & Sullivan Report. Meanwhile, our pig breeder farms have implemented stringent biosecurity measures to ensure that the parental herds are free from pseudorabies virus, porcine mycoplasmal pneumonia, contagious pleuropneumonia, foot-and-mouth disease, classical swine fever, and *Actinobacillus suis* infection.
 - (iii) *High Level of Informationization:* Through our information system, we can achieve real-time recording and systematic analysis of production data. This system provides immediate access to production data and comprehensive reports.

Pig farming

For pig farming, we adopt Self-operated Farm Model and Family Farm Model:

- **Self-operated Farm Model:** We operate the farm and employ labourers to carry out scaled breeding, fattening and other related process. This model has the advantage of high level of centralization and standardization, which allows us to implement an efficient

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management system. During the Track Record Period, revenue generated from the sales of pigs raised under the Self-operated Farm Model accounted for approximately 20%-30% of our total revenue from the sales of pigs, respectively.

- Family Farm Model: Family farms provide the land and facilities and raise the market hogs according to our standards, while we provide piglets, feeds, medicines and technical support. We settle the family farming fee with the family farms after collection and sales of market hogs. During the Track Record Period, revenue generated from the sales of pigs raised under the Family Farm Model accounted for approximately 70%-80% of our total revenue from the sales of pigs, respectively. Our market hogs are mainly raised under the Family Farm Model, which enables us to reduce capital investment in fixed assets and focus on technological breakthroughs, product development, and nutritional formula research. During the Track Record Period and up to the Latest Practicable Date, all the family farms we contracted with were operated by Independent Third Parties and were mainly located in Guizhou Province, Guangdong Province and Sichuan Province. We do not require compensation from family farmers for any mortality-related losses.

The table below sets out certain information of our self-operated pig breeder farms during the Track Record Period:

Self-operated pig breeder farms	As of December 31,/Year ended December 31,		
	2023	2024	2025
	'000	'000	'000
Pig breeder production capacity ⁽¹⁾ (heads)	1,802	1,958	1,884
Pig breeder production ⁽²⁾ (heads)	1,427	1,719	1,700
Utilization rate (%)	79.2	87.8	90.2

Notes:

- (1) Average number of piglets theoretically born from a breedable sow at the end and beginning of each year.
- (2) Actual number of healthy piglets born in each relevant year.

The table below sets out the production capacity and utilization rates of our self-operated pig fattening farms during the Track Record Period:

Pig fattening farms	As of December 31,/Year ended December 31,		
	2023	2024	2025
	'000	'000	'000
Pig production capacity ⁽¹⁾ (heads)	312	472	531
Pig production ⁽²⁾ (heads)	211	351	448
Utilization rate (%)	67.7	74.3	84.2

Notes:

- (1) Design capacity is determined by the farm's floor area and the corresponding pig housing capacity.
- (2) Actual number of market hogs in each relevant year.

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The table below sets forth the movement in the number of our family farms for pigs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Family farms for pigs			
At the beginning of the year	535	479	301
Addition	171	166	96
Termination	(227)	(344)	(173)
At the end of the year	<u>479</u>	<u>301</u>	<u>224</u>

As of December 31, 2023, 2024 and 2025, the number of our family farms for pigs was 479, 301 and 224, respectively. The decrease in the number of our family farms for pigs was due to our ongoing efforts to phase out small-scale and less efficient family farms while increasing the number of larger-scale and more efficient family farms.

Relationship with farm owners

Prior to cooperating with farm owners under the Family Farm Model, we screen for those who meet our standards. Under the Family Farm Model, farm owners provides the site, equipment and labor, while we provide piglets, feeds, vaccines and medicines to farm owners, who shall breed and fatten the piglets in accordance with our standards. Upon completion of the fattening stage, we will collect the market hogs and settle the raising fee with the farm owners, and the farm owners will then deliver the market hogs directly to our customers. Throughout the process, we provide farm owners with technical guidance and support. All piglets, feed, medicines, vaccines and other materials we provide to farm owners are our properties.

We sign the family farming agreement with the farmer owners. The key terms of our family farming agreements with farm owners generally include the followings:

Responsibilities: Farm owners are responsible for fattening and breeding piglets with their own farms, facilities and staff, for a family farming fee. Farm owners are required to comply with our standards with respect to the operation of family farms, which include the site selection and construction. We are responsible for providing breeding piglets, technical guidance and support, feeds, medicines and vaccines.

Deposits: Farm owners are generally required to pay an upfront deposit that ranged from RMB50 to RMB400 per breeding piglet that are raised in the farm.

Ownership: We have the ownership of the piglets raised by the farm owners, as well as the feeds, vaccines and medicines. Farm owners have the ownership of the farms and facilities.

Termination: The agreement can be terminated by mutual consent. We may unilaterally terminate the agreement if the farm owners breaches the contract terms, including but not limited to failing to deliver market hogs on the agreed schedule, failing to meet our standards for the breeding conditions.

We settle the family farming fee with the farm owner, after which the market hogs are collected by us and transported directly from the family farms to locations designated by our customers. The basic remuneration for family farming fee we settled with farm owners is determined by the grade, weight, and fixed rates for different grades of market hogs. In addition to the base fee, we will also make further adjustments based on factors such as quality and condition,

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subsidies and incentives, as well as penalties and deductions. For 2023, 2024, and 2025, the family farming fee for pigs under the Family Farm Model are RMB165.0 million, RMB223.7 million, and RMB219.2 million, respectively, which are recognized in the consolidated statements of comprehensive income.

Selection, training and supervision of farm owners

We select farm owner candidates based on factors including credit status, financial capacity, possession of required licenses, adequacy of farm facilities and biosecurity measures, and logistical suitability. Our technical personnel conduct regular on-site inspections at least twice per month. When issues are identified, we may assign higher-level supervisors to conduct additional targeted inspections, providing further guidance and support. During the Track Record Period and up to the Latest Practicable Date, such involvement primarily related to our internal technical escalation and tiered management mechanism, under which frontline technicians escalate matters for further review where they consider that additional technical assessment or coordination is required. These matters included, for example, adjustments to disease prevention and control measures, relatively higher-than-usual livestock culling rates, or abnormalities in feeding behaviour. During the Track Record Period and up to the Latest Practicable Date, all such matters arose in the course of normal business operations and did not involve any material non compliance, operational disruptions or abnormal incidents.

We assist farm owners in selecting suitable locations and designing efficient facilities. All critical production inputs such as feed, medicines, and vaccines are centrally procured and distributed by us. Their usage is strictly controlled and recorded through our digital management system. Veterinary medicines are dispensed only by our veterinarians based on valid prescription, and all usage is documented to ensure full traceability.

Production management officers conduct regular on-site visits to monitor operations and provide technical guidance. During these visits, officers perform key checks including biosecurity, feed usage, pig mortality records, and vaccination records. In addition, they validate livestock inventories and condition reports. When farm owners report that the pigs are culled or abnormal, the production management officers will promptly provide feedback on treatment plan, check the pigs on-site, and conduct harmless disposal.

Feed Management and Control

Feed Technology

We possess precision nutrition formulation technologies. For instance, we have obtained multiple patents for specialized feeds for broilers at different stages. Through comprehensive research on the nutritional requirements of broilers under different growth phases and seasonal conditions, we accurately determine the specific nutrient needs at each phase of development and formulate optimal feed formulas. Through cooperation with the internationally renowned Chinese animal nutrition service institutions, we have established a complete set of strict pig feed formula and chicken feed technology system, which comprises a systematic ingredient database, developed through digestive metabolism studies, net energy trials, standardized ileal digestibility assays and near-infrared rapid nutrient analyser. This enables scientifically validated raw material valuation assessment and adjustment of feed formula and procurement strategies in a timely manner. We operate our own feed mills to produce feed in accordance with our own stringent quality and safety standards. We also engage leading external feed suppliers in China to produce certain pig feeds in accordance with the feed formulation and ingredients standards designed by us.

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Feed Production

Feed production utilizes commodity ingredients including corn, soybean meal, rapeseed meal, wheat, etc. As of December 31, 2025, we had four feed mills.

The table below sets out the production capacity and utilization rates of our feed mills during the Track Record Period:

Feed mills	Year ended December 31,		
	2023	2024	2025
	('000)	('000)	('000)
Feeds production capacity ⁽¹⁾ (tonnes) . . .	806	806	873
Feeds production ⁽²⁾ (tonnes)	431	416	538
Utilization rate (%)	53.5	51.6	61.6

Notes:

- (1) Maximum production capacity stated in and approved under the relevant government filings.
- (2) Actual feed production volume in the relevant year.

We have established stringent quality standards and inspection and control procedures covering the whole feed production process from procurement of feed ingredients, feed production and processing to feed transportation to ensure that the feed we produce meets our quality requirement. The main measures are as follows:

- stringent feed ingredients acceptance standard. Please refer to the section headed “— Suppliers, Raw Material and Inventory — Feed and feed ingredients procurement”.
- stringent feed quality control standards in place to ensure that the feed quality meets national standards as well as the needs of our broiler and pig farms. We have developed a traceable system covering source control, process control and raw material procurement management.
- stringent feed production management system. We also regularly maintain and repair feed production equipment.

In addition to quality control measures, we employ precision nutrition technologies to enhance our feed formula design. We use a near-infrared rapid analyser to determine their nutritional composition. The results are then sent to an internationally renowned animal nutrition service agency in China, which performs a rapid and precise assessment of the nutritional value through big data analysis. Based on this assessment, we design our feed formulas to meet the nutritional needs of broilers and pigs at different growth stages. For details, please refer to the section headed “— Research and Development”.

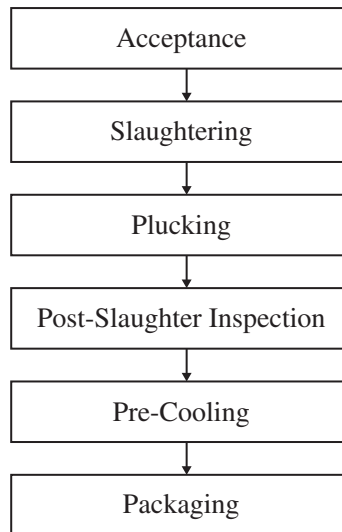
Production of fresh and other products

We started to produce fresh and other products in 2015. Our fresh and other products predominantly comprise chicken products. Our current fresh and other products mainly include ready-to-eat products, whole fresh chicken, portioned chicken and semi-finished products.

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Production of fresh products

The following chart illustrates our fresh and other products production process⁽¹⁾:



Notes:

- (1) At the live poultry acceptance stage, we primarily use automated unloading devices and cage cleaning machines to ensure proper handling and hygiene of incoming poultry. Slaughtering is conducted with electrical stunning to meet animal welfare requirements and reduce stress responses in chickens, followed by feather removal using automated plucking machines. The evisceration stage relies on post-slaughter inspection to carry out quality control and food safety checks. Pre-cooling is performed through a combination of water-cooling and air-cooling to rapidly lower carcass temperature and maintain freshness. Finally, the packaging stage employs modified atmosphere packaging machines and liquid nitrogen equipment to extend shelf life and preserve product quality.

All key production steps for our fresh products can be completed within approximately two to three hours. We have established a rigorous raw material acceptance and slaughtering and processing quality control system. During the inspection stage, our dedicated raw material acceptance staff strictly verify all animal quarantine certificates and drug residue test reports, rejecting any unqualified chickens. Additionally, veterinarians conduct sensory inspections to identify and cull any suspect birds for harmless disposal. Subsequently, the qualified broilers are transported to our self-owned modern slaughtering and processing facilities. The entire slaughtering process is conducted under strict temperature, humidity, and hygiene standards.

The table below sets out the production capacity and utilization rates of our slaughtering facilities during the Track Record Period:

Slaughtering facilities	Year ended December 31,		
	2023	2024	2025
	('000)	('000)	('000)
Slaughtering production capacity ⁽¹⁾ (birds) . . .	12,000	12,000	12,000
Slaughtering production ⁽²⁾ (birds)	6,900	9,530	13,260
Utilization rate (%)	57.5	79.4	110.5

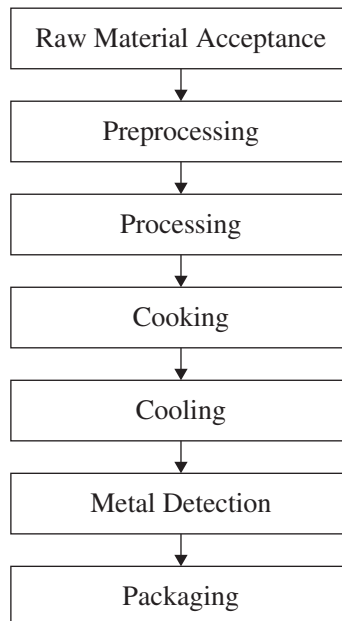
Notes:

- (1) The designed maximum number of birds that could be slaughtered.
- (2) Actual slaughter volume in birds in the relevant year.

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Production of processed meat products

The following chart illustrates the production process for our processed meat products under the fresh and other products category⁽¹⁾:



Note:

- (1) During preprocessing, thawing tanks, water systems, marinating tanks, and washing tanks prepare raw materials. Processing relies on low-temperature marinating chambers and freezing fans to enhance flavor and freshness. Cooking uses boiler combustion systems, kettles, sterilizers, conveyor chains, and hanging cages to ensure thorough cooking and safety. Cooling employs refrigeration in cooling rooms and semi-finished storage to quickly lower temperature and preserve quality. Metal detection and inspection involve modified atmosphere packaging, coding, and vacuum devices to prevent contamination. Finally, packaging uses metal detectors to ensure product safety before distribution.

The production time for processed meat products varies depending on the processing techniques applied to different cooked food products, and is generally completed within one day. All raw materials and ingredients must undergo strict inspection and approval before being preprocessed and processed according to different product types (such as marinated meat products and pre-prepared seasoned meat products). All products must pass through key quality control checks, including metal detection, before packaging. Once approved, they are stored in designated warehouses with controlled temperature and humidity and ultimately delivered by a temperature-controlled logistics system.

Asset Disposal and Genetic Resource Supply Arrangements with Our Controlling Shareholder

To address potential foreign investment regulatory risks in connection with the proposed H-share [REDACTED], we entered into asset transfer agreements with our Controlling Shareholders on December 20, 2025 to dispose of the assets relating to our Qingyuan Chicken and Changshun Green-eggshell Chicken breeds. The transferred assets included approximately 4,500 preservation chickens in aggregate, as well as the related buildings and breeding equipment located in Qingcheng District, Qingyuan City, the PRC and Changshun County, Guizhou Province, the PRC. The aggregate consideration for the transfers was approximately RMB4.7 million, which was determined with reference to independent valuation reports.

Following the disposals, we entered into genetic resource supply agreements with our Controlling Shareholders on January 5, 2026, pursuant to which our Controlling Shareholders undertake to provide us with the genetic resources necessary for our breeding operations. Under these agreements, the aggregate annual fee for the use of genetic resources is RMB1.5 million.

The transactions under the above agreements are expected to constitute the exempt continuing connected transactions. Moreover, the expected transaction amounts under these arrangements are limited and are not expected to give rise to any material reliance on our Controlling Shareholders. The Directors are of the view that the disposal and the subsequent genetic resource supply arrangements will not have a material adverse effect on our operations, financial position or results of operations.

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RESEARCH AND DEVELOPMENT

As of December 31, 2025, our R&D team had 51 employees dedicated to project research and development in breeding, feed and animal nutrition, disease prevention and control, and food technology. The R&D team included 29 members with master’s degree or doctor’s degree.

Notable examples include projects under the State Spark Program, the MARA, and the Guangdong Provincial Department of Science and Technology. Moreover, we have obtained a number of scientific and technological achievements. In particular, we have been awarded four awards, including the First Prize for Agricultural Technology Extension conferred by the MARA. To further bolster our innovation, we cooperate with domestic universities and research institutions for technology development and engage renowned breeding experts as consultants.

We focus on the R&D of the following core technologies:

- *Breeding technology.* Through industry-academia-research cooperation, we successfully bred the Tiannong partridge chickens new supporting line, which has passed national approval in 2015. We possess advanced breeding technology and are currently focusing on intelligent phenotypic data collection, genomic selection and mating technologies. We apply molecular genetics breeding technologies to develop specialized lines of Qingyuan Chicken and Changshun green-eggshell chicken to meet diverse market demands for differentiated chicken and egg products.

Supported by funding from the National Natural Science Foundation of China and national key R&D programs, we collaborated with Foshan University to jointly develop the “Tiannong Fengzhongfeng No. 1 Partridge Chickens” new supporting line.

- *Nutrition and feeding technology.* We have established a complete set of strict pig feed formula and chicken feed technology system through cooperation with the international renowned animal nutrition service agency in China, which comprises a systematically ingredient database, developed through digestive metabolism studies, net energy trials, standardized ileal digestibility assays and near-infrared rapid nutrient analyser, which enables scientifically validated raw material valuation assessment and adjustment of feed formula and procurement strategies in a timely manner, so as to meet the nutritional needs of pigs at different physiological stages, and achieve precise nutrition and cost control.
- *High-efficiency pig breeder production management technology.* Our pig breeder farm, with approximately 8,000 basic sows and 3,000 gilts production line, is operated by only about 36 production staff, which sets a new industry benchmark for efficiency. This high productivity is supported by a fully automated system that integrates key processes such as environmental control, feeding, waste management, and disinfection. These automated workflows generate consistent operational data, which in turn enables a standardized, data-driven management framework.
- *Disease control technology.* Through our dedicated research into major disease prevention and control technologies, integrated with comprehensive health management factors such as site selection, pen planning, and scientific nutrition, we have built a robust disease control system that meets the requirements of modern large-scale farms. Furthermore, we conduct testing and purification for specific vertically transmitted diseases to enhance the health of our chicks and piglets.
- *Product R&D.* Through in-depth market research, understanding consumer preferences, and product planning, combined with our strong food processing technology, we are able to efficiently launch new products or upgrade existing products to quickly respond to market demand.

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SALES

Our go-to-market approach

We are dedicated to delivering safe and reliable products to consumers while fostering long-term trust and brand loyalty. Our omnichannel sales system integrates distribution and direct sales network to optimize market penetration. Offline, our dedicated sales team directly serves key customers, including but not limited to chain supermarkets and foodservice and food processing enterprises, while leveraging authorized distributor networks to expand regional coverage and deepen product penetration. Online, we utilize leading e-commerce platforms, to enhance end-market efficiency, ensuring seamless connectivity between production, promotion, and distribution for efficient product delivery to our customers.

- **Sales to distributors:** We mainly sell our Qingyuan Chicken, other native chickens and pigs through distributors. We also sell part of our fresh and other products through distributors to optimize market penetration.
- **Direct-to-customer channel:** We mainly sell our fresh and other products directly to our customers, including but not limited to chain supermarkets, catering and food processing enterprises, etc. We also sell part of our Qingyuan Chicken, other native chickens and pigs to slaughtering plants and other farming enterprises.
- **Online channels:** To enhance our brand exposure, we also sell our fresh and other products to end consumers via e-commerce platforms through our self-operated flagship stores and other third-party online sales platform operators.

Structure of Sales Team

We have dedicated separate sales teams for our Qingyuan Chicken, other chickens and pigs which are responsible for determining and supervising the implementation of our sales strategies. As of December 31, 2025, we had a sales team consisting of 639 staff. The sales network for our diversified product portfolio covers 30 provinces, municipalities, Hong Kong and Macau across the country.

Our Customers

We primarily sell our products to distributor customers consisting of dealers for chicken and pigs and distributors of fresh and other products. We also sell our products to direct customers including supermarket chains, foodservice and food processing enterprises, e-commerce platforms, slaughtering plants and other farming enterprises.

The following table sets forth the breakdown of the revenue by type of customer for the years indicated:

	As of/year ended December 31,					
	2023		2024		2025	
	Revenue (RMB'000)	%	Revenue (RMB'000)	%	Revenue (RMB'000)	%
Distributors ⁽¹⁾	2,921,187	81.2	3,781,746	79.2	3,286,102	77.1
Direct sales customers ⁽²⁾	674,818	18.8	994,067	20.8	975,331	22.9
Total	3,596,005	100.0	4,775,813	100.0	4,261,433	100.0

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Notes:

- (1) Distributors include dealers for Qingyuan Chicken and other native chickens, and dealers for pigs, and distributors for fresh and other products.
- (2) Direct sales customers include supermarkets chains, catering and food processing enterprises, third-party e-commerce platforms, slaughtering plants and other farming enterprises.

Distributor Customers

We primarily sell our Qingyuan Chicken, other native chickens and pigs through dealers. The dealers are generally self-employed individuals that serve as intermediaries between breeding enterprises and farmers and slaughter plants. According to the Frost & Sullivan Report, it is an industry norm to sell the self-produced broilers or pigs to third-party dealers, primarily because (i) dealers represent one of the major players in the downstream livestock and poultry industry with distribution channels and (ii) dealers are able to provide more flexibility as to timing, location and volume of sales as compared to other downstream players, such as slaughter plants. We also sell our fresh and other products through distributors. These distributors are primarily engaged in the meat and food distribution business in China. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge and belief of our Directors, all our distributors are Independent Third Parties.

As of December 31, 2025, we cooperated with 1,384 distributors. The table below illustrates the changes of our distributors during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Distributors			
At the beginning of the year	1,335	1,216	1,267
Addition	576	635	723
Termination	(695)	(584)	(606)
At the end of the year	<u>1,216</u>	<u>1,267</u>	<u>1,384</u>

We generally do not unilaterally terminate partnerships with distributors. Changes in the number of our distributors, including terminations, primarily reflect normal market dynamics arising from distributors’ commercial decisions based on pricing and product positioning. These distributors may choose other suppliers that offer more competitive pricing, as the Group adopts a high quality positioning with stricter product standards, which typically results in higher average selling prices compared to some competitors. The increase in the number of distributors in 2025 was primarily driven by the increased sale contribution from the Qingyuan Chicken and other native chickens, supported by an increasing number of Qingyuan Chicken and other native chickens. During the Track Record Period and up to the Latest Practicable Date, we did not have any material unresolved disputes with these terminated distributors.

Our relationships with all distributors are characterized as seller and buyer relationships, the salient terms of the dealership agreements signed with distributors in each product category are set out below. We do not restrict dealers from appointing sub-dealers and do not exercise downstream control over their subsequent distribution channels. This is consistent with prevailing commercial practice in the live poultry and pig trading industry in the PRC, where dealers act as intermediaries connecting farming enterprises with downstream slaughterhouses or regional markets, according to Frost & Sullivan.

The salient terms of the dealership agreements with our dealers for the sale of our Qingyuan Chicken and other native chickens generally include the following:

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<i>Duration</i>	Generally one year.
<i>Deposit</i>	We typically require our new customers to pay a deposit.
<i>Designated Distribution Area</i>	The dealers for chickens are typically prohibited from reselling our products outside its designated distribution area.
<i>Minimum purchase commitment</i>	Certain distributors and dealers are subject to minimum purchase requirements determined by us on a case-by-case basis with reference to their sales role, historical purchase volume, and expected demand. We monitor distributors’ order patterns, inventory levels and downstream sales conditions to mitigate the risk of channel stuffing. We generally reserve the right to terminate our relationship with a distributor if its actual purchase volume falls below 60% of the stipulated minimum purchase requirement for two consecutive quarters.
<i>Sales target and reward plan</i>	Dealers are not subject to mandatory sales targets. To incentivize certain dealers, we typically determine incentive standards based on the actual sales volume of our dealers, with incentives generally not exceeding RMB 0.2 per bird.
<i>Payment terms</i>	Typically payment is settled concurrently with our dealer’s self pickup of broilers.
<i>Delivery</i>	Our dealers are responsible for arranging their own logistics for self pick up and shall bear the associated risks.
<i>Pricing policy</i>	We set the price at which we sell products to dealers based on market conditions.
<i>Exchange or return</i>	We typically do not allow exchange or return of broilers after delivery to dealers.
<i>Termination</i>	We may terminate the contract if there is a breach of material terms by our dealers.

The salient terms of the dealership agreements with our dealers for sales of our pigs generally include the following:

<i>Duration</i>	Generally one to three years.
<i>Deposit</i>	We typically require our new dealers to pay a deposit.
<i>Payment terms</i>	We typically require advance payment.
<i>Delivery</i>	Our dealers are responsible for arranging their own logistics for self pick up and shall bear the associated risks.

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<i>Pricing policy</i>	We set the price at which we sell products to dealers based on market conditions, and dealers shall place order on our selling system by way of bidding.
<i>Exchange or return</i>	We typically do not allow exchange or return of market hogs after delivery to dealers.
<i>Termination</i>	We may terminate the contract if there is a breach of material terms by our dealers.

Our pig dealers are not subject to mandatory minimum purchase requirements.

We consider the risk of channel stuffing to be minimal, for the following reasons:

- (a) *Product perishability and short shelf life.* Our main products, namely, Qingyuan Chicken and pigs must typically be sold within a few days of acquisition. Fresh poultry and live pigs cannot be stored for extended periods, and prolonged holding would cause weight loss and higher mortality or deterioration in freshness.
- (b) *Economic disincentive to over purchase.* As our dealers bear all inventory, transport, and mortality risks after acceptance, over stocking would directly reduce their own margins. There is therefore no commercial incentive for dealers or sub-dealers (if any) to take delivery of quantities they cannot promptly resell.
- (c) *Routine monitoring of order patterns.* The sales and marketing department continuously monitor the weekly purchase and delivery volumes of each dealer. Any abnormal surges in wholesale volume that are inconsistent with prevailing local market prices are subject to internal review to assess the authenticity of end sales.

We are of the view that the risk of cannibalisation among our distributors is limited in practice, having regard to the differing distribution models adopted for Qingyuan Chicken and other native chickens and pigs, and that we have implemented effective measures to mitigate any potential risks.

With respect to Qingyuan Chicken and other native chickens, we assign designated distribution areas to our chicken dealers. As our Qingyuan Chicken and other native chickens is typically sold through wholesale markets, this arrangement helps avoid excessive concentration of dealers within the same market and effectively reduces direct cannibalisation risks. In contrast, we generally do not assign designated geographic distribution areas to our pig dealers, as pigs are generally transported directly to slaughterhouses rather than sold through open markets. Under this model, geographic restrictions are of limited practical relevance and do not materially affect cannibalisation risks.

We also implement a number of internal control and monitoring measures to further mitigate cannibalisation risks and ensure effective distribution management:

- (a) *Regional segmentation and delivery monitoring.* Dealers are internally categorised by province and prefecture-level city. Our sales management system tracks the end destinations of major deliveries, enabling management to monitor compliance with designated areas for Qingyuan Chicken dealers and to identify potential overlaps.
- (b) *Controlled dealer onboarding and key account allocation.* Major dealers and slaughterhouse customers are assigned as recurring counterparts for specific regions or markets. Any proposed appointment of additional dealers within an existing dealer’s operating area for Qingyuan Chickens is subject to prior commercial review and approval by regional sales management, thereby preventing excessive concentration.

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- (c) *Ongoing performance and overlap assessment.* Dealers are subject to periodic performance evaluations covering sales volume, market feedback, product quality and compliance with trading terms. Where operational overlap or underperformance is identified, we may adjust dealer coverage, consolidate accounts or reassign distribution areas as appropriate.

Based on the above, we consider that cannibalisation among its distributors is limited and effectively managed, and that its mitigation measures have operated effectively in practice.

The key terms of our standard distribution agreements for distributors of our fresh and other products include:

<i>Duration</i>	Generally one year.
<i>Designated Distribution Area</i>	The distributors are typically prohibited from reselling our products outside its designated distribution area.
<i>Sales Targets and Incentive Scheme</i>	The distributor is incentivized to achieve progressive sales targets. The incentive scheme is typically in the form of discounts.
<i>Minimum Purchase Amount</i>	Distributors are generally not subject to minimum purchase amount.
<i>Pricing Policy</i>	We and the distributors agree on the prices at which we sell products to them based on market conditions.
<i>Retail Price of Fresh and Other Products</i>	In light of our brand management needs, we provide recommended retail prices to the distributors.
<i>Payment term</i>	We typically require payment before delivery.
<i>Exchange or return</i>	We typically do not allow exchange or return after products are delivered to distributors, except where there are any quality issues.
<i>Termination</i>	We may terminate the distribution contract if the distributor breaches certain material provisions.

Once all of our products are sold to distributors, we recognize the revenue, and the ownership and risks of the products are transferred to the distributors. To our best knowledge, dealers of Qingyuan Chickens, other native chickens and pigs generally resell our products to slaughterhouses, and distributors of fresh and other products generally resell our products to agricultural trade markets, supermarkets, and etc. If distributors fail to sell the products subsequently, they have no right of recourse against us after their acceptance of the products.

Direct Sales Customers

Our direct sales customers primarily include supermarket chains, catering, food processing enterprises, e-commerce platforms and slaughtering plants and other farming enterprises.

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Supermarket Chains

We sell our fresh and other products to a number of supermarket chains and community fresh food markets customers. We generally enter into annual sales agreements with these customers. These supermarkets typically resell our products to end consumers. We cooperate with these customers from time to time to customize products.

The salient terms of our standard agreements with supermarket chains are set out below:

<i>Duration</i>	The agreements are typically for a term of one year.
<i>Minimum purchase requirement</i>	We generally do not impose any minimum purchase requirements.
<i>Payment terms</i>	Both parties regularly review invoices and settle payments according to the credit term.
<i>Delivery</i>	We generally arrange for delivery and bear the risks.
<i>Pricing policy</i>	We sell products to supermarket chains customers at agreed prices based on sales orders.
<i>Return arrangement</i>	We generally do not allow exchange or return, except where there are any quality issues.
<i>Termination</i>	Either party has the right to terminate the agreement if the other party breaches the contract.

Catering and Food Processing Enterprises

We sell our fresh and other products to catering and food processing enterprises, with whom we maintain seller-buyer relationships. We have established long-term partnerships with several well-known chain catering enterprises. Under these arrangements, we supply fresh chicken products to such customers to meet their operational and procurement needs. We typically enter into annual framework sale and purchase agreements, supplemented by specific sales orders to confirm transaction details.

The salient terms of our standard agreements with catering customers are set out below:

<i>Duration</i>	The agreements are typically for a term of one year.
<i>Minimum purchase requirement</i>	We generally do not impose any minimum purchase requirements.
<i>Payment terms</i>	Both parties review invoices on a monthly basis and settle payments according to the credit term.
<i>Delivery</i>	We generally arrange for delivery and bear the risks.
<i>Pricing policy</i>	We sell products to catering customers at agreed prices based on sales orders.
<i>Return arrangement</i>	We generally do not allow exchange or return, except where there are any quality issues.
<i>Termination</i>	Either party has the right to terminate the agreement if the other party breaches the contract.

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E-commerce Platforms

Our fresh and other products are also sold through leading e-commerce platforms, we have established multiple online sales channels, including our self-operated store on leading e-commerce platforms and third-party online e-commerce platforms. We also leverage interactive channels such as live-streaming commerce for product demonstrations and influencer partnerships. Customers can conveniently place orders through embedded links featured in these live streams and short videos. These platforms allow us to reach a broader consumer base, offering convenient access to our fresh and other products.

Pricing for e-commerce sales is aligned with market conditions, ensuring competitiveness while reflecting our production costs and any customization needs.

Slaughtering plants and other farming enterprises

We also directly sell limited quantities of our Qingyuan Chicken and other native chickens and market hogs to slaughtering plants and other farming enterprises. Slaughtering plants use our Qingyuan Chicken and other native chickens, and pigs as raw materials for their business operations.

Return Policy

Our customers are not allowed to return our products unless there are any quality issues. If we receive any complaint from any of our customers regarding any quality issues in the products, we will assess the complaint on a case-by-case basis and formulate the appropriate solution to each complaint. If we are responsible for the quality issues in the products and consider that repurchase of the products from the customer is the appropriate way to address the complaint of the customer, we will proceed to do so and refund the relevant purchase price to the customer. The Directors confirmed that we have not encountered any material sales returns that materially affect our operation during the Track Record Period and up to the Latest Practicable Date.

Major Customers

During the Track Record Period, all of our customers were based in the PRC (including Hong Kong and Macro). Our sales to the top five customers in each year during the Track Record Period accounted for 17.1%, 17.8% and 18.4% of our total revenue, respectively. Our sales to our largest customer for 2023, 2024 and 2025 accounted for 4.7%, 4.8% and 5.3% of our total revenue during the respective year. For each of the years during the Track Record Period, none of the Directors, Supervisors, their respective associates or Shareholders who own 5% or more of our issued share capital had any interest in the top five customers.

The table below provides details of our top five customers in each year during the Track Record Period:

For the year ended December 31, 2023

Rank	Customer	Products purchased from us	Revenue	% of our total revenue	Year of commencement of the business relationship	Settlement method	Credit term
			RMB'000				
1	Customer A ⁽¹⁾	Pigs	170,304	4.7%	2021	Bank transfer	n/a
2	Customer B ⁽²⁾	Pigs	152,060	4.2%	2020	Bank transfer	n/a
3	Customer C ⁽³⁾	Pigs	115,568	3.2%	2021	Bank transfer	n/a
4	Customer D ⁽⁴⁾	Pigs	95,366	2.7%	2022	Bank transfer	n/a
5	Customer E ⁽⁵⁾	Pigs	84,328	2.3%	2023	Bank transfer	n/a
Total			617,626	17.1%			

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Notes:

- (1) Customer A is an individual pig dealer. To the best information and knowledge of our Directors, Customer A was an Independent Third Party.
- (2) Customer B is an individual pig dealer. To the best information and knowledge of our Directors, Customer B was an Independent Third Party.
- (3) Customer C is principally engaged in the processing, distribution and sale of food products, and is located in Foshan city, Guangdong province. The company was incorporated in 2020 and has a registered capital of RMB172,857,200.
- (4) Customer D is an individual pig dealer. To the best information and knowledge of our Directors, Customer D was an Independent Third Party.
- (5) Customer E is an individual pig dealer. To the best information and knowledge of our Directors, Customer E was an Independent Third Party.

For the year ended December 31, 2024

Rank	Customer	Products purchased from us	Revenue	% of our total revenue	Year of commencement of the business relationship	Settlement method	Credit term
			RMB'000				
1	Customer A	Pigs	229,835	4.8%	2021	Bank transfer	n/a
2	Customer B	Pigs	189,791	4.0%	2020	Bank transfer	n/a
3	Customer E	Pigs	173,592	3.6%	2023	Bank transfer	n/a
4	Customer F ⁽¹⁾	Pigs	144,738	3.0%	2021	Bank transfer	n/a
5	Customer G ⁽²⁾	Pigs	113,953	2.4%	2023	Bank transfer	n/a
Total			851,909	17.8%			

Notes:

- (1) Customer F is principally engaged in poultry slaughtering, livestock slaughtering and the processing of agricultural and sideline food products and is located in Chongqing city. The company was incorporated in 2008 and has a registered capital of RMB18 million.
- (2) Customer G is principally engaged in agricultural technology research and development and the production and sale of agricultural products, and is located in Guiyang city, Guizhou province. The company was incorporated in 2022 and has a registered capital of RMB2.0 million.

For the year ended December 31, 2025

Rank	Customer	Products purchased from us	Revenue	% of our total revenue	Year of commencement of the business relationship	Settlement method	Credit term
			RMB'000				
1	Customer H ⁽¹⁾	Pigs	225,291	5.3%	2025	Bank transfer	n/a
2	Customer B	Pigs	211,629	5.0%	2020	Bank transfer	n/a
3	Customer F	Pigs	138,811	3.3%	2021	Bank transfer	n/a
4	Customer A	Pigs	119,130	2.8%	2021	Bank transfer	n/a
5	Customer I ⁽²⁾	Fresh products	90,975	2.1%	2017	Bank transfer	60 days
			785,836	18.4%			

Notes:

- (1) Customer H is principally engaged in investment activities, as well as the trading and distribution of commodities, including agricultural products and industrial materials and is located in Hangzhou city, Zhejiang province. The company was incorporated in 2013, and has a registered capital of RMB2.1 billion.
- (2) Customer I is principally engaged in the investment, management and operation of retail businesses in the PRC, including shopping malls and membership-based retail stores and is located in Shenzhen city, Guangdong province. The company was incorporated in 2003, and has a registered capital of US\$326.6 million.

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Pricing

During the Track Record Period and up to the Latest Practicable Date, our products were not subject to any price control regulations by the PRC governmental authorities. Our pricing for Qingyuan Chicken and other native chickens and pigs varies by product, in particular:

- *Qingyuan Chicken and other native chickens.* We adopt daily pricing for Qingyuan Chicken. The major factors for pricing include the prevailing market conditions, output volume, internal and external supply in the market, low and peak consumption seasons, consumption habits, epidemics and other factors. Chicks that are sold externally are priced uniformly as stipulated in the contract.
- *Pigs.* We adopt daily pricing with reference to major factors such as prevailing market conditions, prices set by slaughtering companies and wholesale meat markets, our current inventory and prediction of future market conditions, policy trends and epidemic situation.
- *Fresh and other products.* We adopt a cost-plus approach with reference to the brand, market circumstances, logistics fees and storage fees for fresh and other products.

Third-party Payment

Background of Third-Party Payment Arrangements

During the Track Record Period, certain customers (individually or collectively, the “**Relevant Customers**”) settled payments with us through accounts of counterparties that were not parties to the relevant transaction contracts (the “**Third-Party Payment Arrangements**”). During the Track Record Period, the Relevant Customers primarily included customers of individuals, sole proprietors and sole proprietorship enterprises. To our best knowledge, the designated third-party payors primarily included persons related to the Relevant Customers, such as the legal representatives, employees, partners, relatives of controllers of the Relevant Customers, as well as the affiliates of the Relevant Customers.

For 2023, 2024 and 2025, the numbers of Relevant Customers were 68, 10 and 16, respectively. The total amounts settled by them under the Third-Party Payment Arrangements were RMB1.4 million, RMB0.8 million and 0.2 million, respectively, representing 0.02%, 0.02% and 0.01% of our total revenue for the same years, respectively. Given the declining trend and the our ongoing tightening of payment controls, we do not expect revenue settled through the Third-Party Payment Arrangements to increase going forward. During the Track Record Period, none of the Relevant Customers made a material contribution to our revenue.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any investigation, inquiry, fines or additional charges as a result of participating in the Third-Party Payment Arrangements. In addition, during the Track Record Period and up to the Latest Practicable Date, we have not encountered any refund requests, actual or pending disputes or disagreements, or any material claims made against us in relation to the Third-Party Payment Arrangements.

As of the Latest Practicable Date, we have ceased accepting payments under the Third-Party Payment Arrangements prior to [REDACTED].

Reasons for Third-Party Payment Arrangements

According to Frost & Sullivan, for convenience and flexibility, it is a common business practice for market participants in the consumer industry in China to settle payments to their suppliers through third-party payors. Based on statements from the Relevant Customers and to the

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best of our knowledge, the primary reason for the use of the Third-Party Payment Arrangements by the Relevant Customers was that, when purchasing Qingyuan Chicken and other native chickens and pigs from us, they were occasionally subject to daily transaction limits on bank cards during on-site transactions, and it was common for third-party personal accounts to make payments to us on site.

LOGISTICS AND TRANSPORTATION

For the sales of Qingyuan Chicken, other native chickens and pigs, our customers are generally responsible for arranging their own logistics for self pick up.

For the sales of fresh and other products, we are generally responsible for transporting our products to the location designated by the customers depending on the products and sales contracts. We adopt fresh delivery or frozen delivery methods based on customer requirements. To ensure quality, our frozen products are flash-frozen using liquid nitrogen technology. At the same time, we also establish simple processing and distribution bases, independently or through partnerships, in areas close to core markets to ensure swift and efficient final product delivery.

We select and engage third-party logistics suppliers through public bidding. Our transportation arrangements with third-party logistics providers allow us to reduce capital investment and save us from having to develop and maintain our own large-scale logistics system. Outsourcing such services also allows us to avoid bearing most of the risks associated with the transportation and delivery of our products. During the Track Record Period and as of the Latest Practicable Date, we did not experience any material delays or improper handling of our products by logistics providers that would have a material adverse impact on business operations, nor suffer from any shortage of logistics services and material rise in transportation costs. The current logistics service market provides us with sufficient options of alternative logistics service providers that can provide similar terms as those provided by our existing logistics service providers.

SEASONALITY

The demand for our products is affected by consumers’ consumption patterns. The demand for our products is typically relatively higher before public holidays, such as China’s Spring Festival, Mid-Autumn Festival and National Day.

SUPPLIERS, RAW MATERIAL AND INVENTORY

Raw material procurement

During the Track Record Period, our raw materials mainly included (i) feed, (ii) feed ingredients, such as corn, soybean meal, and other by-products, and (iii) veterinary medicines and vaccines. Our supply agreements with general suppliers last for 1-12 months. The credit term typically ranges from 7 to 180 days. During the Track Record Period, all of our suppliers were located in the PRC. As of December 31, 2025, we had a total of 810 suppliers.

Feed and feed ingredients procurement

We adopt a stringent supplier selection process for feed and ingredients. Our supplier admission system requires all candidates to pass preliminary screening, sample lab tests, and on-site inspections before being added to our approved supplier list. We further conduct annual performance evaluation of our suppliers based on their product quality and service standards.

We have established a comprehensive system for raw material evaluation, acceptance and processing. The supplier are responsible for the delivery of raw materials. Samples of raw materials are sent to our quality control department for inspection upon arrival.

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We also engage leading external feed suppliers in China to produce part of our feed according to our designed feed formulas and raw material standards. Our management of external feed suppliers is consistent with our supplier management. The quality of raw materials used by external feed suppliers must meet our internal standards, and the produced feed must comply with our technical quality requirements. We reserve the right to reject any products that do not meet these quality standards.

The salient terms of our supply agreements with feed and feed ingredients suppliers are set out below:

<i>Duration</i>	The agreements are typically for a term of one year.
<i>Payment terms</i>	We are generally required to make payments within 7 to 90 days upon receipt of invoices.
<i>Delivery</i>	Either our suppliers or us are responsible for delivering raw materials to our designated locations.
<i>Return arrangement</i>	If any raw materials have quality issues, we have the right to make a return, and the suppliers shall bear any costs incurred from such returns.
<i>Termination</i>	Either party has the right to terminate the agreement if the other party breaches the contract.

Procurement of veterinary medicines and vaccines

Our procurement center conducts procurement tender processes for veterinary medicines and vaccines. We enter into annual framework agreements with successful bidder of product suppliers.

The salient terms of our supply agreements with veterinary medicines and vaccines suppliers are set out below:

<i>Duration</i>	The agreements are typically for a term of one year.
<i>Payment terms</i>	We are generally required to make payments within 365 days upon acceptance of veterinary medicines and vaccines.
<i>Delivery</i>	The suppliers are responsible for delivering veterinary medicines and vaccines to our designated locations.
<i>Return arrangement</i>	If any raw materials have quality issues, we have the right to make a return, and the suppliers shall bear any costs incurred from such returns.

Major Suppliers

For 2023, 2024 and 2025, our purchases from the top five suppliers for each respective year accounted for 43.7%, 44.6% and 41.0% of our total purchase of products and services for the respective year. Our purchases from the single largest supplier in each year during the Track Record Period accounted for 26.5%, 17.6% and 12.0% of our total purchase of products and services. For each of the years during the Track Record Period, all our top five suppliers are Independent Third Parties, and no Directors, Supervisors, their respective associates or Shareholders who own 5% or more of our issued share capital have any interest in the top five suppliers.

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The table below provides details of our top five suppliers during the Track Record Period:

For the year ended December 31, 2023

Rank	Supplier	Products supplied to us	Purchase amount	% of our total purchase of products and services	Year of commencement of the business relationship	Settlement method	Credit term
			RMB'000				
1	Supplier A ⁽¹⁾	Feed	715,057	26.5%	2021	Bank transfer	30 days
2	Supplier B ⁽²⁾	Feed	205,451	7.6%	2019	Bank transfer	30 days
3	Supplier C ⁽³⁾	Feed ingredients	98,802	3.7%	2019	Bank transfer	7-30 days
4	Supplier D ⁽⁴⁾	Feed ingredients	84,995	3.1%	2010	Bank transfer	15-90 days
5	Supplier E ⁽⁵⁾	Feed ingredients	75,606	2.8%	2019	Bank transfer	7-30 days
Total			1,179,911	43.7%			

Notes:

- Supplier A is principally engaged in modern agriculture and the food industry, with core activities spanning feed production and the processing and supply of meat, egg and dairy products. The company is located in Chengdu city, Sichuan province, was incorporated in 1997, and has a registered capital of RMB3.2 billion.
- Supplier B is principally engaged in animal feed research and development and production. The company is headquartered in Taicang city, Jiangsu province, was incorporated in 2009, and has a registered capital of RMB399.2 million.
- Supplier C is principally engaged in domestic trading and import and export business, including the sale of grain and agricultural feed products. The company is located in Shenzhen city, Guangdong province, was incorporated in 2017, and has a registered capital of RMB2.0 million.
- Supplier D is an individual who operates as a trader of feed additives and feed raw materials. To the best information and knowledge of our Directors, Supplier D was an Independent Third Party.
- Supplier E is principally engaged in the processing of agricultural and aquatic products and the development and application of related agricultural and green farming technologies. The company is located in Guangzhou city, Guangdong province, was incorporated in 2022, and has a registered capital of RMB5.0 million.

For the year ended December 31, 2024

Rank	Supplier	Products supplied to us	Purchase amount	% of our total purchase of products and services	Year of commencement of the business relationship	Settlement method	Credit term
			RMB'000				
1	Supplier A	Feed	483,519	17.6%	2021	Bank transfer	30 days
2	Supplier B	Feed	432,185	15.8%	2019	Bank transfer	30 days
3	Supplier F ⁽¹⁾	Feed	108,214	3.9%	2023	Bank transfer	30 days
4	Supplier C	Feed ingredients	103,770	3.8%	2019	Bank transfer	7-30 days
5	Supplier G ⁽²⁾	Feed	96,870	3.5%	2024	Bank transfer	30 days
Total			1,224,558	44.6%			

Notes:

- Supplier F is a comprehensive agricultural producer principally engaged in grain and oil food production, feed processing, livestock and poultry breeding, poultry breeding stock development and biotechnology research. The company is located in Guilin city, Guangxi Zhuang Autonomous Region, was incorporated in 1989, and has a registered capital of RMB771.1 million.

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- (2) Supplier G is principally engaged in pig farming, feed production and sales, agricultural technology services and investment management. The company is located in Nanchang city, Jiangxi province, was incorporated in 2024, and has a registered capital of RMB4,581.5 million.

For the year ended December 31, 2025

Rank	Supplier	Products supplied to us	Purchase amount	% of our total purchase of products and services	Year of commencement of the business relationship	Settlement method	Credit term
			RMB'000				
1 . .	Supplier H ⁽¹⁾	Feed	322,318	12.0%	2024	Bank transfer	30-180 days
2 . .	Supplier B	Feed	321,617	12.0%	2019	Bank transfer	30 days
3 . .	Supplier I ⁽²⁾	Feed ingredients	169,126	6.3%	2014	Bank transfer	7-30 days
4 . .	Supplier A	Feed	157,282	5.9%	2021	Bank transfer	30 days
5 . .	Supplier J ⁽³⁾	Feed ingredients	126,313	4.7%	2022	Bank transfer	7-30 days
			<u>1,096,656</u>	<u>41.0%</u>			

Notes:

- (1) Supplier H is a holding company principally engaged in investment activities, financing advisory and corporate management services. The company is located in Dongguan City, Guangdong Province, was incorporated in 2010, and has a registered capital of RMB1,500.0 million.
- (2) Supplier I is a comprehensive state-owned enterprise principally engaged in agriculture and the grain and oil food industry. The company is headquartered in Beijing, was incorporated in 1983, and has a registered capital of RMB11.9 billion.
- (3) Supplier J is principally engaged in businesses across the bulk commodities value chain, foreign trade integrated services, cross-border integrated services, and automobile sales and related aftermarket services. The company is located in Ningbo city, Zhejiang province, was incorporated in 1998, and has a registered capital of RMB256.0 million.

Price Fluctuation Management

We have adopted the following diverse means to mitigate the impact of fluctuations in broiler, pig and feed prices on our business operation. As advised by Frost & Sullivan, the measures implemented by us to manage and mitigate the impact of fluctuations in broiler, pig and feed prices are in line with the industry norm. However, such measures may not be effective in fully mitigating against the risk of broiler, pig and feed price fluctuations. Please refer to the sub-section headed “Risk Factors” in this document for details.

Qingyuan Chicken and Other Native Chickens

Our marketing centre conducts statistical analysis of research data on the supply and demand of broilers and prepares market price forecasts on an monthly basis. Based on such forecasts, we formulate its broiler production plans for the corresponding periods. During periods of market downturn or weaker demand, we also deploy promotional incentives to support sales volumes. These measures include, among others, offering temporary price concessions or volume-based discounts to customers to stimulate purchasing activity, as well as increasing marketing efforts to broaden the customer base. Such promotional measures help sustain sales volumes during less favourable market conditions, thereby limiting the build-up of costs associated with extended rearing periods and feed consumption. As broilers are not subject to pre-sale arrangements, such adjustments to the timing of sales do not result in any delay in delivery of products to customers.

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Pig

Our procurement department and marketing centre conduct daily market surveys to collect and analyse market information on pigs, including price fluctuations for market hogs and pig breeders, as well as broader industry trends affecting supply and demand. Following a comprehensive analysis of such market information, the marketing centre issues weekly sales strategies to provide the sales department with guidance on market pricing for our pig products. The sales department adjusts the timing and volume of its sales in accordance with the strategies recommended by the marketing centre, so as to optimise selling prices in light of prevailing market conditions. In addition, we make adjustments to its pig production plans in response to fluctuations in the market prices of its pig products, enabling us to align its output with anticipated market demand and reduce the risk of overproduction during periods of price weakness. Furthermore, we enter into forward contracts with major customers to lock in selling prices up to one year in advance, which provides greater price certainty and mitigates the impact of short-term market price volatility. We also utilise futures instruments as a supplementary hedging tool to manage our exposure to pig price fluctuations, with gains or losses arising from such instruments recognised in profit or loss based on changes in their fair value as financial instruments measured at FVPL and reflected under “Other net (loss)/income” in the financial statements.

Feed

We maintain flexibility in its feed formulas by adhering to the nutritional standards required for broilers and pigs at different growth stages while allowing for adjustments to the proportion of different feed ingredients used. By adjusting the composition of its feed formulas, we reduce its reliance on any single ingredient, such that the price fluctuation of one ingredient would not exert a material impact on the overall feed costs. As a practical measure, we substitute lower-cost alternatives (such as sorghum for corn) during periods when the prices of certain key ingredients are elevated. We also maintain diversified supply channels for the procurement of feed ingredients.

Furthermore, we enter into forward delivery contracts with suppliers for agreed quantities of feed ingredients at fixed prices, typically with delivery periods of up to 180 days. These arrangements allow us to secure procurement costs in advance while reducing exposure to short-term price volatility. In addition, certain imported feed ingredients are subject to state-allocated import quotas, which allow us to procure such ingredients at lower costs compared to prevailing market prices.

In assessing the effectiveness of the price risk management, the Directors have considered the operation of its market monitoring, production and sales adjustment, and cost control mechanisms across the different businesses. Through regular market data collection and analysis, relevant departments are able to adjust production plans, sales timing and pricing strategies in response to market price fluctuations.

Such measures include flexible production and sales arrangements for our Qingyuan Chicken and other chicken, coordinated pricing and sales strategies supported by forward contracts and futures instruments for pig products, and diversified sourcing, flexible feed formulations and medium- to long-term procurement arrangements to manage feed cost volatility. These measures enable us to align output with market conditions and mitigate the impact of adverse price movements.

Based on the above, the Directors consider that the internal control measures are effective and are adequate to address risks arising from market price fluctuations.

Inventory

Our inventory primarily consists of fresh and frozen products, feed and feed ingredients, and veterinary medicines and vaccines. In view of the perishable nature of most inventories, we strive to maintain an optional balance between maintaining flexibility of our operations at an appropriate inventory level and minimizing waste of excess inventory. We maintain strict inventory control and

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regularly review inventory to identify slow-moving, obsolete, or depreciated inventories. We have implemented detailed warehousing procedures, such as first-in first-out inventory management practices, batch accounting for consumable assets, timely records, proper labeling and regular inventory taking. We manage our inventory based on expected demand, production estimates for the next period, seasonality, existing inventory levels, and prevailing market rates of raw materials. For more information, please refer to the section headed “Financial Information — Discussion of Certain Key Statement of Financial Position Items — Inventories”.

QUALITY CONTROL AND FOOD SAFETY

We are committed to providing safe, flavorful, quality and reliable products. We value food safety and have implemented stringent quality control standards in compliance with applicable laws and regulations, and national and industrial standards relating to food production and sales. During the Track Record Period and up to the Latest Practicable Date, we did not record any material food safety incidents, nor were we subject to any material regulatory investigations, penalties or sanctions relating to food safety.

We enforce strict quality control and food safety management systems that cover every stage of our operations, including procurement, feed production, and Qingyuan Chicken and pig farming. We have implemented a traceability system that includes batch and ear tag tracking, three-level testing for residues and pathogens, and mandatory disposal procedures for any non-compliant products.

Quality Control of Raw Material Procurement

We monitor and manage raw material suppliers, incoming inspections, processing procedures, and finished product inspections to ensure raw material safety. We set safety and quality standards on raw materials for suppliers, which are consistent with or higher than national standards. For quality control of our raw material procurement, please refer to the section headed “— Suppliers, Raw Material and Inventory — Raw material procurement”.

Quality Control of Feed Production

The feed used in our operations is either produced by our own facilities or manufactured by third-party contracted processors. For quality control of our feed production, please refer to the section headed “— Production — Feed Production”.

Quality Control of Chicken Breeding

During the process of breeding of chicken, we have established a comprehensive disease purification system for breeding stock. Supporting by strict biosecurity measures under an effective disease purification system, the system eliminates *Salmonella pullorum* and avian leukosis virus, ensuring the health of the breeding stock from the source.

Quality Control of Chicken Production

In the production process for chicken, we have adopted the following strict biosecurity and quality control measures to reduce the risk of disease introduction and spread, and to ensure the health and quality of the chicken flock:

Biosecurity Measures

- *Equipment and environmental control.* We have established fully-enclosed, modernized large-scale breeding farms operating under a rigorous biosecurity audit system. All facilities are equipped with dedicated vehicle disinfection tunnels and personnel sanitation channels, with strict access control prohibiting unauthorized entry of vehicles or personnel.

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- *Immunisation management.* We implement region-specific vaccination and health protocols for Qingyuan Chicken breeders and broilers, conduct routine monitoring of antibody levels and disease prevalence, adjust immunization programs based on monitoring data to ensure that vaccine immunization is in place. As of the Latest Practicable Date, we have obtained one invention patent for “A Brooding Healthcare Package for Green Poultry Farming and Its Application Method,” which can efficiently eliminate vertically transmitted diseases with minimal damage to chicks.
- *Management systems for personal and disinfection.* Pursuant to our Management Measures on Poultry Farm Epidemic Prevention, we implement strict disinfection management measures, personnel and vehicle management, medication management, isolation, broiler sales management, and biosafety management.
- *Other control measure.* All staff living on-site must stay within the closed-off area and are not allowed to leave for outside accommodation. We also strictly prohibit bringing any non-local poultry products into the chicken breeder farm.

Moreover, we have developed a comprehensive health and disease control system that includes breeder stock purification, commercial flock vaccination, continuous health monitoring, and food safety controls. Through these efforts, we have achieved provincial-level disease-free certification for our core breeding stock. We conduct antibody and residue testing on certain flocks before market release. If any batch fails to meet residue standards, we will extend the feeding period and only sell them once the residue standards are met.

Disease Cleansing

We focus on chick health as the foundation for raising healthy chickens. The presence of key pathogens like Avian Leukosis, Salmonella, and Mycoplasma in our chicks has been significantly reduced to very low levels. During the Track Record Period and up to the Latest Practicable Date, there had been no material animal disease outbreak in our self-operated and family farms.

Medicine Residue Monitoring

We strictly implement the medicine withdrawal period management system. All chickens must reach the medicine withdrawal period before sampling for medicine residue testing. We have established a special medicine residue testing system that requires regular training and assessments for our farm-management personnel to ensure the accuracy of execution and stability of testing. Our medicine residue testing methods are updated promptly in response to new guidelines from government and industry sources. The release of chickens for sale by the sales staff is contingent upon the production department submitting all required documentation, including test reports for drug residues, verification of the medication withdrawal period, and confirmation of the feed withdrawal status. All standards must be fully satisfied before marketing proceeds.

Quality Control of Pig Production

In the process of pig breeding and farming, we have adopted the following strict quality control and biosecurity measures to reduce the risk of disease introduction and spread and to ensure the health and quality of pigs:

Biosecurity Measures

- *Equipment and personnel control.* All family farmers are required to maintain essential biosecurity infrastructure covering personnel sanitation facilities, supply disinfection procedures, access controls for personnel/vehicles/livestock, safe carcass disposal systems, and environmental disinfection protocols to strengthen farm-level safety standards.

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- *Disease control measures.* We have formulated a standardized, high-efficiency operating manual for pigs, which integrates disease control protocols tailored to different growth stages. This enables farm staff to administer clinical treatments based on the pigs’ age and primary clinical symptoms. Furthermore, all our pig herds are equipped with automatic water medication systems. In the event of an infectious disease outbreak, these systems allow us to quickly deliver medication through the drinking water to control bacterial and viral diseases.
- *Decontamination technology.* Our tests confirm that sodium dichloroisocyanurate solution at a specific concentration rapidly kills African Swine Fever in organic environments, while lower concentrations require extended disinfection time. This formula is now widely used across all facility sterilization, vehicle decontamination, and outbreak source elimination protocols.

Moreover, we have established comprehensive health management and biosecurity systems for both our breeding and commercial herds. These systems cover breeder stock purification, herd vaccination, epidemiological monitoring, and food safety controls. Our pig breeder farms have been certified as national-level African Swine Fever-free zones, and our core herds have achieved disease-free status for major swine diseases, including classical swine fever and pseudorabies. During the Track Record Period, we consistently maintained strong disease prevention performance.

Disease Cleansing

The key to pig herd management lies in isolation and purification of pig breeders. We formulate corresponding purification plans for our pig farms based on local investigations of different diseases, adopt strict biological safety measures, immune preventive measures, pathogenic testing, immune antibody monitoring, and achieve disease purification by weeding out infected animals and through separate breeding of separate herds. During the Track Record Period and up to the Latest Practicable Date, there had been no material animal disease outbreak in our self-operated and family farms for pigs.

Quality Control in Slaughtering and Food Processing

Throughout the entire slaughtering and food processing process, we implement a stringent quality control system that is rigorously enforced at both the raw material admission and process management stages. Upon arrival at our facilities, broilers and pigs must be accompanied by a Veterinary Drug Residue Test Report (《獸藥殘留檢測報告》), an Animal Quarantine Certificate (《動物檢疫檢驗合格證明》), and a Certificate of Compliance with Standards (《承諾達標合格證》), and only those verified as qualified are allowed to enter the facility. After entry, our laboratory conducts random sampling tests on raw materials for veterinary drug residues, and only those passing the tests proceed to the slaughtering and processing stages.

In addition, during processing and storage, the carcasses of slaughtered chickens are pre-cooled to 0-4°C within one hour. The subsequent processing stages are carried out entirely under cold chain management, with the ambient temperatures in the cutting and packaging workshops maintained below 12°C, and cold storage temperatures controlled between 0-4°C. For the production of frozen products, they are rapidly frozen in a liquid nitrogen freezer to ensure the core temperature of the product reaches below -18°C within one hour, and the frozen storage is maintained at a temperature below -18°C throughout.

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EMPLOYEES

As of December 31, 2025, we had 2,977 employees, all of which are located in the PRC. The table below sets out the breakdown of our employees by function as of the same date:

Functions	Number of employees
Production	1,933
Technical	184
Sales	639
Administration	164
Finance	57
Total	<u>2,977</u>

In addition, we place great importance on attracting and recruiting qualified employees. Our human resource department is responsible for recruiting employees. We recruit our employees primarily through on-campus recruitment, mainstream recruitment platforms and referral. We treat our employees fairly and ensure that they enjoy fair opportunities and conditions. In order to attract and retain employees and develop the knowledge, skill level and quality of our employees, we place a strong emphasis on training our employees. We provide training periodically and across operational functions, including introductory training for new employees, technical training, product training, sales training, management training and occupational safety training, etc.

We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, safety conditions in the workplace and dispute resolution. We also enter into standard confidentiality agreements and non-competition agreements with our core employees, including mid to senior management personnel and engineers, as well as sales personnel having access to important client information. As required by PRC Law, we participate in various social security plans for our employees including housing provident fund, pension insurance, medical insurance, work-related injury insurance, maternity insurance, and unemployment insurance. During the Track Record Period, At the request of certain employees, we have engaged a third-party human resources agency to make contributions to social insurance and housing provident fund on their behalf, as we do not have a legal entity in the local area that can handle such contributions. Furthermore, we did not make full contributions to the social insurance and housing provident fund for certain employees. Although during the Track Record Period, we have not incurred any significant administrative penalties or fines due to such underpayment. For further detail, please refer to “Risk Factors — Our non-compliances with social insurance and housing provident fund contribution laws and regulations in the PRC could lead to imposition of fines and penalties”.

We have established a dedicated labor union to protect employees’ rights, encourage staff participation in management decisions, and mediate disputes. During the Track Record Period and as of the Latest Practicable Date, we have maintained good relationships with our employees and don’t have any material labor disputes.

INTELLECTUAL PROPERTY

We rely on a combination of trademark, trade secret and other intellectual property laws as well as confidentiality agreements with our employees, suppliers, customers and others to protect our intellectual property. As of the December 31, 2025, we had registered 24 patents in mainland China (including 19 utility patents and five invention patents), 410 trademarks, 26 copyrights and one domain name. For details of our material intellectual property portfolio, see “Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group.”

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ENVIRONMENT, SOCIAL AND CORPORATE GOVERNANCE

Overview

We recognize the importance of Environmental, Social and Governance (“ESG”) factors in our sustainable development. As a supplier of broilers and pigs, our operations are closely linked to food safety and quality.

Our Board periodically reviews internal policies to ensure compliance with applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material claims and had complied with relevant PRC laws and regulations in all material respects.

Governance

Ultimate accountability for sustainability rests with our Board of Directors, which has overall responsibility for overseeing the Group’s ESG strategy, risks and performance. The Directors collectively possess relevant experience in corporate management, agricultural operations, regulatory compliance and risk management, which are relevant to ESG matters in the livestock breeding industry.

Our Board has established the Environmental Department to strengthen execution, which is responsible for coordinating ESG initiatives across business units, implementing relevant policies, and monitoring compliance with applicable environmental and social regulations. The Department also consolidates ESG data and tracks key performance indicators, ensuring that sustainability considerations are integrated into enterprise-wide risk management and day-to-day operations. Our Board conducts regular reviews of ESG matters at least annually, including the Group’s ESG report, progress against ESG targets and key ESG risks and opportunities, and may review ESG matters on an ad hoc basis where necessary.

- **Strategy Level:** Our Board of Directors serves as the highest decision-making body for ESG strategy. It reviews and approves major initiatives relating to food safety, animal health and welfare, environmental protection and rural revitalization, ensuring that ESG considerations are embedded into our overall business strategy. To support the Board’s oversight, we have established a structured reporting mechanism under which ESG-related information is coordinated by the Environmental Department, reviewed by management and reported to the Board on a periodic basis. The Board reviews such information and oversees the implementation of ESG-related actions, forming a closed-loop management process.
- **Policy Level:** We have established an internal framework to ensure ESG principles are consistently embedded into our business operations. Under the guidance of the Board, the Environmental Department works with functional units to develop and implement policies covering employment, workplace safety, supply chain responsibility and community engagement. In addition, we have formulated policies to strengthen environmental protection, animal welfare and food safety across the value chain, with a focus on reducing environmental impact, safeguarding animal health and ensuring product quality and safety for consumers. These policies serve as the foundation for promoting fair labor practices, maintaining safe and compliant operations, and enhancing our long-term commitment to sustainable development. By integrating ESG requirements into employee guidelines, operational standards and partner management practices, we ensure that sustainability objectives are effectively translated into daily management and long-term.

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- ***Execution Level:*** Under the guidance of the Board, the Environmental Department is responsible for executing ESG-related tasks and ensuring the effective implementation of ESG policies at the operational level. Depending on business needs, the Department coordinates with relevant functions across us to organize ESG initiatives, covering areas such as environmental protection, animal welfare and food safety. It also convenes internal ESG reviews, monitors the progress of key actions and prepares ESG reports, thereby ensuring that sustainability objectives are embedded into day-to-day operations and aligned with our long-term development.

We are dedicated to improving ESG awareness within our organization. Through targeted training programs, we ensure that employees, including senior management and directors, understand ESG-related responsibilities and best practices. We conduct ESG training sessions to enhance corporate-wide capabilities in sustainability governance, risk management and compliance with ESG standards. We ensure that all business units fully understand and implement ESG strategies through targeted training and internal coordination. We will continue to refine our ESG governance mechanisms to improve decision-making quality and enhance governance effectiveness.

ESG-related Risk Identification and Assessment

We have established a structured process to identify and prioritise the Group’s key ESG issues, under the oversight of our Board and led by our Environmental Department, with support from the ESG working group and relevant functional departments.

Under the supervision of the Board, we employ a comprehensive approach to identify and assess ESG-related risks, ensuring that risks inherent to livestock operations are thoroughly evaluated. We place particular emphasis on environmental protection, animal welfare, food safety and workplace safety, which are most relevant to our business. Risks are systematically assessed with reference to applicable regulatory requirements, industry trends, internal policies. Potential ESG issues are consolidated into an initial issue pool and subject to screening. We assess and prioritise ESG issues based on a double materiality approach, taking into account both their impact on our business and financial performance and their impact on the environment and society. Each issue is evaluated against defined criteria, including strategic relevance, risk level, stakeholder concern and regulatory requirements, and prioritised accordingly. The Board reviews and approves the final list of key ESG issues and their prioritisation, which is reviewed and updated on at least an annual basis, regulatory, market and environmental conditions.

Strategies Addressing ESG-Related Risks

We have implemented various internal policies to manage and mitigate ESG-related risks, ensuring compliance with regulatory requirements and alignment with industry best practices.

- ***Regulatory Compliance and ESG Monitoring.*** We regularly review and assess ESG reports from comparable industry peers. We continuously monitor regulatory developments and update internal policies and management processes to maintain compliance with evolving environmental and governance requirements.
- ***Environmental Risk Management.*** We recognize that livestock and poultry operations are closely associated with environmental risks such as wastewater discharge, odor and solid waste management. To address these, we have established an environmental management framework led by the Environmental Department, which sets control points for key processes including feed production, manure treatment and wastewater discharge. Tailored protocols are implemented across different farms and production sites to ensure compliance and minimize environmental impact.

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- *Carbon Emission and Climate Risk Mitigation.* We align with national “dual carbon” goals by promoting low-nitrogen feed, manure resource utilization and energy-efficient facilities, aiming to reduce emissions and enhance resource efficiency across our operations.
- *Supply Chain and Third-Party Environmental Responsibility:* We embed environmental and food safety requirements into supplier management, encouraging certifications such as GAP and HACCP, and oversee compliance through digital tools and on-site inspections.

We currently do not maintain detailed breakdowns of historical ESG-related compliance costs, as such costs are primarily incurred in the normal course of operations, including environmental protection measures, waste management, monitoring and regulatory compliance. We expect compliance-related costs to increase moderately, driven by enhanced ESG management, evolving regulatory requirements and improvements in environmental performance, and will continue to strengthen our internal systems to better track and manage such costs.

Environment

We have set quantitative environmental targets for the forthcoming three years, including a target to reduce wastewater discharge intensity by approximately 3% annually. These targets are subject to periodic review based on operational conditions and regulatory requirements.

Environmental and Energy Management Goals

To achieve these targets, we have implemented a series of measures covering energy, water and emissions management in next three year, including:

- Optimize energy use in farming and processing facilities through high-efficiency ventilation, cooling and heating systems, and by recovering residual heat from production processes.
- Promote circular resource utilization by adopting low-nitrogen feed to reduce emissions at the source, utilizing manure for biogas generation and expanding the use of renewable energy.
- Enhancement of waste gas and wastewater treatment systems to reduce pollutant emissions and improve treatment efficiency; and promotion of waste reduction and resource utilisation, including the recycling of livestock waste.

Water Resource and Waste Management

We place great importance on the conservation of water resources and the proper management of waste. We strictly comply with national environmental regulations and actively promote initiatives that improve water use efficiency and waste disposal practices.

- All wastewater is pre-treated through septic tanks and oil separation facilities before being discharged to municipal sewage systems, while qualified third-party providers are engaged to ensure compliance with local discharge standards.
- We conduct regular inspections to prevent leakage, raise employee awareness of water conservation, and recycle treated wastewater where feasible to improve overall efficiency.

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- We strictly comply with national environmental regulations and promote water-saving practices across feed production, livestock farming and slaughtering, including equipment upgrades and optimized cleaning processes to reduce water intensity.

We currently do not have complete data on the quantities of hazardous and non-hazardous waste generated during the Track Record Period and will further enhance and standardise our data collection and disclosure going forward.

Hazardous waste primarily includes waste veterinary medicines and containers, while non-hazardous waste mainly includes livestock manure, bedding materials and wastewater sludge. We have established procedures for the segregation, storage and disposal of waste in compliance with applicable regulations. Hazardous waste is handled by qualified third parties, while non-hazardous waste, particularly livestock waste, is treated through recycling and resource utilisation.

Monitoring Indicators

We monitor the following indicators to assess and manage our environmental and climate-related risks arising from our business operations.

	Year ended December 31,		
	2023	2024	2025
Indicator			
GHG emission			
– Scope 1 emissions (tons of CO ₂ e)	12,765.9	14,467.3	12,722.3
– Scope 2 emissions (tons of CO ₂ e)	40,476.4	48,100.5	50,129.4
– Total GHG emission (tons of CO ₂ e) . . .	53,242.3	62,567.9	62,851.7
Electricity consumption			
– Total electricity consumption (MWh) . .	72,279.2	85,888.4	89,516.8
Water consumption			
– Total water consumption (tons)	2,508,577.8	3,038,023.2	3,919,537.7

During the Track Record Period, as our business scale expanded (e.g., the expansion of farming, feed production and slaughtering capacity), the total amount of electricity and water consumption adjusted accordingly. Meanwhile, we have been proactively advancing energy-saving and water-saving transformations — for instance, optimizing the energy efficiency of farming equipment and promoting recycling of process water, laying a solid foundation for improving resource utilization efficiency.

We classify our greenhouse gas emissions as Scope 1 and Scope 2 emissions in accordance with the Greenhouse Gas Accounting System — Enterprise Accounting and Reporting Standard. Scope 1 emissions refer to direct emissions from the use of fuel in farming equipment, boilers and company vehicles, as well as manure management in livestock operations. Scope 2 emissions refer to indirect emissions from purchased electricity consumed across our farming sites, processing facilities and offices. Our primary energy consumption arises from farming, feed production and slaughtering operations, with electricity and fuel being the main energy sources.

During the Track Record Period, the total amount of GHG emission (Scope 1 and Scope 2) were 53,243.3 tons, 62,567.9 tons and 62,851.7 tons of CO₂e, respectively; we have established a complete GHG emission monitoring system to support subsequent efficiency improvement work.

Our air emissions primarily arise from livestock breeding operations and feed processing activities, including ammonia, hydrogen sulphide and particulate matter from breeding facilities, and dust and particulate matter from feed processing. We are in the process of establishing a

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comprehensive environmental data collection and management system to quantify air emissions and Scope 3 GHG emissions. We plan to progressively enhance our carbon accounting framework and disclose Scope 3 GHG emissions within the next two to three years, subject to data availability and system readiness.

Environmental impacts and mitigation measures

We have identified the key environmental impacts of our livestock breeding activities on natural resources, which primarily include water consumption, air emissions, wastewater discharge and solid waste generation (including livestock manure).

Our operations require water for livestock feeding, cleaning and feed processing, and may generate air emissions such as ammonia and hydrogen sulphide, as well as wastewater and livestock waste, which, if not properly managed, may affect the surrounding environment. We have implemented measures to mitigate such impacts, including: improving water management and promoting water recycling and reuse; installing and upgrading ventilation and emission control systems to reduce odour and air emissions; promoting the recycling and resource utilisation of livestock waste, such as conversion into organic fertiliser.

Social Responsibility

Employment and Care

We recognize that talent is the cornerstone of sustainable corporate development and we are committed to fostering an inclusive, fair and supportive workplace. As of December 31, 2025, we employed approximately 2,977 staff, comprising 1,751 males and 1,226 females. Our workforce is relatively young, with around 55.0% of employees aged between 21 and 40, providing us with a stable talent structure to support long-term growth.

We strictly comply with the PRC Labor Law and the PRC Labor Contract Law, and have entered into employment contracts with all employees. Our internal policies, including the employee handbook, emphasize fair recruitment, equal opportunity and diversity. We maintain a zero-tolerance stance on child labor, forced labor and human trafficking, and remain committed to protecting the rights and well-being of female employees, who represented 41.2% of the workforce as of December 31, 2025.

Employee Benefits and Welfare

We are committed to enhancing employees' quality of work and life by offering comprehensive benefits and support programs. Our goal is to foster a workplace environment that promotes employee satisfaction, well-being and long-term engagement. We strive to offer competitive salaries to attract and retain employees and we provide attractive benefits and care to employees, including wedding and birth benefits, festival care and community activities.

We will also focus on embracing diversity within our organization and equal and respectful treatment of all of our employees in their hiring, training, wellness and professional and personal development. While maximizing equal career opportunity for everyone, we will also continue to promote work-life balance and create a pleasant workplace for all of our employees.

Animal Welfare and Use of Veterinary Drugs

We place emphasis on animal welfare and responsible use of veterinary drugs across our operations, and have established standardized policies and internal control mechanisms applicable to both our self-operated farms and family farms. In 2024, we were awarded the only Good Chicken Award (Five-Star) in China, reflecting our commitment to aligning with international animal welfare and food safety standards.

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- *Animal welfare management.* We have implemented comprehensive breeding and farming management standards covering key aspects of animal welfare, including housing conditions, stocking density, temperature control, ventilation and hygiene management. For example, we adopt standardized temperature control ranges tailored to different growth stages (e.g., maintaining brooding temperatures at approximately 34-35°C), and implement ventilation and disinfection protocols to ensure a stable and healthy living environment. In addition, routine cleaning, waste removal and biosecurity measures are conducted on a daily basis to reduce disease risks and improve overall animal health conditions.
- *Use of veterinary drugs.* We strictly regulate the use of veterinary drugs in accordance with national laws and internal policies. All medications must be prescribed by qualified veterinarians under a standardized prescription system, and the use of prohibited drugs, non-GMP products or drugs without regulatory approval is strictly forbidden. We have established a detailed drug management framework covering drug selection, prescription approval, administration and record-keeping. We also enforce mandatory withdrawal periods for all veterinary drugs prior to slaughter, with specific withdrawal days clearly defined for each drug category (typically ranging from 0 to 40 days depending on the active ingredient), ensuring that no drug residues exceed regulatory limits in final products. All prescriptions must explicitly state the withdrawal period, and feeding schedules are adjusted accordingly to prevent contamination.

Occupational Health and Safety

We have adopted and maintained a comprehensive occupational health and safety framework to safeguard our employees and ensure compliance with applicable workplace safety regulations. We have established a Safety Production Committee, with responsibilities cascaded from management to frontline employees through signed safety responsibility agreements. We implement systematic measures across farming, feed production and slaughtering operations, including equipment safety checks, hazard identification, emergency drills and regular occupational health training. We also maintain strict protocols for high-risk scenarios, such as mechanical equipment operation, dust control in feed production, disease prevention in farming, and chemical use in disinfection and veterinary medicine.

Development and Training

To further support professional development, staff training management is divided into on-the-job training and onboarding training. The onboarding training for employees includes explaining professional knowledge and company culture and values. At the beginning of the year, our human resources department collects the training requirements of all departments and conducts on-the-job training according to the common needs or pain points. At the same time, we also provide relevant leadership training for managers at different levels to help managers improve their team management skills and continue to move towards better management positions.

We attach great importance to employee development and training. In 2025, our employees completed a total of approximately 62,682 training hours, averaging around 64 hours per person, covering topics such as food safety, animal health and welfare, occupational safety and professional skills. We also operate a structured talent selection and promotion system that combines internal advancement with external recruitment, ensuring openness, fairness and transparency in our hiring and promotion processes. In addition, competitive compensation, performance-based incentives and career development opportunities are in place to enhance employee satisfaction and retention.

Anti-Corruption and Anti-Bribery

We have established a framework to ensure compliance with applicable anti-bribery and anti-corruption regulations in the PRC. Our employee handbook prohibits all forms of corruption, including bribery, kickbacks and misappropriation of funds, and violations may result in disciplinary actions, including dismissal and referral to relevant authorities where appropriate.

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To strengthen enforcement, we have established an Audit and Supervision Department to oversee compliance, handle whistle blowing cases through dedicated channels and conduct background checks on third parties. All employees are required to sign the code of conduct and participate in regular anti-corruption training. We also extend our anti-bribery requirements to suppliers and business partners to promote integrity across our supply chain.

Supply Chain Management

We regard responsible supply chain management as an integral part of our ESG framework and have established standardized mechanisms covering supplier admission, cooperation, and ongoing evaluation. Potential suppliers are subject to ESG due diligence conducted by the procurement, ESG and audit functions, including review of environmental compliance, labour practices and business conduct, and suppliers that do not meet minimum ESG requirements are excluded. Our procurement policies embed environmental protection, food safety and animal welfare requirements into supplier selection and performance reviews, ensuring that feed raw materials, veterinary products and other inputs meet national regulations and industry standards. Qualified suppliers are further assessed under an ESG scoring mechanism, and only those meeting the required threshold are admitted to the approved supplier list. Selected suppliers are required to sign ESG commitment agreements and are subject to ongoing monitoring, and we reserve the right to suspend or terminate cooperation in case of material ESG non-compliance. We encourage and prioritize suppliers holding certifications such as GAP, Hazard Analysis and HACCP. We have established a supply chain ESG risk management framework covering risk identification, assessment and monitoring. ESG risks are assessed across the supplier lifecycle based on likelihood and impact, with corresponding control measures, including corrective actions, enhanced monitoring or termination. We maintain a multi-level monitoring mechanism, including ongoing supervision, periodic ESG reviews and audit oversight, with ESG performance and remediation actions recorded for traceability.

To strengthen oversight, we implement a diversified supplier strategy to avoid over-reliance on single sources, while also promoting partnerships with local farmers and contract growers under standardized agreements. These agreements set requirements on breeding density, epidemic prevention and waste treatment, and are supported by digital monitoring platforms and regular on-site inspections. Through these measures, we ensure that suppliers and third-party partners comply with environmental and social standards, contributing to a resilient and responsible supply chain.

LICENSES AND PERMITS

Save as disclosed in the section headed “— Legal Proceedings and Compliance — Non-compliance Incidents”, our PRC Legal Advisor confirmed that during the Track Record Period and up to the Latest Practicable Date, we had obtained material licenses and permits from relevant PRC authorities for our operation in the PRC, and such licenses and permits were valid as of the Latest Practicable Date. The following table sets forth the material permits and licences related to our business operation:

License/Permit	Issuing Authority	Expiry date
Certificate for Production and Operation of Breeding Livestock and Poultry (種畜禽生產經營許可證) . . .	Municipal or county level branch of the MARA and country level of the Administrative Examination and Approval Bureau (行政審批局)	From April 2026 ⁽¹⁾ to October 2028

Note:

- (1) As of the Latest Practicable Date, we are applying for the renewal of the certificate for production and operation of breeding livestock and poultry expired in April 2026. Based on current information, we do not expect to encounter any material difficulties.

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License/Permit	Issuing Authority	Expiry date
Certificate for Animal Epidemic Disease Prevention (動物防疫條件合格證)	Municipal or county level branch of the MARA, country level of the Administrative Examination and Approval Bureau (行政審批局), and municipal level branch of Bureau of Animal Husbandry and Fisheries (畜牧水產局)	long term
Pollutant Discharge Licence (排污許可證)	Municipal or county-level Ecology and Environment Bureau	From May 2026 to July 2030
Feed Production Licence (飼料生產許可證)	Provincial, municipal or county level branch of the MARA	From October 2026 to June 2029
Food Production Licence (食品生產許可證)	Municipal level of Administration for Market Regulation	April 2028
Food Business License (食品經營許可證)	Municipal level of Administration for Market Regulation	July 2026 to July 2028

COMPETITION

As a meat supplier, we primarily compete with specialized providers of high-grade yellow-feathered broiler and pork products and providers of other fresh and other products in China. For more details, please refer to “Industry Overview” section above.

MAJOR AWARDS AND RECOGNITION

We have received some awards and recognitions in respect of our product quality, brand recognition and social contributions, including the key awards and recognitions set forth in the table below:

Award/recognition	Award Year	Issuing Authority
Outstanding Supplier of the 15th National Games in 2025 (2025年第十五屆全國運動會優秀供應商)	2025	The Reception Department of the Executive Committee for the Guangzhou Competition Zone of the 15th National Games and the National Games for Persons with Disabilities and Special Olympic Games (十五運會和殘特奧會廣州賽區執委會接待部), and Guangzhou Agricultural Products International Supply Chain Co., Ltd. (廣州農產國際供應鏈有限公司)
Demonstration Enterprise for Animal Welfare and Healthy Farming (動物福利及健康養殖示範企業)	2025	China Association of Animal Science and Veterinary Medicine, Animal Welfare and Healthy Farming Branch (中國畜牧獸醫學會動物福利與健康養殖分會)

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Award/recognition	Award Year	Issuing Authority
2024 Good Chicken Production Award (Five-Star) (2024福利養殖金雞獎(五星級))	2024	World Farm Animal Welfare Association & China International Cooperation Branch on Animal Welfare (世界農場動物福利協會和中農促動物福利國際合作分會)
Included in Typical Case of Agricultural Brand Innovation and Development in 2022 (2022年農業品牌創新發展典型案例) . . .	2022	Ministry of Agriculture and Rural Affairs of the PRC (中國農業農村部)
Matrix Enterprise within the National Livestock and Poultry Seed Industry (國家畜禽種業強優勢陣型企業)	2022	Ministry of Agriculture and Rural Affairs of the PRC (中國農業農村部)
Panama Spring Festival Gala World Expo Gold Award for 2019 (2019第十四屆巴拿馬春晚世界博覽會金獎)	2019	Panama Spring Festival Gala World Expo Organizing Committee (巴拿馬春晚世界博覽會組委會) Ministry of Culture/Tourism of the Republic of Panama (巴拿馬共和國文化部/旅遊部)
National Advanced Private Enterprises of “Enterprise-Helping-Village” Targeted Poverty Alleviation Campaign (全國「萬企幫萬村」精準扶貧行動先進民營企業)	2017	All-China Federation of Industry and Commerce (中華全國工商業聯合會) Office of the Leading Group for Poverty Alleviation and Development of the State Council (國務院扶貧開發領導小組辦公室) China Society for Promotion of the Guangcai Program (中國光彩事業促進會) Agricultural Development Bank of China (中國農業發展銀行)
Top 10 Most Trusted Meat Brands by Consumers (最受消費者信賴的十大肉類品牌)	2017	China Foundation of Consumer Protection (中國保護消費者基金會) China Food News (中國食品報社)

RISK MANAGEMENT

Operational Risk Management

We are exposed to various risks during our operation. Key operational risks we face include, among others, (i) cyclical fluctuations in the selling prices of poultry, pigs and fresh and other products, (ii) outbreak of African Swine Fever, avian influenza, and other diseases among the livestock or attributed to livestock or zoonoses and adverse publicity of these diseases, (iii) fluctuations of our raw materials. During the Track Record Period, we did not experience any material outbreak of animal diseases. For more details, please refer to the section headed “Risk Factors” in this document.

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We have devoted ourselves to establishing and maintaining risk management systems consisting of policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems. Our risk management measures include:

- Our Board is responsible for monitoring our internal control system and for reviewing its effectiveness, and maintaining our risk management at an appropriate and effective level;
- As the responsible departments for risk management, our audit and internal control departments evaluate the risks faced by us from time to time, and oversee the risk compliance by our respective departments; and
- In addition, we also require the audit and internal control departments to formulate a complete set of monitoring procedures and plans to achieve effective risk monitoring.

Investment Risk Management

Our investment activities primarily involve purchasing futures products the hedge against price fluctuations related to our pigs as well as our feed ingredients. We also purchase wealth management products as an auxiliary means to improve utilization of our cash-on-hand. We only purchase wealth management products offered by licensed financial institutions. The tradings of our derivative financial instruments such as futures and options may incur losses, which may adversely affect our profitability. Our results may fluctuate due to increases or decreases in the appraised fair value of our derivative financial instruments. To manage the risks associated with our investment activities, we have adopted an investment management policy regarding the supervision and approval process for our investments in futures and derivatives products and wealth management products. For details on our investment risk management policy, please refer to the section headed “Financial Information — Investment Risk Management.”

INTERNAL CONTROL

We have in place a reasonable internal control system to address the strategic, operational, financial, legal, investment and market risks identified in relation to our operations. This system comprises various measures and policies, including budget management, procurement management, expenditure management, sales and development management, safety and environmental protection management, investment management, connected party transaction controls, anti-fraud and whistleblowing procedures, information disclosure controls, human resources management, IT management and financial and operational controls and monitoring procedures.

Our Board is responsible for ensuring that we maintain sound and effective internal control measures to oversee our overall risk management, such as determining risk management objectives and policies. The Board has authorized the senior management to design and implement procedures that ensure the effective implementation of risk management objectives and policies. The senior management review the effectiveness of implemented procedures and the rationality of risk management objects and policies through monthly reports submitted by functional department. After due consideration, our Directors are of the view that our current internal control measures are adequate and effective.

INSURANCE

We consider our insurance coverage adequate and in line with the commercial practices in the PRC. Our insurance coverage in China primarily consists of property insurance, pig and poultry farming insurance and employee related insurance. Our Directors are of the view that our insurance coverage is in line with the general coverage in the industry and is adequate for our operations. During the Track Record Period and up to the Latest Practicable Date, we had not made nor been

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the subject of any material insurance claims. However, our business operations are susceptible to potential losses caused by a wide range of business disruptions and we may not be fully indemnified for our losses under our current insurance coverage. See “Risk Factors — Risks Relating to Our Business and Industry — Any perceived or actual food safety or health issues related to our raw materials, products or the food industry generally could adversely affect our reputation, our ability to sell our products and our financial performance, and subject us to liability claims and regulatory actions” for more details.

IMPACT OF DISEASE AND EPIDEMIC

Our operations and financial performance were not materially affected by major animal diseases or public health epidemics, including African Swine Fever, Avian Influenza, and COVID-19, during the Track Record Period and up to the Latest Practicable Date. The principal impacts and the corresponding mitigation measures are summarized below. For the biosecurity measures adopted by us to mitigate the impact on the disease and epidemic, please refer to the section headed “— Quality Control and Food Safety — Quality Control of Chicken Production - Biosecurity measures” and “— Quality Control and Food Safety — Quality Control of Pig Production - Biosecurity measures” for details.

Impact of African Swine Fever

African Swine Fever is a fatal disease affecting pigs. In August 2018, China’s first African Swine Fever case was discovered in Northeast China and subsequently spread from north to south. In April 2019, all provinces, municipalities and autonomous regions in the PRC had reported African Swine Fever cases. As African Swine Fever is highly contagious, once an outbreak happens in one pig farm, all pigs on that pig farm would be disposed in extreme cases. By 2020, African Swine Fever had subsided compared with 2019. Since 2021, only sporadic African Swine Fever cases have occurred in certain provinces in China. Currently, there is no vaccine available on the market. We have adopted strict quality control and biosecurity measures to reduce the risk of introduction and spread of African Swine Fever.

The impact of African Swine Fever on our operation are set out below.

We have taken measures to ensure our compliance with all applicable laws and regulations in relation to African Swine Fever and strengthened our measures to control African Swine Fever. We managed to eliminate African Swine Fever’s route of transmission with enhanced biosecurity measures, such as implementing quarantine measures on our pig farms and disinfecting feed and materials coming in or out of our pig farms. For the biosecurity measures adopted by us, please refer to the section headed “— Quality Control and Food Safety — Quality Control of Pig Production” for details. We did not experience any material disruption of our pig farming operation as a result of African Swine Fever and other swine diseases. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major shortage of feed as a result of the outbreak of African Swine Fever and other swine diseases. As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, African Swine Fever had no material adverse impact on the operations of our family farms.

Impact of Avian Influenza

We maintained a disease-free record at all self-operated and family farms, supported by standardized vaccination programs, regular antibody testing, and strict disinfection and personnel isolation measures. Biosecurity systems include full-enclosure farms, water purification and antibiotic-free residual testing. As confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, there were no avian influenza infection cases recorded for our chickens on our family farms and farming bases. The Directors consider there was no material financial impact on the breeding, farming, or processing operations arising from Avian Influenza during the Track Record Period and up to the Latest Practicable Date.

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Impact of the COVID-19 Outbreak

The COVID-19 outbreak was first reported in December 2019. Since May 2023, WHO has declared the end of pandemic phase of COVID-19.

The impacts of the COVID-19 pandemic on our business include, (i) certain local governments suspending live poultry markets as part of the pandemic prevention measures, (ii) the suspension of transportation of live pigs and closure of certain slaughterhouses, and (iii) social distancing and travel and traffic restrictions. The COVID-19 pandemic resulted in the closure of wholesale markets and travel restrictions and accordingly a significant decline in offline consumer demand from households and commercial enterprises, and a decline in average market selling price of chickens. Other than the above, the consumption of chicken remained relatively stable during the Track Record Period and up to the Latest Practicable Date.

With the gradual resumption of normal economic and business activities PRC and relaxation of preventive measures since December 2022, our Directors confirm, based on our financial performance, as of the Latest Practicable Date, that the COVID-19 outbreak has not had, and is not expected to have, a material adverse impact on our future business operations or financial performance.

PROPERTIES

We occupy certain properties in connection with our business operation. 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. Accordingly, we are not required by Rule 5.01A of the Listing Rules to include in this Document any valuation report. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

Owned Properties

Owned Land and Buildings

As of the Latest Practicable Date, we owned 44 buildings in mainland China with an aggregated GFA of 85,727.5 sq.m. The land use rights for these buildings covered 399,615.64 sq.m. We also also owned the land use rights of nine additional parcels of lands with a total site area of 93,730.07 sq.m. in mainland China.

Certain self-owned properties pending ownership certificates

As of the Latest Practicable Date, we had four buildings without property ownership certificates, with an aggregate area of approximately 3,850 square metres.

No.	Area (square metres)	Usage	Reasons for the absence of ownership certificates and latest status
1. . .	450	Service Department Office	As the office building was constructed on state-owned land allocated through administrative approval, no ownership certificate for the building was available as of the Latest Practicable Date.

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No.	Area <i>(square metres)</i>	Usage	Reasons for the absence of ownership certificates and latest status
2. . .	1,500	Administrative Office	As of the Latest Practicable Date, we are in the course of obtaining the ownership certificate, which is expected to be completed by June 2026.
3. . .	1,000	Sales Office	As of the Latest Practicable Date, we are in the course of obtaining the ownership certificate, which is expected to be completed by June 2026.
4. . .	900	Egg Products Warehouse	The issuance of the ownership certificate is subject to a pre-condition of granting of land sales quotas by the government which the government authority who sold the land to us is responsible for arranging pursuant to the land purchase agreement. As at the Latest Practicable Date, the relevant government authority did not have an expected timeline on granting of land sales quotas.

As advised by our PRC Legal Advisor, if a construction entity illegally delivers the construction project for use without obtaining the acceptance checks, the Construction (Real Estate) Administrative Department shall order it to carry out remedial actions and also pay a fine of not less than 2% but not exceeding 4% of the contractual project price. It shall be obliged to pay compensation according to law if any losses have been caused. We could be subject to fines up to a theoretical maximum of RMB0.2 million being the aggregate theoretical maximum penalty relating to the non-compliances associated with Buildings No. 2 to No. 4. In respect of the Building No.1, the PRC Urban and Rural Planning Law (as amended in 2019) provides that certain non-compliant temporary construction activities may, in theory, result in administrative measures such as orders for rectification or demolition and fines of up to the construction cost of the temporary structures. The maximum theoretical administrative penalty is approximately RMB0.6 million. In the event that relocation is required in respect of the Building No. 1, we expect to be able to identify suitable alternative premises within a reasonable timeframe and without incurring material costs or losses. This is due to the limited number of such properties involved, the relatively small gross floor area, and the availability of alternative properties on the market at comparable rental levels. Our Directors are of the view that any relocation would not have a material adverse impact on our business operations or financial performance. During the Track Record Period and as of the Latest Practicable Date, we have not been subject to any administrative penalties for failing to obtain property ownership certificates. Our Controlling Shareholders have undertaken to indemnify our Group against the losses resulting from all fines, penalties or other losses, if any, incurred by our Group as a result of or in connection with the aforementioned matter. In conclusion, our PRC Legal Advisor and we believe that the use of the aforementioned self-owned properties without obtaining the ownership certificates will not have a material adverse impact on our production and operation. Based on the above, we are of the view that no provision is required for payments with respect to the absence of aforesaid ownership certificates.

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Certain land was not constructed and completed within the stipulated time as per the land transfer contract

As of the Latest Practicable Date, one of the state-owned land use rights we hold has not been constructed and completed within the stipulated time as per the contract due to business adjustments. We intend to enter into a land swap agreement with the relevant government authority and expect to construct a new feed production plant on the swapped land. As advised by our PRC Legal Adviser and pursuant to the Measures for the Disposal of Idle Land (Order No. 53 of the Ministry of Land and Resources), where construction has not commenced for one year, the competent land authority may impose an idle land fee equal to 20% of the land grant premium, and where construction has not commenced for two years, the relevant government authority is entitled to recover the state-owned construction land use right without compensation, in which case we would suffer a loss of the land grant premium of RMB18.0 million. In addition, pursuant to the state-owned construction land use right grant contract dated 12 November 2020, if the transferee fails to commence construction or complete construction by the agreed dates or any separately approved extended dates, it shall pay liquidated damages to the transferor at a rate of 0.1% of the total land grant premium for each day of delay. As the relevant land has not commenced construction nor been completed within the contractual time limits, we are exposed to the maximum risk as of December 31, 2025 that liquidated damages may be claimed by the land authority, amounts to approximately RMB30.8 million. Our Controlling Shareholders have undertaken that, if the construction of the land is delayed and is subsequently penalized by the relevant authorities, the Controlling Shareholders will unconditionally compensate for the economic losses incurred thereby. In conclusion, our PRC Legal Advisor and we believe that the failure of the land to commence construction and completion as stipulated in the land transfer contract will not have a material adverse impact on our production and operation. Based on the above, we are of the view that no provision is required for payments with respect to the liquidated damages.

Defective procedures in certain contracted/leased land transfers

As of the Latest Practicable Date, we have not obtained the documents or relevant certificates from at least two-thirds of villager meeting members/representatives for rural collective land parcel for the eight breeding farms, nor have we completed the filing or obtained the relevant certificates for the land transfer of the seven breeding farms. Such breeding farms were leased from third parties, and due to the historical circumstances and practical arrangements at the time of entering into the relevant lease agreements, the aforesaid documents or relevant certificates were not obtained. As advised by our PRC Legal Advisor, if land collectively owned by farmers is contracted to an entity or individual outside the collective economic organization, it must be approved by at least two-thirds of villager meeting members or representatives, and reported to the government for approval. Any contract signed without going through this mandatory procedure may be deemed invalid due to violation of compulsory legal provisions. As of the Latest Practicable Date, during the process of leasing the aforementioned leased land, we have not engaged in any actions that go against the will of the original contractor, nor have there been any cases where any organization or individual forced the transfer of the land contracting management rights. Consequently, we have not been subject to any administrative penalties by the relevant authorities in this regard. If the relevant lease agreements are deemed invalid due to violation of compulsory legal provisions, 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, given that there are alternative properties at comparable rental rates on the market, and the relocation process will not have a material and adverse impact on our business and operations. Based on the above, we are of the view that no provision is required for payments with respect to the defective procedure in certain contracted/leased land transfers. Furthermore, our Controlling Shareholders has undertaken to indemnify our Group against the losses resulting from all fines, penalties or other losses, if any, incurred by our Group as a result of or in connection with the aforementioned matter. In conclusion, our PRC Legal Advisor and we believe that the breeding farm failed to obtain the consent from at

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least two-thirds of villager meeting members/representatives for the use of rural collective land parcel and failed to obtain the filing documents for land transfer, which will not have a material adverse impact on our production and operation.

Leased Properties

Leased lands

As of the Latest Practicable Date, we leased 101 lands for the farms we are operating, with an aggregate site area of approximately 8.52 million square metres.

Leased farms

As of the Latest Practicable Date, 34 with a total gross floor area of approximately 0.43 million square metres.

Other properties

Other properties represent main leased properties which are used for business operations. As of the Latest Practicable Date, we leased nine other main leased properties used for business operations, with each exceeding 500 square metres.

Certain leased properties pending ownership certificates

As of the Latest Practicable Date, for two such properties for office leased by our Company or our subsidiaries, the lessors failed to provide the corresponding property ownership certificates or credentials entitling them to lease such properties. Based on explanations provided by the landlords, such certificates were either under application or not made available due to their unwillingness to cooperate. As advised by our PRC Legal Advisor, relevant lease contracts are subject to the risk of being deemed invalid by the relevant government authorities under PRC laws. The leased properties constructed without approval or permit by relevant competent authorities are subject to risk of demolition as ordered by the relevant government authorities. Our Controlling Shareholders have undertaken to indemnify our Group against the losses resulting from all fines, penalties or other losses, if any, incurred by our Group as a result of or in connection with the aforementioned matter.

Considering the above and there are multiple alternatives to such leased properties in the relevant areas, our PRC legal advisors and the Directors believe that such defects in our leased properties described above will not have a material adverse impact on our operation and financial position if we have to terminate the occupation of such leased properties.

Certain leased properties pending lease registration filing

None of properties leased by us or our subsidiaries had registered with the relevant housing authorities. Pursuant to the provisions of the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), for lease agreements that are not registered with the relevant housing authorities, we may be subject to a maximum fine of RMB10,000 per unregistered lease agreement, with a potential maximum penalty of RMB90,000. Our PRC Legal Advisors advised us that our failure to register the lease agreements does not affect the validity of the lease agreements. Our Controlling Shareholders have undertaken to indemnify our Group against the losses resulting from all fines, penalties or other losses, if any, incurred by our Group as a result of or in connection with the aforementioned matter. Given that the maximum penalty amount is limited, and the relevant local housing administrative authorities may grant a grace period before imposing such penalty, our Directors believe that these incidents would not have any material adverse effect on our business, financial position or results of operations. Based on the above, we are of the view that no provision is required for payments with respect to non-registration of lease agreement.

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To prevent the recurrence of the above similar non-compliances, we will strengthen the internal control measures relating to property compliance. Such measures include centralising the management and approval of property-related matters at the group level, implementing standardised internal procedures for property documentation and filings, enhancing internal review over the execution and registration of lease and contracting arrangements, and engaging external professional advisers where appropriate. Our Directors consider that these measures will enable us to better identify and address potential compliance issues in a timely manner and mitigate the risk of similar non-compliances in the future.

LEGAL PROCEEDINGS AND COMPLIANCE

We were from time to time involved in legal proceedings arising from the ordinary course of our business during the Track Record Period, but our Directors are of the view that none of them is material to our financial position or business operation. Our Directors confirmed that none of our Company, subsidiaries or Directors was a party to any pending or threatened litigation, arbitration or administrative proceeding that could have a material adverse effect on our financial position or results of operations as of the Latest Practicable Date.

During the Track Record Period, the aggregate amounts due from family farmers (net of loss allowance) that were subject to claims or litigation amounted to approximately RMB1.6 million, RMB2.8 million and RMB0.7 million, respectively. The total number of family farmers involved in such claims or litigations was two, four and two for the year ended December 31, 2023, 2024 and 2025, respectively. All of such claims or litigations were concluded.

Our Directors are of the view that the amounts due from family farmers (net of loss allowance) that are subject to claims or litigation are recoverable, having taken into account, among other factors, that, to the best of our knowledge, the relevant family farmers possess other assets against which enforcement may be taken, and that enforceable judgments have already been obtained in our favor.

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Our Directors are of the view that we had complied with all relevant laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business. The following set forth details of certain historical non-compliance incidents during the Track Record Period.

Non-compliance Incidents	Reasons for non-compliance	Relevant laws and regulations, legal consequences and potential maximum penalty
<i>Social insurance and housing provident fund</i>		
During the Track Record Period, we failed to make full contribution to the social insurance and housing provident funds for our employees as required under PRC laws and regulations. The aggregate shortfall of social insurance and housing provident fund contributions amounted to RMB21.4 million, RMB21.4 million and 20.6 million in 2023, 2024 and 2025, respectively.	Our failure to make full contributions was mainly because (i) the inconsistent standards for certain local authorities in enforcing applicable PRC laws and regulations; (ii) certain employees are reluctant to afford their parts of social insurance and housing provident funds as they have contributed to other medical insurance programmes, and (iii) the lack of thorough awareness of applicable local laws and regulations of certain of our employees in charge of this matter.	Pursuant to the Social Insurance Law, we may be required by relevant authorities to pay the outstanding social insurance within a prescribed period, and pay an overdue fee equivalent to 0.05% of the outstanding amount for each late payment day. If we fail to pay the outstanding social insurance within the prescribed period, we may be subject to a fine equivalent to one to three times of the outstanding social insurance amount. The aggregate principal amount of underpaid social insurance contributions by the Group during the Track Record Period was approximately RMB45.20 million. As advised by our PRC Legal Advisors, the theoretical maximum fine exposure of such underpayments would be three times of the aggregate principal amount of underpaid social insurance contributions.
During the Track Record Period, at the request of certain employees, we have engaged a third-party human resources agency to make contributions to social insurance and housing provident fund on their behalf.	We do not have a legal entity in the local area that can handle such contributions.	Pursuant to the Regulations on Management of Housing Provident Fund, if an employer engages a third-party human resources agency to make housing provident fund contributions or fails to complete the housing provident fund account registration procedures, the relevant authorities shall order it to complete the procedures within a specified period. Failure to complete the procedure by the deadline, a fine ranging from RMB10,000 to RMB50,000 may be imposed. As of December 31, 2025, as advised by our PRC Legal Advisors, the theoretical maximum fine exposure is RMB1.55 million.

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We have taken the following rectification measures to mitigate future occurrence of such non-compliances: (i) consult our PRC Legal Advisor for advice on relevant PRC Law, and strengthen legal compliance training to our personnel; (ii) enhance our human resources management policies, which explicitly requires social insurance and housing provident fund contributions to be made in full in accordance with applicable laws and regulations; and (iii) designate our human resources staff to review and monitor the reporting and contributions of social insurance and housing provident fund on a monthly basis.

Our PRC Legal Advisor has advised us that, according to the interviews with the relevant regulatory authorities, under the preconditions that there are no significant changes in current policies, regulations, local government enforcement and supervision requirements, and that no employee complaints or reports have been filed, the risk of facing retroactive collection or material penalties by the competent authorities for not having made full social insurance/housing provident fund contributions for their employees is remote. We undertake to make timely payments for the deficient amount and overdue charges as soon as requested by the competent governmental authorities. In addition, we will proactively communicate with relevant local authorities to keep up to date with the applicable laws and regulations concerning social insurance and housing provident funds. We will also communicate such updates with our employees to allow them to better understand the relevant laws and regulations, increasing their understanding of the regulatory requirements so as to enhance our compliance with the applicable laws and regulations.

For the engagement of third-party agencies to make social insurance and housing provident fund contributions on our behalf, we may continue such arrangement after [REDACTED], as we may not establish subsidiaries or branches in all cities where our employees are located. Nevertheless, we undertake to rectify any such arrangements as required by the relevant competent authorities and will make the relevant payments if required by the competent authorities to compensate the relevant expenses.

In view of the above, our Directors and the PRC Legal Advisors are of the view that such non-compliances in relation to social insurance and housing provident fund did not and will not have a material adverse impact on our business, financial condition or results of operations.

On July 31, 2025, the Supreme People’s Court issued the Interpretation II of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (the “**Interpretation II**”), which came into effect on September 1, 2025. According to the Interpretation II, any agreement between an employer and an employee, or any undertaking by the employee, purporting to waive statutory social insurance contributions shall be deemed void by the people’s court; if an employer fails to make social insurance contributions as required by law, and the employee invokes Article 38(3) of the Labor Contract Law of the PRC to terminate the labor contract and seek economic compensation, the people’s court shall uphold the employee’s claim. Considering that (i) the Interpretation II does not repeal any currently effective PRC laws or regulations relating to social insurance; (ii) the Interpretation II does not expand the scope of any applicable penalties relating to social insurance; (iii) the Group has no agreements or undertakings with any employees purporting to waive statutory social insurance contributions; and (iv) during the Track Record Period and up to the Latest Practicable Date, there have been no material employee complaints, reports, or related litigation or arbitration proceedings against the Group, our PRC Legal Advisor is of the view that the Interpretation II has no material adverse impact on our operation or financial condition.