*The following is the text of a report set out on pages I-1 to I-63, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.*

KPMG

**ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUANGDONG TINOOS GROUP CO., LIMITED AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED**

**Introduction**

We report on the historical financial information of Guangdong Tinoos Group Co., Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-63, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements for each of the years ended 31 December 2023, 2024 and 2025 (the "Track Record Period"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-63 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Document") in connection with the initial [**REDACTED**] of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

**Directors' responsibility for the Historical Financial Information**

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

**Reporting accountants' responsibility**

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

**Opinion**

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2023, 2024 and 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

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

***Adjustments***

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

***Dividends***

We refer to Note 29(b) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

**KPMG**
*Certified Public Accountants*
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
[●]

## HISTORICAL FINANCIAL INFORMATION

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

*(Expressed in Renminbi ("RMB"))*

| | | Year ended 31 December | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2023 | | | 2024 | | | 2025 | | |
| | *Note* | **Results before biological assets fair value adjustments** | **Biological assets fair value adjustments** | **Total** | **Results before biological assets fair value adjustments** | **Biological assets fair value adjustments** | **Total** | **Results before biological assets fair value adjustments** | **Biological assets fair value adjustments** | **Total** |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Revenue** | *4* | 3,596,005 | – | 3,596,005 | 4,775,813 | – | 4,775,813 | 4,261,433 | – | 4,261,433 |
| Cost of sales | | (3,529,628) | (7,882) | (3,537,510) | (3,846,817) | (33,431) | (3,880,248) | (3,786,156) | (18,669) | (3,804,825) |
| **Gross profit** | | 66,377 | (7,882) | 58,495 | 928,996 | (33,431) | 895,565 | 475,277 | (18,669) | 456,608 |
| Changes in fair value of biological assets | *14* | – | (285,290) | (285,290) | – | 300,129 | 300,129 | – | (216,479) | (216,479) |
| Gain arising from biological assets at fair value less costs to sell at the point of harvest | | – | 6,917 | 6,917 | – | 25,252 | 25,252 | – | 22,228 | 22,228 |
| Other net (loss)/income | *5* | (68,827) | – | (68,827) | 35,169 | – | 35,169 | 32,492 | – | 32,492 |
| Selling expenses | | (74,138) | – | (74,138) | (84,196) | – | (84,196) | (112,654) | – | (112,654) |
| Administrative expenses | | (200,946) | – | (200,946) | (203,914) | – | (203,914) | (202,924) | – | (202,924) |
| Impairment loss on financial assets (recognised)/reversed, net | | (10,932) | – | (10,932) | 6,647 | – | 6,647 | (12,638) | – | (12,638) |
| **(Loss)/profit from operations** | | (288,466) | (286,255) | (574,721) | 682,702 | 291,950 | 974,652 | 179,553 | (212,920) | (33,367) |

| | | Year ended 31 December | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2023 | | | 2024 | | | 2025 | | |
| | *Note* | **Results before biological assets fair value adjustments** | **Biological assets fair value adjustments** | **Total** | **Results before biological assets fair value adjustments** | **Biological assets fair value adjustments** | **Total** | **Results before biological assets fair value adjustments** | **Biological assets fair value adjustments** | **Total** |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **(Loss)/profit from operations** | | (288,466) | (286,255) | (574,721) | 682,702 | 291,950 | 974,652 | 179,553 | (212,920) | (33,367) |
| Finance cost | *6(a)* | (94,080) | – | (94,080) | (84,548) | – | (84,548) | (63,337) | – | (63,337) |
| Changes in the carrying amount of redemption liabilities | 27 | – | – | – | – | – | – | (4,644) | – | (4,644) |
| **(Loss)/profit before taxation** | | (382,546) | (286,255) | (668,801) | 598,154 | 291,950 | 890,104 | 111,572 | (212,920) | (101,348) |
| Income tax | *7(a)* | – | – | – | – | – | – | (837) | – | (837) |
| **(Loss)/profit for the year** | | (382,546) | (286,255) | (668,801) | 598,154 | 291,950 | 890,104 | 110,735 | (212,920) | (102,185) |

| | | Year ended 31 December | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2023 | | | 2024 | | | 2025 | | |
| | *Note* | Results before biological assets fair value adjustments | Biological assets fair value adjustments | Total | Results before biological assets fair value adjustments | Biological assets fair value adjustments | Total | Results before biological assets fair value adjustments | Biological assets fair value adjustments | Total |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **(Loss)/profit for the year** | | (382,546) | (286,255) | (668,801) | 598,154 | 291,950 | 890,104 | 110,735 | (212,920) | (102,185) |
| **Other comprehensive income for the year** | | | | | | | | | | |
| Item that will not be reclassified to profit or loss: | | | | | | | | | | |
| Equity investments measured at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserves (non-recycling) | | 763 | – | 763 | (1,369) | – | (1,369) | 6,325 | – | 6,325 |
| **Other comprehensive income for the year** | | 763 | – | 763 | (1,369) | – | (1,369) | 6,325 | – | 6,325 |
| **Total comprehensive income for the year** | | (381,783) | (286,255) | (668,038) | 596,785 | 291,950 | 888,735 | 117,060 | (212,920) | (95,860) |

| | | Year ended 31 December | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2023 | | | 2024 | | | 2025 | | |
| | Note | Results before biological assets fair value adjustments | Biological assets fair value adjustments | Total | Results before biological assets fair value adjustments | Biological assets fair value adjustments | Total | Results before biological assets fair value adjustments | Biological assets fair value adjustments | Total |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **(Loss)/profit attributable to:** | | | | | | | | | | |
| Equity shareholders of the Company | | | | (654,502) | | | 822,665 | | | (102,845) |
| Non-controlling interests | | | | (14,299) | | | 67,439 | | | 660 |
| **(Loss)/profit for the year** | | | | (668,801) | | | 890,104 | | | (102,185) |
| **Total comprehensive attributable to:** | | | | | | | | | | |
| Equity shareholders of the Company | | | | (653,739) | | | 821,296 | | | (96,520) |
| Non-controlling interests | | | | (14,299) | | | 67,439 | | | 660 |
| **Total comprehensive income for the year** | | | | (668,038) | | | 888,735 | | | (95,860) |
| **(Loss)/earnings per share** | *10* | | | | | | | | | |
| Basic (loss)/earnings per share (RMB) | | | | (1.57) | | | 2.01 | | | (0.27) |
| Diluted (loss)/earnings per share (RMB) | | | | (1.57) | | | 2.01 | | | (0.27) |

The accompanying notes form part of the Historical Financial Information.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

*(Expressed in RMB)*

| | | At 31 December | | |
|---|---|---|---|---|
| | *Note* | **2023** | **2024** | **2025** |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current assets** | | | | |
| Property, plant and equipment | *11* | 1,735,048 | 1,647,122 | 1,631,406 |
| Investment property | *12* | 33,988 | 31,103 | 2,560 |
| Right-of-use assets | *13* | 502,098 | 464,235 | 414,966 |
| Biological assets | *14* | 260,053 | 230,137 | 253,696 |
| Intangible assets | | 3,215 | 4,364 | 4,386 |
| Financial assets measured at FVOCI | *31(d)* | 5,565 | 5,896 | 10,521 |
| Restricted bank deposits | *21(a)* | 30,000 | 30,000 | – |
| Other non-current assets | *16* | 29,383 | 33,624 | 135,556 |
| | | 2,599,350 | 2,446,481 | 2,453,091 |
| **Current assets** | | | | |
| Inventories | *17* | 166,140 | 161,867 | 194,888 |
| Biological assets | *14* | 831,232 | 1,038,385 | 684,849 |
| Trade and bills receivables | *18* | 39,495 | 51,849 | 56,885 |
| Prepayments, deposits and other receivables | *19* | 98,059 | 113,689 | 115,402 |
| Financial assets measured at fair value through profit or loss ("FVPL") | *20* | 200 | 132,281 | 482 |
| Time deposits | *21(a)* | – | – | 30,280 |
| Restricted bank deposits | *21(a)* | 124,126 | 147,771 | 109,290 |
| Cash and cash equivalents | *21(a)* | 119,504 | 192,692 | 463,800 |
| | | 1,378,756 | 1,838,534 | 1,655,876 |
| **Current liabilities** | | | | |
| Trade and bills payables | *22* | 492,317 | 448,463 | 401,105 |
| Accruals and other payables | *23* | 537,095 | 605,887 | 485,743 |
| Financial liabilities measured at FVPL | *20* | – | 1,789 | 2,912 |
| Interest-bearing borrowings | *24* | 1,113,212 | 1,070,260 | 1,136,556 |
| Lease liabilities | *25* | 35,957 | 46,506 | 54,946 |
| Current taxation | *26(a)* | – | – | 120 |
| Redemption liabilities | *27* | – | – | 204,644 |
| | | 2,178,581 | 2,172,905 | 2,286,026 |
| **Net current liabilities** | | (799,825) | (334,371) | (630,150) |
| **Total assets less current liabilities** | | 1,799,525 | 2,112,110 | 1,822,941 |

| | Note | At 31 December 2023 | 2024 | 2025 |
|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current liabilities** | | | | |
| Interest-bearing borrowings | *24* | 507,170 | 320,800 | 348,677 |
| Lease liabilities | *25* | 289,042 | 264,286 | 223,004 |
| Deferred income | | 111,322 | 108,439 | 117,411 |
| | | 907,534 | 693,525 | 689,092 |
| **NET ASSETS** | | 891,991 | 1,418,585 | 1,133,849 |
| **CAPITAL AND RESERVES** | | | | |
| Share capital | *29* | 418,000 | 418,000 | 392,842 |
| Treasury shares | *29* | – | (289,630) | – |
| Reserves | *29* | 408,429 | 1,159,171 | 676,443 |
| **Total equity attributable to equity shareholders of the Company** | | 826,429 | 1,287,541 | 1,069,285 |
| Non-controlling interests | | 65,562 | 131,044 | 64,564 |
| **TOTAL EQUITY** | | 891,991 | 1,418,585 | 1,133,849 |

The accompanying notes form part of the Historical Financial Information.

## STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

*(Expressed in RMB)*

| | Note | At 31 December 2023 | 2024 | 2025 |
|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current assets** | | | | |
| Interests in subsidiaries | *15* | 1,546,409 | 1,530,400 | 1,830,342 |
| Property, plant and equipment | *11* | 259,227 | 276,655 | 244,722 |
| Right-of-use assets | *13* | 66,756 | 62,290 | 55,364 |
| Intangible assets | | 3,016 | 4,170 | 3,792 |
| Financial assets measured at FVOCI | | 5,565 | 4,196 | 10,521 |
| Other non-current assets | | 5,647 | 3,423 | 4,347 |
| | | 1,886,620 | 1,881,134 | 2,149,088 |
| **Current assets** | | | | |
| Inventories | *17* | 44,808 | 51,627 | 36,632 |
| Biological assets | *14* | 179,311 | 272,835 | 136,657 |
| Trade and bills receivables | | 5,697 | 3,841 | 31,503 |
| Prepayments, deposits and other receivables | *19* | 1,101,208 | 927,033 | 866,605 |
| Financial assets measured at FVPL | | – | 119,488 | 381 |
| Restricted bank deposits | *21(a)* | 51,253 | 110,845 | 42,944 |
| Cash and cash equivalents | *21(a)* | 68,336 | 118,209 | 351,512 |
| | | 1,450,613 | 1,603,878 | 1,466,234 |
| **Current liabilities** | | | | |
| Trade and bills payables | *22* | 123,633 | 117,183 | 104,642 |
| Accruals and other payables | *23* | 1,223,640 | 1,368,777 | 1,229,568 |
| Financial liabilities measured FVPL | | – | 629 | 2,390 |
| Interest-bearing borrowings | *24* | 602,471 | 649,252 | 820,097 |
| Lease liabilities | *25* | 17,488 | 8,251 | 8,004 |
| Redemption liabilities | *27* | – | – | 204,644 |
| | | 1,967,232 | 2,144,092 | 2,369,345 |
| **Net current liabilities** | | (516,619) | (540,214) | (903,111) |
| **Total assets less current liabilities** | | 1,370,001 | 1,340,920 | 1,245,977 |
| **Non-current liabilities** | | | | |
| Interest-bearing borrowings | *24* | 131,148 | 90,937 | 105,705 |
| Lease liabilities | *25* | 29,872 | 27,643 | 25,440 |
| Deferred income | | 61,927 | 58,403 | 66,236 |
| | | 222,947 | 176,983 | 197,381 |
| **NET ASSETS** | | 1,147,054 | 1,163,937 | 1,048,596 |
| **CAPITAL AND RESERVES** | | | | |
| Share capital | *29* | 418,000 | 418,000 | 392,842 |
| Treasury shares | *29* | – | (289,630) | – |
| Reserves | *29* | 729,054 | 1,035,567 | 655,754 |
| **TOTAL EQUITY** | | 1,147,054 | 1,163,937 | 1,048,596 |

The accompanying notes form part of the Historical Financial Information.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

*(Expressed in RMB)*

| | | Attributable to equity shareholders of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Share capital | Treasury shares | Capital reserve | PRC statuary reserve | Fair value reserve (non-recycling) | Retained earnings/ (accumulated losses) | Total | Non-controlling interests | Total equity |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | Note 29(c) | Note 29(d) | Note 29(e)(i) | Note 29(e)(ii) | Note 29(e)(iii) | | | | |
| **Balance at 1 January 2023** | | 418,000 | – | 363,226 | 60,529 | (1,498) | 639,373 | 1,479,630 | 49,108 | 1,528,738 |
| **Changes in equity for the year ended 31 December 2023:** | | | | | | | | | | |
| Loss for the year | | – | – | – | – | – | (654,502) | (654,502) | (14,299) | (668,801) |
| Other comprehensive income | | – | – | – | – | 763 | – | 763 | – | 763 |
| Total comprehensive income for the year | | – | – | – | – | 763 | (654,502) | (653,739) | (14,299) | (668,038) |
| Capital injection | | – | – | 538 | – | – | – | 538 | 30,962 | 31,500 |
| Acquisition of non-controlling interests | 30(a) | – | – | – | – | – | – | – | (209) | (209) |
| | | – | – | 538 | – | – | – | 538 | 30,753 | 31,291 |
| **Balance at 31 December 2023** | | 418,000 | – | 363,764 | 60,529 | (735) | (15,129) | 826,429 | 65,562 | 891,991 |

| | Note | Attributable to equity shareholders of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Share capital | Treasury shares | Capital reserve | PRC statuary reserve | Fair value reserve (non-recycling) | (Accumulated losses)/ retained earnings | Total | Non-controlling interests | Total equity |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | *Note 29(c)* | *Note 29(d)* | *Note 29(e)(i)* | *Note 29(e)(ii)* | *Note 29(e)(iii)* | | | | |
| **Balance at 1 January 2024** | | 418,000 | – | 363,764 | 60,529 | (735) | (15,129) | 826,429 | 65,562 | 891,991 |
| **Changes in equity for the year ended 31 December 2024:** | | | | | | | | | | |
| Profit for the year | | – | – | – | – | – | 822,665 | 822,665 | 67,439 | 890,104 |
| Other comprehensive income | | – | – | – | – | (1,369) | – | (1,369) | – | (1,369) |
| Total comprehensive income for the year | | – | – | – | – | (1,369) | 822,665 | 821,296 | 67,439 | 888,735 |
| Purchase of own shares | *23* | – | (289,630) | (87,423) | – | – | – | (377,053) | – | (377,053) |
| Acquisition of non-controlling interests | *30(a)* | – | – | 342 | – | – | – | 342 | (722) | (380) |
| Disposal of a subsidiary | *30(b)* | – | – | – | – | – | – | – | (1,256) | (1,256) |
| Equity-settled share-based payment expenses | *28* | – | – | 16,527 | – | – | – | 16,527 | 21 | 16,548 |
| Appropriation to reserve | | – | – | – | 37,876 | – | (37,876) | – | – | – |
| | | – | (289,630) | (70,554) | 37,876 | – | (37,876) | (360,184) | (1,957) | (362,141) |
| **Balance at 31 December 2024** | | 418,000 | (289,630) | 293,210 | 98,405 | (2,104) | 769,660 | 1,287,541 | 131,044 | 1,418,585 |

| | | Attributable to equity shareholders of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *Note* | **Share capital** | **Treasury shares** | **Capital reserve** | **PRC statuary reserve** | **Fair value reserve (non-recycling)** | **Retained earnings** | **Total** | **Non-controlling interests** | **Total equity** |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | | *Note 29(c)* | *Note 29(d)* | *Note 29(e)(i)* | *Note 29(e)(ii)* | *Note 29(e)(iii)* | | | | |
| **Balance at 1 January 2025** | | 418,000 | (289,630) | 293,210 | 98,405 | (2,104) | 769,660 | 1,287,541 | 131,044 | 1,418,585 |
| **Changes in equity for the year ended 31 December 2025:** | | | | | | | | | | |
| Loss for the year | | – | – | – | – | – | (102,845) | (102,845) | 660 | (102,185) |
| Other comprehensive income | | – | – | – | – | 6,325 | – | 6,325 | – | 6,325 |
| Total comprehensive income for the year | | – | – | – | – | 6,325 | (102,845) | (96,520) | 660 | (95,860) |
| Purchase of own shares | 23 | – | (87,423) | 87,423 | – | – | – | – | – | – |
| Cancellation of shares | 29(c) | (39,188) | 377,053 | (337,865) | – | – | – | – | – | – |
| Acquisition of non-controlling interests | 30(a) | – | – | 7,060 | – | – | – | 7,060 | (52,666) | (45,606) |
| Liquidation of subsidiaries | 30(c) | – | – | – | – | – | – | – | (14,474) | (14,474) |
| Issuance of shares | 27 | 14,030 | – | 185,970 | – | – | – | 200,000 | – | 200,000 |
| Redemption rights granted upon share issuance | 27 | – | – | (200,000) | – | – | – | (200,000) | – | (200,000) |
| Dividends declared | 29(b) | – | – | – | – | – | (128,796) | (128,796) | – | (128,796) |
| Appropriation to reserve | | – | – | – | 713 | – | (713) | – | – | – |
| | | (25,158) | 289,630 | (257,412) | 713 | – | (129,509) | (121,736) | (67,140) | (188,876) |
| **Balance at 31 December 2025** | | 392,842 | – | 35,798 | 99,118 | 4,221 | 537,306 | 1,069,285 | 64,564 | 1,133,849 |

The accompanying notes form part of the Historical Financial Information.

## CONSOLIDATED CASH FLOW STATEMENTS

*(Expressed in RMB)*

| | Note | At 31 December 2023 | 2024 | 2025 |
|---|---|---|---|---|
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| **Operating activities** | | | | |
| (Loss)/profit before taxation | | (668,801) | 890,104 | (101,348) |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | *11* | 169,170 | 178,012 | 177,184 |
| Depreciation of investment properties | *12* | 2,835 | 3,059 | 3,142 |
| Depreciation of right-of-use assets | *13* | 40,606 | 48,900 | 51,453 |
| Amortisation of intangible assets | | 2,267 | 2,531 | 2,023 |
| Impairment loss on financial assets recognised/(reversed), net | | 10,932 | (6,647) | 12,638 |
| Finance cost | *6(a)* | 94,080 | 84,548 | 63,337 |
| Changes in the carrying amount of redemption liabilities | *27* | – | – | 4,644 |
| Impairment losses on property, plant and equipment | *11* | 74,495 | 17,122 | 9,416 |
| Loss on disposal of property, plant and equipment, intangible assets and right-of-use assets | *5* | 1,740 | 75 | 1,341 |
| Gain on disposal of subsidiaries | *5* | – | (461) | – |
| Write-down of inventories | *17* | 6,532 | 16,616 | 7,208 |
| Changes in fair value of biological assets | *14* | 285,290 | (300,129) | 216,479 |
| Changes in fair value of financial instruments at FVPL | *5* | – | (20,373) | (19,317) |
| Equity-settled share-based payment expenses | *28* | – | 16,548 | – |
| Release of deferred income | | (11,752) | (8,097) | (9,051) |
| Changes in working capital: | | | | |
| Decrease/(increase) in inventories | | 22,412 | (12,536) | (40,229) |
| (Increase)/decrease in biological assets | | (70,714) | 123,148 | 115,744 |
| Increase in trade and bills receivables | | (2,529) | (17,188) | (2,943) |
| Decrease/(increase) in prepayments, deposits and other receivables | | 11,690 | 5,640 | (5,785) |
| Decrease/(increase) in restricted deposits | | 29,392 | 818 | (6,015) |
| Increase/(decrease) in trade and bills payables | | 93,768 | (41,651) | 642 |
| Decrease in accruals and other payables | | (77,365) | (18,356) | (32,721) |
| Increase in deferred income | | 1,320 | 274 | 556 |
| **Cash generated from operations** | | 15,368 | 961,957 | 448,398 |
| Tax paid | *26(a)* | – | – | (717) |
| **Net cash generated from operating activities** | | 15,368 | 961,957 | 447,681 |

| | | At 31 December | | |
|---|---|---|---|---|
| | *Note* | 2023 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| **Investing activities** | | | | |
| Payment for the purchase of property, plant and equipment and investment properties | | (212,160) | (120,418) | (290,794) |
| Payment for the purchase of land use rights | | – | (988) | (86) |
| Payment for purchase of breeding livestock | | (1,757) | (256) | (2,246) |
| Payment for purchase of intangible assets | | (223) | (3,692) | (2,045) |
| Payment for time deposits | | – | – | (30,000) |
| Government grants received | | 12,202 | 4,940 | 17,467 |
| Proceeds from disposal of property, plant and equipment and intangible assets | | 10,235 | 7,747 | 22,883 |
| Payment for the purchase of financial instruments at FVPL | | (200) | (160,265) | (199,344) |
| Proceeds from disposal of financial instruments at FVPL | | – | 33,750 | 352,400 |
| Proceeds from disposal of other equity securities | | – | – | 800 |
| New cash inflow/(outflow) from disposal or liquidation of equity interests in subsidiaries | *30(b), (c)* | – | 1,739 | (14,474) |
| (Increase)/decrease in restricted deposits | | – | (30,000) | 30,000 |
| **Net cash used in investing activities** | | (191,903) | (267,443) | (115,439) |
| **Financing activities** | | | | |
| Proceeds from interest-bearing borrowings | *21(b)* | 1,506,141 | 1,184,801 | 1,377,865 |
| Repayment of interest-bearing borrowings | *21(b)* | (1,307,382) | (1,414,145) | (1,333,122) |
| Decrease of restricted deposits | | 23,392 | 5,537 | 44,496 |
| Decrease of deposits | | 3,340 | 1,273 | 14,875 |
| Proceeds from interest-bearing borrowings from related parties | *21(b)* | 10,000 | 6,400 | – |
| Repayment of interest-bearing borrowings from related parities | *21(b)* | (10,000) | (6,400) | – |
| Purchase of own shares | *21(b)* | – | (289,630) | (87,423) |
| Capital injection | | 31,500 | – | 200,000 |
| Acquisition of non-controlling interests | *30(a)* | (209) | (380) | (45,606) |
| Capital element of lease rentals paid | *21(b)* | (64,609) | (24,256) | (32,760) |
| Interest element of lease rentals paid | *21(b)* | (12,204) | (14,959) | (12,843) |
| Other interests paid | *21(b)* | (82,304) | (69,567) | (49,064) |
| Dividends paid | *21(b)* | (57,329) | – | (128,796) |
| Payment for [**REDACTED**] expenses | *19(iii)* | – | – | [**REDACTED**] |
| **Net cash generated from/(used in) financing activities** | | 40,336 | (621,326) | (61,134) |

| | Note | At 31 December | | |
|---|---|---|---|---|
| | | 2023 | 2024 | 2025 |
| | | *RMB'000* | *RMB'000* | *RMB'000* |
| **Net (decrease)/increase in cash and cash equivalents** | | (136,199) | 73,188 | 271,108 |
| **Cash and cash equivalents at 1 January** | | 255,703 | 119,504 | 192,692 |
| **Cash and cash equivalents at 31 December** | | 119,504 | 192,692 | 463,800 |

The accompanying notes form part of the Historical Financial Information.

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

*(Expressed in RMB unless otherwise indicated)*

### 1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

廣東天農集團股份有限公司 (Guangdong Tinoos Group Co., Limited, formerly known as 廣東天農食品集團股份有限公司 (Guangdong Tinoos Foods Group Co., Ltd.), the "Company") was established in Qingyuan City, Guangdong Province, the People's Republic of China (the "PRC") on 7 March 2003 as a limited liability company under the PRC Company Law, which was previously known as Guangdong Tinoos Foods Co., Ltd. (廣東天農食品有限公司) before it was converted into a joint stock limited liability company on 12 August 2020.

The Company and its subsidiaries (the "Group") are principally engaged in: (i) providing Qingyuan Chicken and other native chickens; (ii) providing pigs; and (iii) providing fresh and other products.

The statutory financial statements of the Company for the years ended 31 December 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the "PRC GAAP") and were audited by Pan-China Certified Public Accountants LLP Guangdong Branch (天健會計師事務所(特殊普通合夥)廣東分所). The audited financial statements of the Company for the year ended 31 December 2025 have not been issued yet.

During the Track Record Period and at the date of this report, the Company has interests in the following principal subsidiaries:

| | | | | Proportion of ownership interest held by the Company | | | | |
|---|---|---|---|---|---|---|---|---|
| Company name | *Note* | Place and date of establishment/ incorporation | Particulars of registered and paid-in capital | At 31 December 2023 | At 31 December 2024 | At 31 December 2025 | At the date of this report | Principal activities |
| | | | *RMB'000* | | | | | |
| Guizhou Riquan Agriculture and Animal Husbandry Co., Ltd. 貴州日泉農牧有限公司 | *(i)(ii)* | The PRC, 3 May 2016 | 160,000 | 100.00% | 100.00% | 100.00% | 100.00% | Pigs farming and sales |
| Jiajiang Tinoos Foods Co., Ltd. 夾江天農食品有限公司 | *(i)(ii)* | The PRC, 26 May 2020 | 100,000 | 100.00% | 100.00% | 100.00% | 100.00% | Pigs farming and sales |
| Guizhou Meitan Riquan Agriculture and Animal Husbandry Co., Ltd. 貴州湄潭日泉農牧有限公司 | *(i)(ii)* | The PRC, 28 June 2016 | 30,000 | 100.00% | 100.00% | 100.00% | 100.00% | Pigs farming and sales |
| Guizhou Tongzi Riquan Agriculture and Animal Husbandry Co., Ltd. 貴州桐梓日泉農牧有限公司 | *(i)(ii)* | The PRC, 30 January 2019 | 230,000 | 73.44% | 73.44% | 86.96% | 86.96% | Pigs farming and sales |
| Chongqing Riquan Agriculture and Animal Husbandry Co., Ltd. 重慶日泉農牧有限公司 | *(i)(ii)* | The PRC, 21 June 2012 | 130,320 | 100.00% | 100.00% | 100.00% | 100.00% | Pigs farming and sales |
| Yingde Tinoos Foods Co., Ltd. 英德天農食品有限公司 | *(i)(ii)* | The PRC, 18 January 2008 | 118,800 | 100.00% | 100.00% | 100.00% | 100.00% | Poultry farming and sales |

| | | | | Proportion of ownership interest held by the Company | | | | |
|---|---|---|---|---|---|---|---|---|
| **Company name** | *Note* | **Place and date of establishment/ incorporation** | **Particulars of registered and paid-in capital** | **At 31 December 2023** | **At 31 December 2024** | **At 31 December 2025** | **At the date of this report** | **Principal activities** |
| | | *RMB'000* | | | | | | |
| Fogang Tinoos Animal Husbandry Co., Ltd. 佛岡天農牧業有限公司 . . . | *(i)(ii)* | The PRC, 2 July 2019 | 66,666 | 100.00% | 100.00% | 100.00% | 100.00% | Pigs farming and sales |
| Guangdong Tinoos Ecological Foods Co., Ltd. 廣東天農生態食品有限公司 . . . . . | *(i)(ii)* | The PRC, 10 December 2014 | 150,000 | 100.00% | 100.00% | 100.00% | 100.00% | Poultry food research and development, processing and sales |
| Changning Tinoos Foods Co., Ltd. 常寧天農食品有限公司 . . . . . | *(i)(ii)* | The PRC, 28 June 2020 | 120,000 | 100.00% | 100.00% | 100.00% | 100.00% | Pigs farming and sales |
| Guangdong Tinoos Poultry Breeding Co., Ltd. 廣東天農家禽育種有限公司 . . . . . | *(i)(ii)* | The PRC, 12 March 2019 | 30,000 | 100.00% | 100.00% | 100.00% | 100.00% | Poultry breeding and superior breeding |
| Nanfeng Tinoos Foods Co., Ltd. 南豐天農食品有限公司 . | *(i)(ii)* | The PRC, 3 March 2020 | 120,000 | 100.00% | 100.00% | 100.00% | 100.00% | Pigs farming and sales |
| Changshun Tinoos Green Shell Laying Hen Industrial Co., Ltd. 長順天農綠殼蛋雞實業有限公司 . | *(i)(ii)* | The PRC, 23 December 2015 | 62,500 | 100.00% | 100.00% | 100.00% | 100.00% | Poultry farming and sales |
| Chongqing Riquan Ecological Technology Group Co., Ltd. 重慶日泉生態科技集團有限公司 . . . | *(i)(iii)* | The PRC, 24 July 2025 | 120,000 | – | – | 100.00% | 100.00% | Pigs farming and sales |

*Notes:*

(i) These entities are registered as limited liability companies under the laws and regulations in the PRC. The official names of these entities are in Chinese. The English translation is included for identification purpose only.

(ii) The financial statements of these entities for the years ended 31 December 2023 and 2024 were prepared in accordance with the PRC GAAP and were audited by Pan-China Certified Public Accountants LLP Guangdong Branch (天健會計師事務所(特殊普通合夥)廣東分所). No audited financial statements for the year ended 31 December 2025 have been prepared for these companies.

(iii) No audited financial statements have been prepared for this company during the Track Record Period.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new or revised standards that are not yet effective for the accounting period beginning 1 January 2025. The revised and new accounting standards issued but not yet effective for the Track Record Period are set out in Note 36.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

Notwithstanding the net current liabilities as at 31 December 2025, the Historical Financial Information has been prepared on a going concern basis because the directors of the Company, based on a cash flow forecast of the Group prepared by the management are of the opinion that the Group would have adequate funds to meet its liabilities as and when they fall due for at least twelve months from 31 December 2025. Meanwhile, the Group has maintained long-term strong business relationship with its major banks and financial institutions to get their continuing support. As at 31 December 2025, the Group has unused bank facilities amounting to RMB1,041,602,000. Accordingly, the directors of the Company consider it appropriate to prepare the Historical Financial Information on a going concern basis.

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

## 2 MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– other investments in securities (see Note 2(d));

– derivative financial instruments (see Note 2(e)); and

– biological assets (see Note 2(f)).

### (b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

### (c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)).

**(d) Other investments in securities**

The Group's policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 31(d). These investments are subsequently accounted for as follows, depending on their classification.

***(i) Non-equity investments***

Non-equity investments are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(v)(iv)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

– FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in other comprehensive income ("OCI"). When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

***(ii) Equity investments***

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

**(e) Derivative financial instruments**

Derivative financial instruments are recognised at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

**(f) Biological assets**

The biological assets of the Group include (i) commodity chickens (fertile eggs and broilers), (ii) commodity hogs (piglets and growers), (iii) chicken breeders held for own use to produce commodity chicks which are classified as current assets, and (iv) hog breeders held for own use to produce commodity hogs which are classified as non-current assets.

Biological assets are measured at fair value less costs of disposals. Gains or losses arising from initial recognition of biological assets at fair value less costs of disposal and from a change in fair value less costs of disposal of biological assets are included in profit or loss in the period in which it arises.

The feeding costs and other related costs such as staff costs, depreciation and amortisation expenses and utilities cost incurred for raising gilts and studs and chicken breeders are capitalised until the gilts and studs and chicken breeders begin to mate or transfer to the group of sows and boars or mature chicken breeders. Such costs incurred for sows and boars are also capitalised while upon pregnancy and transferred to the piglets farrowed.

Agricultural produce harvested from biological assets is measured at its fair value less costs to sell at the point of harvest. Such measurement is the cost at that date when applying IAS 2 Inventories. A gain or loss arising from agricultural produce at the point of harvest at fair value less costs to sell is included in profit or loss for the period in which it arises.

**(g) Investment property**

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)).

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with Note 2(v)(ii).

Depreciation is calculated to write off the cost of the investment property, less a residual value, if any, using the straight-line method over its estimated useful life.

**(h) Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

| | |
|---|---|
| Plant and buildings | 20-30 years |
| Machinery and equipment | 10 years |
| Vehicles, furniture and others | 3-5 years |

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Construction in progress represents plant and buildings under construction and machinery and equipment under installation and testing, and is stated at cost less accumulated impairment loss, if any (see Note 2(k)(ii)). The cost includes the direct costs of construction, plant and equipment. Construction in progress is not depreciated until such time as the assets are completed and ready for operational use.

**(i) Intangible assets**

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(k)(ii)). Expenditure on research activities is recognised as an expense in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives are as follows:

| | |
|---|---|
| Software | 3-5 years |

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

**(j) Leased assets**

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

***(i) As a lessee***

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

***(ii) As a lessor***

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(v)(ii). When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(j)(i), then the Group classifies the sub-lease as an operating lease.

**(k) Credit losses and impairment of assets**

***(i) Credit losses from financial instruments***

The Group recognises a loss allowance for expected credit losses ("ECL"s) on financial assets measured at amortised cost (including cash and cash equivalents, trade and bills receivables and other receivables).

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the effective interest rate determined at initial recognition or an approximation thereof where the effect is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

*Significant increases in credit risk*

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or

– it is probable that the debtor will enter bankruptcy or other financial reorganisation.

*Write-off policy*

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

***(ii) Impairment of other non-current assets***

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(l) Inventories**

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(m) Contract liabilities**

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(v)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(n)).

**(n) Trade and other receivables**

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(k)(i)).

**(o) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(k)(i)).

**(p) Trade and other payables**

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

**(q) Redemption liabilities**

A contract that contains an obligation to purchase the Company's equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Company's obligations to purchase is conditional on the counterparty exercising a right to redeem. The redemption liability is initially measured at present value of the redemption amount from time to time. Any change in the carrying amount of the redemption liability arising from the remeasurement of the redemption amount is recognised in profit or loss as changes in the carrying amount of redemption liabilities. The then carrying amount of the redemption liability is reclassified to equity upon a termination of the counterparty's redemption right.

The redemption liability is classified as current as the Company does not have an unconditional right to defer payments beyond 12 months from the reporting date.

**(r) Interest-bearing borrowings**

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(w).

**(s) Employee benefits**

***(i) Short-term employee benefits and contributions to defined contribution retirement plans***

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

***(ii) Share-based payments***

The fair value of the share awards granted to the employees is measured at the grant date, which represents the difference between the subscription price paid by the employees and the fair value of the shares. Where the share awards are settled by the Company's shareholders, the share-based payment transaction is equity-settled from the perspective of the Group. Where there are no vesting conditions that the employees are required to meet, the fair value of the share awards is recognised as share-based payment expenses at the grant date, with a corresponding increase in a capital reserve within equity.

***(iii) Termination benefits***

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

**(t) Income tax**

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

– temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

**(u) Provisions and contingent liabilities**

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

**(v) Revenue and other income**

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of service in the ordinary course of the Group's business.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the product before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Further details of the Group's revenue and other income recognition policies are as follows:

***(i) Sale of goods***

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

The Group takes advantage of the practical expedient in paragraph 121 of IFRS 15 and does not disclose the remaining performance obligation as all of the Group's sales contracts have an original expected duration of less than one year.

***(ii) Rental income from operating leases***

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

***(iii) Dividends***

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

***(iv) Interest income***

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

***(v) Government grants***

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised as deferred income and consequently are effectively recognised in profit or loss over the useful life of the asset by way of being recognised in other income.

**(w) Borrowing costs**

Borrowing costs that are expensed in the period in which they are incurred.

**(x) Related parties**

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

**(y) Segment reporting**

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Notes 14 and 31 contain information about the assumptions and their risk factors relating to fair value of biological assets and the Group' financial assets and financial liabilities measured at fair value, respectively. Other significant sources of estimation uncertainty are as follows:

**(a) Impairment losses for non-current assets**

If circumstances indicate that the carrying amount of a non-current asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of non-current assets as described in Note 2(k)(ii). These assets are tested for impairment whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable.

When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future periods.

**(b) Share-based compensation agreement and its fair value measurement**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments. This also requires determining the most appropriate inputs to the valuation model including the estimated future sales growth rates and corresponding gross margin rates. Details of share-based payments are contained in Note 28 to the financial statements.

## 4 REVENUE AND SEGMENT REPORTING

**(a) Revenue**

The principal activities of the Group are (i) providing Qingyuan Chicken and other native chickens; (ii) providing pigs; and (iii) providing fresh and other products. Further details regarding the Group's principal activities are disclosed in Note 4(b).

Disaggregation of revenue by major products is as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Revenue from contracts with customers within the scope of IFRS 15** | | | |
| Qingyuan Chicken and other native chickens | 990,832 | 1,070,714 | 974,666 |
| Pigs | 2,214,119 | 3,203,010 | 2,660,771 |
| Fresh and other products | 391,054 | 502,089 | 625,996 |
| | 3,596,005 | 4,775,813 | 4,261,433 |

All of the revenue of the Group is generated from contracts with customers and is recognised at a point in time during the Track Record Period.

The Group's customer base is diversified. During the Track Record Period, there is no single customer with whom transactions have exceeded 10% of the Group's revenue in the respective periods.

**(b) Segment reporting**

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Qingyuan Chicken and other native chickens segment: sales of Qingyuan Chicken, other native chickens and chicks;
- Pigs segment: sales of pigs, including market hogs, breeding pigs and market piglets;
- Fresh and other products segment: sales of fresh and other products.

***(i) Segment results***

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the Group's senior executive management does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment results is gross profit. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

The Group's other operating income and expenses, such as changes in fair value of biological assets, gain arising from biological assets at fair value less costs to sell at the point of harvest, other net (loss)/income, selling expenses, administrative expenses, impairment loss on financial assets, finance cost and changes in the carrying amount of redemption liabilities and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance during the Track Record Period is set out below.

| | Year ended 31 December 2023 | | | |
|---|---|---|---|---|
| | Qingyuan Chicken and other native chickens segment | Pigs segment | Fresh and other products segment | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Revenue from external customers | 990,832 | 2,214,119 | 391,054 | 3,596,005 |
| Inter-segment revenue | 197,087 | 1,482 | 835 | 199,404 |
| Reportable segment revenue | 1,187,919 | 2,215,601 | 391,889 | 3,795,409 |
| Reportable segment gross profit | 14,821 | 8,753 | 42,047 | 65,621 |

| | Year ended 31 December 2024 | | | |
|---|---|---|---|---|
| | Qingyuan Chicken and other native chickens segment | Pigs segment | Fresh and other products segment | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Revenue from external customers | 1,070,714 | 3,203,010 | 502,089 | 4,775,813 |
| Inter-segment revenue | 250,018 | 2,115 | 1,421 | 253,554 |
| Reportable segment revenue | 1,320,732 | 3,205,125 | 503,510 | 5,029,367 |
| Reportable segment gross profit | 200,524 | 660,346 | 59,980 | 920,850 |

| | Year ended 31 December 2025 | | | |
|---|---|---|---|---|
| | Qingyuan Chicken and other native chickens segment | Pigs segment | Fresh and other products segment | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Revenue from external customers | 974,666 | 2,660,771 | 625,996 | 4,261,433 |
| Inter-segment revenue | 322,158 | – | 2,656 | 324,814 |
| Reportable segment revenue | 1,296,824 | 2,660,771 | 628,652 | 4,586,247 |
| Reportable segment gross profit | 78,668 | 306,399 | 93,194 | 478,261 |

*(ii) Reconciliations of reportable (loss)/profit before taxation*

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Revenue** | | | |
| Reportable segment revenue | 3,795,409 | 5,029,367 | 4,586,247 |
| Elimination of inter-segment revenue | (199,404) | (253,554) | (324,814) |
| Consolidated revenue *(Note 4(a))* | 3,596,005 | 4,775,813 | 4,261,433 |
| **Profit** | | | |
| Reportable segment gross profit | 65,621 | 920,850 | 478,261 |
| Elimination of inter-segment gross profit before taxation | (7,126) | (25,285) | (21,653) |
| Reportable segment gross profit derived from group's external customers | 58,495 | 895,565 | 456,608 |
| Changes in fair value of biological assets | (285,290) | 300,129 | (216,479) |
| Gain arising from biological assets at fair value less costs to sell at the point of harvest | 6,917 | 25,252 | 22,228 |
| Other net (loss)/income | (68,827) | 35,169 | 32,492 |
| Selling expenses | (74,138) | (84,196) | (112,654) |
| Administrative expenses | (200,946) | (203,914) | (202,924) |
| Impairment loss on financial assets (recognised)/reversed, net | (10,932) | 6,647 | (12,638) |
| Finance cost | (94,080) | (84,548) | (63,337) |
| Changes in the carrying amount of redemption liabilities | – | – | (4,644) |
| Consolidated (loss)/profit before taxation | (668,801) | 890,104 | (101,348) |

*(iii) Geographic information*

The Group's revenue is substantially generated from the sales of products in the PRC (including Hong Kong and Macau). The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided.

## 5 OTHER NET (LOSS)/INCOME

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Rental income | 3,994 | 3,980 | 3,655 |
| Government grants | 17,783 | 18,381 | 13,369 |
| Interest income | 4,372 | 4,268 | 5,550 |
| Changes in fair value of financial instruments at FVPL | – | 20,373 | 19,317 |
| Loss on disposal of property, plant and equipment, intangible assets and right-of-use assets | (1,740) | (75) | (1,341) |
| Net (loss)/gain on disposal of biological assets, net of insurance compensation recovered during the year | (5,274) | 15,055 | 15,906 |
| Impairment loss on property, plant, and equipment | (74,495) | (17,122) | (9,416) |
| Gain on disposal of subsidiaries *(Note 30(b))* | – | 461 | – |
| Others | (13,467) | (10,152) | (14,548) |
| | (68,827) | 35,169 | 32,492 |

## 6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

**(a) Finance cost**

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Interest on interest-bearing borrowings | 81,876 | 69,589 | 50,494 |
| Interest on lease liabilities | 12,204 | 14,959 | 12,843 |
| | 94,080 | 84,548 | 63,337 |

**(b) Staff costs**

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Salaries, wages and other benefits | 272,933 | 297,520 | 328,161 |
| Contributions to defined contribution retirement plan | 18,619 | 19,829 | 26,537 |
| Equity-settled share-based payment expenses *(Note 28)* | – | 16,548 | – |
| | 291,552 | 333,897 | 354,698 |

Employees of the Company and its subsidiaries in the Chinese Mainland are required to participate in a defined contribution retirement scheme administered and operated by the local municipal governments. The Group contributes funds which are calculated on certain percentages of the average employee salary as agreed by the respective local municipal governments to the scheme as retirement benefits of the employees. Contributions to the scheme vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution. The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

**(c) Other items**

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Cost of sale of biological assets | 3,188,502 | 3,438,058 | 3,272,070 |
| Cost of inventories | 349,008 | 442,190 | 532,755 |
| [**REDACTED**] expenses | – | – | [REDACTED] |
| Auditors' remuneration | 2,200 | 800 | 800 |
| Depreciation charge | | | |
| – owned property, plant and equipment *(Note 11)* | 169,170 | 178,012 | 177,184 |
| – investment property *(Note 12)* | 2,835 | 3,059 | 3,142 |
| – right-of-use assets *(Note 13)* | 40,606 | 48,900 | 51,453 |
| Amortisation cost of intangible assets | 2,267 | 2,531 | 2,023 |

Cost of sale of biological assets and inventories includes RMB391,354,000, RMB417,624,000 and RMB432,400,000 relating to staff costs, depreciation and amortisation expenses for the years ended 31 December 2023, 2024 and 2025, respectively, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

## 7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

**(a)** Taxation in the consolidated statements of comprehensive income represents:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Current tax** | | | |
| Provision for the year | – | – | 837 |

**(b)** Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| (Loss)/profit before taxation | (668,801) | 890,104 | (101,348) |
| Notional tax on (loss)/profit before taxation at PRC statutory tax rate *(Note (i))* | (167,200) | 222,526 | (25,337) |
| Effect of different tax rates | 1,266 | 517 | 875 |
| Tax effect of non-deductible expenses | 2,036 | 5,437 | 3,071 |

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Tax effect of unused losses and temporary differences not recognised | 4,338 | 4,411 | 1,316 |
| Effect of losses incurred for agricultural business *(Note (ii))* | 164,444 | 11,819 | 66,184 |
| Tax effect of unused tax losses and temporary differences not recognised in previous years but utilised in current year | (184) | (1,031) | (3,980) |
| Tax concessions *(Note (ii))* | (4,700) | (243,679) | (41,292) |
| Actual tax expense | – | – | 837 |

*Notes:*

(i) The entities of the Group established in the Chinese Mainland are subject to the PRC Enterprise Income tax rate of 25% during the Track Record Period.

(ii) Pursuant to the article 27 of Law of the People's Republic of China on Enterprise Income Tax (No. 63 Order of the President of the People's Republic of China), the Company and certain subsidiaries are entitled to full income tax exemptions on their animal husbandry business. Effect of tax losses incurred for agricultural business is the tax losses for those subsidiaries which are entitled to full income tax exemptions.

## 8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of the emoluments of the directors and supervisors of the Company during the Track Record Period are as followings:

| | Year ended 31 December 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Directors' and supervisors' fees | Salaries, allowances and benefits in kind | Discretionary bonuses | Retirement scheme contributions | Subtotal | Share-based payments | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Executive directors** | | | | | | | |
| Mr. Xiao Wenqing (formerly known as Mr. Yin Ping'an) | – | 1,288 | – | 43 | 1,331 | – | 1,331 |
| Dr. Zhang Zhengfen | – | 1,226 | – | 43 | 1,269 | – | 1,269 |
| Mr. Deng Xuqing | – | 733 | – | 43 | 776 | – | 776 |
| Mr. Zhang Dali | – | 685 | – | 43 | 728 | – | 728 |
| **Non-executive directors** | | | | | | | |
| Mr. Zhang Yuanhua | – | – | – | – | – | – | – |
| Ms. Zhu Rong | – | – | – | – | – | – | – |
| **Independent directors** | | | | | | | |
| Mr. Luo Xugang | 100 | – | – | – | 100 | – | 100 |
| Mr. Gong Kaisong | 100 | – | – | – | 100 | – | 100 |
| Ms. Gao Wen | 100 | – | – | – | 100 | – | 100 |
| **Supervisors** | | | | | | | |
| Mr. Wei Zhuangli | – | 594 | – | 20 | 614 | – | 614 |
| Ms. Zhu Xiaodong (resigned on 9 March 2023) | – | – | – | – | – | – | – |
| Ms. Gao Mingchao (appointed on 9 March 2023) | – | 349 | – | 20 | 369 | – | 369 |
| Ms. Chen Yanping | – | 306 | – | 10 | 316 | – | 316 |
| | 300 | 5,181 | – | 222 | 5,703 | – | 5,703 |

| | Year ended 31 December 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Directors' and supervisors' fees | Salaries, allowances and benefits in kind | Discretionary bonuses | Retirement scheme contributions | Subtotal | Share-based payments | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Executive directors** | | | | | | | |
| Mr. Xiao Wenqing | – | 1,276 | 2,492 | 47 | 3,815 | – | 3,815 |
| Dr. Zhang Zhengfen | – | 1,537 | 1,428 | 47 | 3,012 | 51 | 3,063 |
| Mr. Deng Xuqing | – | 742 | 358 | 47 | 1,147 | 381 | 1,528 |
| Mr. Zhang Dali | – | 719 | 293 | 47 | 1,059 | – | 1,059 |
| **Non-executive directors** | | | | | | | |
| Mr. Zhang Yuanhua | – | – | – | – | – | – | – |
| Ms. Zhu Rong | – | – | – | – | – | – | – |
| **Independent directors** | | | | | | | |
| Mr. Luo Xugang | 100 | – | – | – | 100 | – | 100 |
| Mr. Gong Kaisong | 100 | – | – | – | 100 | – | 100 |
| Ms. Gao Wen | 100 | – | – | – | 100 | – | 100 |
| **Supervisors** | | | | | | | |
| Mr. Wei Zhuangli | – | 562 | 248 | 21 | 831 | 76 | 907 |
| Ms. Gao Mingchao | – | 389 | 216 | 21 | 626 | – | 626 |
| Ms. Chen Yanping | – | 356 | 180 | 11 | 547 | 25 | 572 |
| | 300 | 5,581 | 5,215 | 241 | 11,337 | 533 | 11,870 |

| | Year ended 31 December 2025 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Directors' and supervisors' fees | Salaries, allowances and benefits in kind | Discretionary bonuses | Retirement scheme contributions | Subtotal | Share-based payments | Total |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Executive directors** | | | | | | | |
| Mr. Xiao Wenqing | – | 1,286 | 183 | 51 | 1,520 | – | 1,520 |
| Dr. Zhang Zhengfen | – | 1,437 | 1,101 | 51 | 2,589 | – | 2,589 |
| Mr. Deng Xuqing | – | 751 | 124 | 51 | 926 | – | 926 |
| Mr. Zhang Dali | – | 670 | 161 | 51 | 882 | – | 882 |
| Mr. Zhang Pengfei (appointed on 14 June 2025) | – | 553 | 890 | – | 1,443 | – | 1,443 |
| **Non-executive directors** | | | | | | | |
| Mr. Zhang Yuanhua | – | – | – | – | – | – | – |
| Ms. Zhu Rong (resigned on 14 June 2025) | – | – | – | – | – | – | – |
| **Independent directors** | | | | | | | |
| Mr. Luo Xugang | 100 | – | – | – | 100 | – | 100 |
| Mr. Gong Kaisong | 100 | – | – | – | 100 | – | 100 |
| Ms. Gao Wen | 100 | – | – | – | 100 | – | 100 |
| **Supervisors** | | | | | | | |
| Mr. Wei Zhuangli | – | 533 | 94 | 23 | 650 | – | 650 |
| Ms. Gao Mingchao | – | 380 | 69 | 23 | 472 | – | 472 |
| Ms. Chen Yanping | – | 350 | 22 | 12 | 384 | – | 384 |
| | 300 | 5,960 | 2,644 | 262 | 9,166 | – | 9,166 |

*Note:* No amounts were paid or payable by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group during the Track Record Period.

## 9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the Track Record Period, of the five individuals with the highest emoluments, four, three and four are directors of the Company for the years ended 31 December 2023, 2024 and 2025, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals are as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Salaries and other emoluments | 687 | 1,101 | 807 |
| Discretionary bonuses | – | 1,265 | 203 |
| Retirement scheme contributions | 43 | 41 | 51 |
| Share-based payments | – | 221 | – |
| | 730 | 2,628 | 1,061 |

The emoluments of the individual who is not a director of the Company and who is amongst the five highest paid individuals of the Group during the Track Record Period are within the following bands:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| HKDNil-HKD1,000,000 | 1 | – | – |
| HKD1,000,001-HKD1,500,000 | – | 2 | 1 |

During the Track Record Period, no emoluments were paid by the Group to the individual as an inducement to join or upon joining the Group or as compensation for loss of office.

## 10 (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to ordinary equity shareholders of the Company and the weighted average number of shares in issue during the Track Record Period, calculated as follows:

(i) (Loss)/profit attributable to ordinary equity shareholders of the Company

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| (Loss)/profit for the year attributable to equity shareholders of the Company | (654,502) | 822,665 | (102,845) |
| Allocation of (loss)/profit for the year attributable to: | | | |
| – Ordinary shares with redemption rights *(Note 27)* | – | – | 1,156 |
| – Ordinary shares subject to forward contract *(Note 23)* | – | (3,327) | (2,008) |
| (Loss)/profit for the year attributable to ordinary equity shareholder of the Company | (654,502) | 819,338 | (103,697) |

(ii) Weighted average number of ordinary shares

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *Number of shares '000* | *Number of shares '000* | *Number of shares '000* |
| Ordinary shares at 1 January | 418,000 | 418,000 | 418,000 |
| Effect of issuance of shares *(Note 29(c))* | – | – | 4,344 |
| Effect of ordinary shares with redemption rights *(Note 27)* | – | – | (4,344) |
| Effect of ordinary shares subject to forward contract *(Note 23)* | – | (1,655) | (3,217) |

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *Number of shares '000* | *Number of shares '000* | *Number of shares '000* |
| Effect of treasury shares and cancellation of shares *(Note 29(c))* | – | (8,809) | (35,971) |
| Weighted average number of ordinary shares at 31 December | 418,000 | 407,536 | 378,812 |

**(b) Diluted (loss)/earnings per share**

The ordinary shares subject to forward contract (Note 23) and the ordinary shares with redemption rights (Note 27) were not included in the calculation of diluted (loss)/earnings per share as their inclusion would have been antidilutive. Accordingly, the diluted (loss)/earnings per share for each year during the Track Record Period were the same as basic (loss)/earnings per share of the respective year.

## 11 PROPERTY, PLANT AND EQUIPMENT

**The Group**

| | Plant and buildings | Machinery and equipment | Vehicles, furniture and others | Sub-total | Construction in progress | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Cost:** | | | | | | |
| At 1 January 2023 | 1,224,386 | 658,169 | 215,561 | 2,098,116 | 212,334 | 2,310,450 |
| Additions | 8,814 | 29,929 | 21,610 | 60,353 | 156,027 | 216,380 |
| Transfer to investment property | – | – | – | – | (600) | (600) |
| Disposals | (1,027) | (3,496) | (9,124) | (13,647) | – | (13,647) |
| Transfer in/(out) | 143,976 | 88,899 | 4,990 | 237,865 | (237,865) | – |
| At 31 December 2023 and 1 January 2024 | 1,376,149 | 773,501 | 233,037 | 2,382,687 | 129,896 | 2,512,583 |
| Additions | 2,983 | 1,339 | 20,898 | 25,220 | 89,810 | 115,030 |
| Disposals | (2,056) | (3,482) | (1,747) | (7,285) | (3,428) | (10,713) |
| Transfer in/(out) | 64,694 | 31,459 | 4,044 | 100,197 | (100,197) | – |
| At 31 December 2024 and 1 January 2025 | 1,441,770 | 802,817 | 256,232 | 2,500,819 | 116,081 | 2,616,900 |
| Additions | 5,426 | 8,085 | 18,784 | 32,295 | 131,867 | 164,162 |
| Transfer to investment property | (18,090) | – | – | (18,090) | – | (18,090) |
| Transfer from investment property | 34,524 | – | – | 34,524 | – | 34,524 |
| Disposals | (12,469) | (3,472) | (6,374) | (22,315) | (4,086) | (26,401) |
| Transfer in/(out) | 47,694 | 23,687 | 10,774 | 82,155 | (82,155) | – |
| At 31 December 2025 | 1,498,855 | 831,117 | 279,416 | 2,609,388 | 161,707 | 2,771,095 |
| **Accumulated depreciation:** | | | | | | |
| At 1 January 2023 | (195,839) | (169,499) | (109,019) | (474,357) | – | (474,357) |
| Charge for the year | (70,575) | (62,347) | (36,248) | (169,170) | – | (169,170) |
| Written back on disposals | 28 | 125 | 1,519 | 1,672 | – | 1,672 |
| At 31 December 2023 and 1 January 2024 | (266,386) | (231,721) | (143,748) | (641,855) | – | (641,855) |
| Charge for the year | (77,821) | (68,091) | (32,100) | (178,012) | – | (178,012) |
| Written back on disposals | 905 | 1,062 | 924 | 2,891 | – | 2,891 |
| At 31 December 2024 and 1 January 2025 | (343,302) | (298,750) | (174,924) | (816,976) | – | (816,976) |
| Charge for the year | (79,593) | (68,295) | (29,296) | (177,184) | – | (177,184) |
| Transfer from investment property | (10,347) | – | – | (10,347) | – | (10,347) |
| Transfer to investment property | 2,316 | – | – | 2,316 | – | 2,316 |
| Written back on disposals | 4,552 | 1,370 | 4,339 | 10,261 | – | 10,261 |
| At 31 December 2025 | (426,374) | (365,675) | (199,881) | (991,930) | – | (991,930) |
| **Impairment losses:** | | | | | | |
| At 1 January 2023 | (42,097) | (19,088) | – | (61,185) | – | (61,185) |
| Provided for the year | (57,784) | (16,711) | – | (74,495) | – | (74,495) |
| At 31 December 2023 and 1 January 2024 | (99,881) | (35,799) | – | (135,680) | – | (135,680) |
| Provided for the year | (10,987) | (5,593) | (542) | (17,122) | – | (17,122) |
| At 31 December 2024 and 1 January 2025 | (110,868) | (41,392) | (542) | (152,802) | – | (152,802) |

| | Plant and buildings | Machinery and equipment | Vehicles, furniture and others | Sub-total | Construction in progress | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Provided for the year | (7,221) | (1,114) | (1,081) | (9,416) | – | (9,416) |
| Transfer to investment property | 14,459 | – | – | 14,459 | – | 14,459 |
| At 31 December 2025 | (103,630) | (42,506) | (1,623) | (147,759) | – | (147,759) |
| **Carrying amount:** | | | | | | |
| At 31 December 2023 | 1,009,882 | 505,981 | 89,289 | 1,605,152 | 129,896 | 1,735,048 |
| At 31 December 2024 | 987,600 | 462,675 | 80,766 | 1,531,041 | 116,081 | 1,647,122 |
| At 31 December 2025 | 968,851 | 422,936 | 77,912 | 1,469,699 | 161,707 | 1,631,406 |

*Notes:*

(i) The Group's property, plant and equipment are all located in the PRC.

(ii) The Group has yet to obtain the ownership certificates for properties with aggregate carrying amounts of RMB18,492,000, RMB17,813,000, and RMB517,000 as at 31 December 2023, 2024 and 2025, respectively. The Controlling Shareholders have undertaken to procure the obtaining of the title documents for the above-mentioned properties. If title documents could not be obtained, the Controlling Shareholders agreed to indemnify the Group for all the losses and damages arising therefrom.

(iii) The Group's property, plant and equipment with aggregate net carrying amounts of RMB523,928,000, RMB553,849,000 and RMB144,700,000 as at 31 December 2023, 2024 and 2025 were pledged to secure certain interest-bearing borrowings of the Group, respectively.

(iv) As at 31 December 2023, 2024 and 2025, in view of the loss sustained by certain subsidiaries of the Group, the directors of the Company considered that indicators of potential impairment of property, plant and equipment existed. The Group engaged an independent qualified professional valuer to conduct impairment assessment on those CGUs with impairment indicators. After assessment, the recoverable amounts of one CGU were RMB44,237,000, RMB30,400,000 and RMB32,721,000 as at 31 December 2023, 2024 and 2025, respectively, which was lower than the carrying amount of the CGU. An impairment loss of RMB74,495,000, RMB17,122,000 and RMB3,132,000 was recognised for the years ended 31 December 2023, 2024 and 2025 in "other net (loss)/income", respectively. The estimates of recoverable amount were based on value in use using discounted cash flow method. The key assumptions for discounted cash flow method include revenue growth rates and discount rate. The Group estimates the growth rate of revenue based on historical experience and market development. The discount rates reflect specific risks related to this CGU. Key assumptions used in the discounted cash flows are as follows:

| | 2023 | 2024 | 2025 |
|---|---|---|---|
| Compound annual growth rate of revenue during the five-year forecast periods | -2.02% | 33.24% | 0% |
| Growth rate beyond the five-year forecast period | 2% | 2% | 2% |
| Discount rate | 15.41% | 14.15% | 14.20% |

*Note:* In 2024, due to changes in business operations of this impaired CGU, management updated the profit forecast based on the changed business operations plan and made full impairment provision of fixed assets which are no longer in use.

(v) During the year ended 31 December 2025, the Group shut down the business of a subsidiary due to the deteriorating economic indicators. According to the business plan, the management performed impairment test on related assets of this subsidiary based on their fair value less costs of disposal and estimated the fair value less costs of disposal of the assets to be sold as scrap which was based on the recent transaction prices for similar assets adjusted for nature, location and conditions. An impairment loss of RMB6,284,000 was recognised for the year ended 31 December 2025 in "other net (loss)/income".

**The Company**

| | Plant and buildings | Machinery and equipment | Vehicles, furniture and others | Sub-total | Construction in progress | Total |
|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Cost:** | | | | | | |
| At 1 January 2023 | 115,361 | 87,279 | 45,497 | 248,137 | 1,842 | 249,979 |
| Additions | 32 | 8,261 | 2,903 | 11,196 | 101,778 | 112,974 |
| Disposals | (605) | (1,000) | (4,613) | (6,218) | – | (6,218) |
| Transfer in/(out) | 29,860 | 16,727 | 2,780 | 49,367 | (49,367) | – |
| At 31 December 2023 and 1 January 2024 | 144,648 | 111,267 | 46,567 | 302,482 | 54,253 | 356,735 |
| Additions | 164 | 1,220 | 10,247 | 11,631 | 37,025 | 48,656 |
| Disposals | – | (1,222) | (1,545) | (2,767) | – | (2,767) |
| Transfer in/(out) | 47,880 | 29,875 | 1,709 | 79,464 | (79,464) | – |
| At 31 December 2024 and 1 January 2025 | 192,692 | 141,140 | 56,978 | 390,810 | 11,814 | 402,624 |
| Additions | 494 | 2,873 | 3,662 | 7,029 | 15,356 | 22,385 |
| Disposals | (25,438) | (3,613) | (7,501) | (36,552) | (4,086) | (40,638) |
| Transfer in/(out) | 10,172 | 727 | 8,169 | 19,068 | (19,068) | – |
| At 31 December 2025 | 177,920 | 141,127 | 61,308 | 380,355 | 4,016 | 384,371 |
| **Accumulated depreciation:** | | | | | | |
| At 1 January 2023 | (25,090) | (25,343) | (22,257) | (72,690) | – | (72,690) |
| Charge for the year | (8,888) | (8,561) | (7,542) | (24,991) | – | (24,991) |
| Written back on disposals | – | 111 | 62 | 173 | – | 173 |
| At 31 December 2023 and 1 January 2024 | (33,978) | (33,793) | (29,737) | (97,508) | – | (97,508) |
| Charge for the year | (10,535) | (11,932) | (7,423) | (29,890) | – | (29,890) |
| Written back on disposals | – | 194 | 1,235 | 1,429 | – | 1,429 |
| At 31 December 2024 and 1 January 2025 | (44,513) | (45,531) | (35,925) | (125,969) | – | (125,969) |
| Charge for the year | (10,834) | (13,498) | (7,759) | (32,091) | – | (32,091) |
| Written back on disposals | 13,668 | 829 | 3,914 | 18,411 | – | 18,411 |
| At 31 December 2025 | (41,679) | (58,200) | (39,770) | (139,649) | – | (139,649) |
| **Carrying amount:** | | | | | | |
| At 31 December 2023 | 110,670 | 77,474 | 16,830 | 204,974 | 54,253 | 259,227 |
| At 31 December 2024 | 148,179 | 95,609 | 21,053 | 264,841 | 11,814 | 276,655 |
| At 31 December 2025 | 136,241 | 82,927 | 21,538 | 240,706 | 4,016 | 244,722 |

## 12 INVESTMENT PROPERTY

**The Group**

| | Land use rights | Plant and buildings | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Cost:** | | | |
| At 1 January 2023 | 4,379 | 30,060 | 34,439 |
| Additions | – | 3,500 | 3,500 |
| Transfer from property, plant and equipment | – | 600 | 600 |
| At 31 December 2023 and 1 January 2024 | 4,379 | 34,160 | 38,539 |
| Additions | – | 174 | 174 |
| At 31 December 2024 and 1 January 2025 | 4,379 | 34,334 | 38,713 |
| Transfer from property, plant and equipment | – | 18,090 | 18,090 |
| Transfer from right-of-use assets | 2,152 | – | 2,152 |
| Transfer to right-of-use assets and property, plant and equipment | (4,379) | (34,524) | (38,903) |
| At 31 December 2025 | 2,152 | 17,900 | 20,052 |
| **Accumulated depreciation:** | | | |
| At 1 January 2023 | (60) | (1,656) | (1,716) |
| Charge for the year | (115) | (2,720) | (2,835) |

| | Land use rights | Plant and buildings | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 31 December 2023 and 1 January 2024 | (175) | (4,376) | (4,551) |
| Charge for the year | (115) | (2,944) | (3,059) |
| At 31 December 2024 and 1 January 2025 | (290) | (7,320) | (7,610) |
| Charge for the year | (115) | (3,027) | (3,142) |
| Transfer from property, plant and equipment | – | (2,316) | (2,316) |
| Transfer from right-of-use assets | (717) | – | (717) |
| Transfer to right-of-use assets and property, plant and equipment | 405 | 10,347 | 10,752 |
| At 31 December 2025 | (717) | (2,316) | (3,033) |
| **Impairment losses:** | | | |
| At 1 January 2023 and 31 December 2023, 2024 and 1 January 2025 | – | – | – |
| Transfer from property, plant and equipment | – | (14,459) | (14,459) |
| At 31 December 2025 | – | (14,459) | (14,459) |
| **Carrying amount:** | | | |
| At 31 December 2023 | 4,204 | 29,784 | 33,988 |
| At 31 December 2024 | 4,089 | 27,014 | 31,103 |
| At 31 December 2025 | 1,435 | 1,125 | 2,560 |

The fair value of the investment property are valued to be RMB34,200,000, RMB31,400,000 and RMB3,200,000 as at 31 December 2023, 2024 and 2025, respectively, using discounted cash flow techniques based on contracted and expected cash flows arising from the investment property, which was classified as Level 3 of fair value hierarchy.

The valuation takes into account the actual rent income in the existing tenancy agreements and the market rent with reference to similar properties located in the same business circle and/or nearby within reasonable walking distance for the reversionary rental income after the expiry of the existing lease for occupied area and the rental income of vacant area.

During the year ended 31 December 2025, certain investment properties of the Group ceased to be leased out to third parties upon expiry of the respective lease terms and were subsequently reclassified from investment properties to right-of-use assets and property, plant and equipment as they became owner-occupied. The carrying amount of these assets reclassified was RMB28,151,000.

## 13 RIGHT-OF-USE ASSETS

### (a) Reconciliation of carrying amount

**The Group**

| | Leasehold land | Pig and chicken farms and office buildings | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Cost:** | | | |
| At 1 January 2023 | 382,605 | 111,264 | 493,869 |
| Additions | 76,483 | 49,986 | 126,469 |
| Disposals | (3,510) | (5,338) | (8,848) |
| At 31 December 2023 and 1 January 2024 | 455,578 | 155,912 | 611,490 |
| Additions | 2,174 | 8,863 | 11,037 |
| Disposals | (2,926) | (7,190) | (10,116) |
| At 31 December 2024 and 1 January 2025 | 454,826 | 157,585 | 612,411 |
| Additions | 6,291 | 9,970 | 16,261 |
| Disposals | (15,066) | (14,104) | (29,170) |
| Transfer from investment property | 4,379 | – | 4,379 |
| Transfer to investment property | (2,152) | – | (2,152) |
| At 31 December 2025 | 448,278 | 153,451 | 601,729 |

| | Leasehold land | Pig and chicken farms and office buildings | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Accumulated depreciation:** | | | |
| At 1 January 2023 | (51,946) | (22,480) | (74,426) |
| Charge for the year | (20,425) | (20,181) | (40,606) |
| Written back on disposals | 302 | 5,338 | 5,640 |
| At 31 December 2023 and 1 January 2024 | (72,069) | (37,323) | (109,392) |
| Charge for the year | (26,067) | (22,833) | (48,900) |
| Written back on disposals | 2,926 | 7,190 | 10,116 |
| At 31 December 2024 and 1 January 2025 | (95,210) | (52,966) | (148,176) |
| Charge for the year | (26,963) | (24,490) | (51,453) |
| Written back on disposals | 2,834 | 9,720 | 12,554 |
| Transfer from investment property | (405) | – | (405) |
| Transfer to investment property | 717 | – | 717 |
| At 31 December 2025 | (119,027) | (67,736) | (186,763) |
| **Carrying amount:** | | | |
| At 31 December 2023 | 383,509 | 118,589 | 502,098 |
| At 31 December 2024 | 359,616 | 104,619 | 464,235 |
| At 31 December 2025 | 329,251 | 85,715 | 414,966 |

*Notes:*

*(i)* ***Ownership interests in leasehold land held for own use***

The Group holds several land use rights, where its farms are primarily located. The Group is the registered owner of these land use rights. Lump sum payments were made upfront to acquire these land use rights from government authorities, and there are no ongoing payments to be made under the terms of the land use rights.

The carrying amounts of land use rights which were owned by the Group were RMB43,985,000, RMB43,979,000 and RMB43,519,000 as at 31 December 2023, 2024 and 2025, respectively.

The Group has yet to obtain the ownership certificates for certain land use rights with aggregate carrying amounts of RMB1,404,000, RMB1,374,000 and RMBnil as at 31 December 2023, 2024 and 2025, respectively.

Certain land use rights with aggregate net carrying amounts of RMB10,100,000, RMBnil and RMB9,871,000 as at 31 December 2023, 2024 and 2025 were pledged to secure certain interest-bearing borrowings of the Group, respectively.

*(ii)* ***Other properties leased for own use***

The Group has obtained the right to use leasehold lands, pig and chicken farms and office buildings through tenancy agreements. The leases typically run for an initial period of 2 to 50 years. None of the leases includes variable lease payments.

**The Company**

| | Leasehold land | Pig and chicken farms and office buildings | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Cost:** | | | |
| At 1 January 2023 | 46,860 | 34,317 | 81,177 |
| Additions | – | 2,230 | 2,230 |
| Disposals | – | (106) | (106) |
| At 31 December 2023 and 1 January 2024 | 46,860 | 36,441 | 83,301 |
| Additions | 292 | 258 | 550 |
| Disposals | (175) | (44) | (219) |
| At 31 December 2024 and 1 January 2025 | 46,977 | 36,655 | 83,632 |
| Additions | 196 | 875 | 1,071 |
| Disposals | (750) | (3,079) | (3,829) |

| | Leasehold land | Pig and chicken farms and office buildings | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At 31 December 2025 | 46,423 | 34,451 | 80,874 |
| **Accumulated depreciation:** | | | |
| At 1 January 2023 | (5,271) | (6,322) | (11,593) |
| Charge for the year | (2,131) | (2,927) | (5,058) |
| Written back on disposals | – | 106 | 106 |
| At 31 December 2023 and 1 January 2024 | (7,402) | (9,143) | (16,545) |
| Charge for the year | (2,113) | (2,903) | (5,016) |
| Written back on disposals | 175 | 44 | 219 |
| At 31 December 2024 and 1 January 2025 | (9,340) | (12,002) | (21,342) |
| Charge for the year | (2,218) | (3,027) | (5,245) |
| Written back on disposals | 129 | 948 | 1,077 |
| At 31 December 2025 | (11,429) | (14,081) | (25,510) |
| **Carrying amount:** | | | |
| At 31 December 2023 | 39,458 | 27,298 | 66,756 |
| At 31 December 2024 | 37,637 | 24,653 | 62,290 |
| At 31 December 2025 | 34,994 | 20,370 | 55,364 |

**(b)** The analysis of expense items relation to leases recognised in the Group's profit or loss are as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Depreciation charge of right-of-use assets | 40,606 | 48,900 | 51,453 |
| Interest on lease liabilities *(Note 6(a))* | 12,204 | 14,959 | 12,843 |
| Expense relating to short-term leases | 5,164 | 4,092 | 6,426 |

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Note 21(c) and Note 25, respectively.

## 14 BIOLOGICAL ASSETS

### The Group

| | Breeding stocks – Chicken breeders | Breeding stocks – Hog breeders | Commodity stocks – Broilers and fertile eggs | Commodity stocks – Hogs | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | 37,519 | 280,583 | 214,839 | 771,163 | 1,304,104 |
| Increase due to purchasing/ raising/transfer | 46,319 | 300,961 | 1,177,030 | 2,440,394 | 3,964,704 |
| Decrease due to sales/ disposals/transfer/harvest | (51,625) | (344,303) | (1,190,965) | (2,305,340) | (3,892,233) |
| Changes in fair value | (3,209) | 22,812 | (3,789) | (301,104) | (285,290) |
| At 31 December 2023 and 1 January 2024 | 29,004 | 260,053 | 197,115 | 605,113 | 1,091,285 |
| Increase due to purchasing/ raising/transfer | 53,537 | 152,196 | 1,136,862 | 2,618,891 | 3,961,486 |
| Decrease due to sales/ disposals/transfer/harvest | (42,962) | (298,029) | (1,146,786) | (2,596,601) | (4,084,378) |
| Changes in fair value | (2,972) | 115,917 | 19,820 | 167,364 | 300,129 |
| At 31 December 2024 and 1 January 2025 | 36,607 | 230,137 | 207,011 | 794,767 | 1,268,522 |
| Increase due to purchasing/ raising/transfer | 54,988 | 104,135 | 1,266,301 | 2,283,321 | 3,708,745 |
| Decrease due to sales/ disposals/transfer/harvest | (54,038) | (162,365) | (1,232,394) | (2,373,446) | (3,822,243) |
| Changes in fair value | 3,366 | 81,789 | 1,435 | (303,069) | (216,479) |

| | Breeding stocks – Chicken breeders | Breeding stocks – Hog breeders | Commodity stocks – Broilers and fertile eggs | Commodity stocks – Hogs | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 31 December 2025 | 40,923 | 253,696 | 242,353 | 401,573 | 938,545 |

**The Company**

| | Breeding stocks – Chicken breeders | Commodity stocks – Broilers and fertile eggs | Commodity stocks – Hogs | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| At 1 January 2023 | 21,109 | 81,103 | 167,271 | 269,483 |
| Increase due to purchasing/ raising/transfer | 24,251 | 458,995 | 324,171 | 807,417 |
| Decrease due to sales/disposals/ transfer/harvest | (22,963) | (469,552) | (372,130) | (864,645) |
| Changes in fair value | (1,056) | (432) | (31,456) | (32,944) |
| At 31 December 2023 and 1 January 2024 | 21,341 | 70,114 | 87,856 | 179,311 |
| Increase due to purchasing/ raising/transfer | 27,781 | 459,272 | 409,325 | 896,378 |
| Decrease due to sales/disposals/ transfer/harvest | (24,466) | (458,014) | (341,235) | (823,715) |
| Changes in fair value | (3,778) | 4,528 | 20,111 | 20,861 |
| At 31 December 2024 and 1 January 2025 | 20,878 | 75,900 | 176,057 | 272,835 |
| Increase due to purchasing/ raising/transfer | 30,250 | 487,876 | 298,460 | 816,586 |
| Decrease due to sales/disposals/ transfer/harvest | (28,353) | (483,839) | (410,954) | (923,146) |
| Changes in fair value | 388 | 1,139 | (31,145) | (29,618) |
| At 31 December 2025 | 23,163 | 81,076 | 32,418 | 136,657 |

*Notes:*

**(i)** Breeding stocks represent chickens and hogs required qualities that are selected as breeding stock held for own use, including immature and mature chicken breeders, boars, sows, gilts and studs. Mature chicken breeders, boars and sows held for the production of fertile eggs and piglets for sale and/or further raising to become chicken breeders/swine parent stock or chickens/market hogs. Mature chicken breeders are chickens which have mated, boars are male hogs for mating purpose and sows are female hogs which have farrowed. Immature chicken breeders, gilts and studs are chickens/pigs that are selected to be transferred into mature chicken breeders, boars and sows but have not been mated or farrowed. Since there was no active market for immature and mature chicken breeders, boars and sows at specific age the replacement cost approach has been adopted. Market prices for different species of immature and mature chicken breeders, boars and sows have been obtained as a basis for the replacement cost, and adjusted for the reduction/consumption of economic useful life by applying the respective metrics to estimate the fair value of breeding stock in different species. The fair value of the gilts and studs were derived by multiplying the market prices of the gilts and studs for different species by their corresponding quantities.

Breeding stocks may be transferred to commodity stocks when the chickens/pigs held for own use were expected to be sold as market chickens/hogs.

**(ii)** Commodity stocks include chickens (fertile eggs and broilers) and pigs (piglets and growers). Piglets are new born pigs between birth and weaning between zero to three weeks of age. Fertile eggs are the fertile eggs laid by chicken breeders which are incubated for around 21 days and hatched into chicken breeds, chicken breeds will be raised for around 125-180 days to broilers or chicken breeders. Growers are hogs of around 23-180 days.

Fertile eggs, broilers and growers were assumed to be sold live, slaughtered when they become mature. The fair value of fertile eggs, broilers and growers is derived by assuming the market prices of the fertile eggs, broilers and commodity stocks as the estimated price receivable upon sale or slaughtering, multiplying the unit price for different categories or species by the corresponding quantities, less the expected costs required to raise the chickens or hogs, adjusting with mortality rate and the respective profit margin.

The replacement cost approach was adopted for valuing piglets as they are only around three-week old and there is insignificant biological transformation that takes place since the initial cost incurrence.

Commodity stocks may be transferred to breeding stocks, when the chickens/pigs are selected as breeding stock held for own use after growers.

(iii) An analysis of the estimates of physical quantities of biological assets at the end of each reporting period is as follows:

**The Group**

| | | At 31 December | | |
|---|---|---|---|---|
| | | 2023 | 2024 | 2025 |
| | | *(Units)* | *(Units)* | *(Units)* |
| Breeding stocks – Chickens | | | | |
| – Mature breeders | (Birds) | 430,261 | 478,076 | 518,553 |
| – Immature breeders | (Birds) | 363,120 | 633,010 | 539,809 |
| Breeding stocks – Hogs | | | | |
| – Sows and boars | (Heads) | 68,854 | 65,497 | 63,281 |
| – Gilts and studs | (Heads) | 41,499 | 20,945 | 38,575 |
| Commodity stocks – Chickens | | | | |
| – Fertile eggs | (Pieces) | 5,431,266 | 6,888,512 | 7,187,957 |
| – Broilers | (Birds) | 11,586,413 | 13,598,140 | 15,145,536 |
| Commodity stocks – Hogs | | | | |
| – Piglets | (Heads) | 145,170 | 133,650 | 102,946 |
| – Growers | (Heads) | 628,206 | 659,558 | 525,634 |

**The Company**

| | | At 31 December | | |
|---|---|---|---|---|
| | | 2023 | 2024 | 2025 |
| | | *(Units)* | *(Units)* | *(Units)* |
| Breeding stocks – Chickens | | | | |
| – Mature breeders | (Birds) | 363,479 | 364,455 | 276,667 |
| – Immature breeders | (Birds) | 214,058 | 250,343 | 316,357 |
| Commodity stocks – Chickens | | | | |
| – Fertile eggs | (Pieces) | 5,286,464 | 6,688,742 | 7,075,668 |
| – Broilers | (Birds) | 4,216,320 | 4,994,108 | 4,873,601 |
| Commodity stocks – Hogs | | | | |
| – Growers | (Heads) | 115,132 | 154,317 | 24,165 |

**(iv)** Fair value measurement of biological assets

*Fair value hierarchy*

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The fair value measurements of biological assets fall into level 3 of the fair value hierarchy.

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period and in which they occur.

The valuations of the Group's biological assets as at 31 December 2023, 2024 and 2025 were carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"). The Group's finance manager and the chief financial officer have discussion with the valuers on the valuation assumptions and valuation results when the valuation is performed at the end of each reporting date.

*Information about Level 3 fair value measurements*

| | Significant unobservable inputs | 31 December 2023 | 31 December 2024 | 31 December 2025 |
|---|---|---|---|---|
| **Breeding stocks** | | | | |
| – Mature breeders | Replacement cost | RMB28.66 to RMB55.15 per bird | RMB23.84 to RMB52.37 per bird | RMB24.94 to RMB65.17 per bird |
| – Immature breeders | Replacement cost | RMB6.44 to RMB55.46 per bird | RMB2.04 to RMB52.43 per bird | RMB3.00 to RMB65.26 per bird |
| – Sows and boars | Replacement cost | RMB1,893 to RMB9,449 per head | RMB2,741 to RMB8,356 per head | RMB1,636 to RMB7,761 per head |
| – Gilts and studs | Market price | RMB1,411 to RMB3,928 per head | RMB1,506 to RMB3,485 per head | RMB1,596 to RMB7,771 per head |
| **Commodity stocks** | | | | |
| – Fertile eggs | Market price | RMB0.69 to RMB0.9 per piece | RMB0.65 to RMB0.91 per piece | RMB0.9 per piece |
| – Broilers | Market price | RMB13.9 to RMB35.56 per kilogram | RMB11.6 to RMB30.32 per kilogram | RMB12.8 to RMB35.5 per kilogram |
| – Piglets | Replacement cost | RMB132 to RMB191 per head | RMB109 to RMB179 per head | RMB114 to RMB176 per head |
| – Growers | Market price | RMB14 to RMB15 per kilogram | RMB16 to RMB17 per kilogram | RMB11 to RMB13 per kilogram |

A significant increase/decrease in the estimated market price and replacement cost in isolation would result in a significant increase/decrease in the fair value of the biological assets.

As at 31 December 2023, 2024 and 2025, if market price of fertile eggs and broilers, growers, gilts and studs and replacement cost of mature and immature chicken breeders, piglets, sows and boars held for own use increases by 10%, the estimated fair value of biological assets would have increased by RMB105,224,000, RMB120,605,000 and RMB103,094,000, respectively, and if market price and replacement cost decreases by 10%, the estimated fair value of biological assets would have decreased by RMB116,421,000, RMB123,713,000 and RMB118,394,000, respectively. Changes in fair value of biological assets are presented separately in the consolidated statements of comprehensive income.

**(v)** Certain of the Group's biological assets with an aggregate fair value of RMB131,091,000, RMB100,052,000 and RMB35,590,000 as at 31 December 2023, 2024 and 2025 were pledged to secure certain interest-bearing borrowings of the Group, respectively.

## 15 INTERESTS IN SUBSIDIARIES

**The Company**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Investments in subsidiaries, at cost | 1,685,576 | 1,689,567 | 1,989,509 |
| Less: impairment losses | (139,167) | (159,167) | (159,167) |
| | 1,546,409 | 1,530,400 | 1,830,342 |

Details of the Group's principal subsidiaries are set out in Note 1.

## 16 OTHER NON-CURRENT ASSETS

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Prepayments for property, plant and equipment | 8,435 | 13,649 | 132,556 |
| Long-term deposits *(Note 19)* | 20,948 | 19,975 | 3,000 |
| | 29,383 | 33,624 | 135,556 |

## 17 INVENTORIES

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Raw materials | 120,085 | 101,291 | 119,661 |
| Finished goods | 32,390 | 30,220 | 53,332 |
| Spare parts and consumables | 13,665 | 30,356 | 21,895 |
| | 166,140 | 161,867 | 194,888 |

The analysis of the amount of inventories recognised as an expense and included in profit or loss are as follows:

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Carrying amount of inventories consumed | 342,476 | 425,574 | 525,547 |
| Add: write-down of inventories, net | 6,532 | 16,616 | 7,208 |
| | 349,008 | 442,190 | 532,755 |

**The Company**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Raw materials | 36,010 | 42,746 | 25,413 |
| Finished goods | 6,783 | 6,231 | 7,915 |
| Spare parts and consumables | 2,015 | 2,650 | 3,304 |
| | 44,808 | 51,627 | 36,632 |

## 18 TRADE AND BILLS RECEIVABLES

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade receivables due from: | | | |
| – related parties | 761 | 1,578 | 430 |
| – third parties | 40,903 | 53,289 | 56,885 |
| Less: loss allowances | (2,169) | (3,018) | (925) |
| | 39,495 | 51,849 | 56,390 |
| Bills receivables | – | – | 495 |
| | 39,495 | 51,849 | 56,885 |

All of the trade and bills receivables are expected to be recovered within one year.

**Ageing analysis**

The ageing analysis of trade and bills receivables, based on the invoice date and net of loss allowance as at the end of each reporting period are as follows:

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 3 months | 34,462 | 50,802 | 56,141 |
| 3 to 6 months | 2,746 | 902 | 721 |
| 6 to 9 months | 2,284 | 99 | 23 |
| More than 9 months | 3 | 46 | – |
| | 39,495 | 51,849 | 56,885 |

*Notes:*

(i) Trade and bills receivables are typically due within 60-90 days upon the date of billing. Further details on the Group's credit policy and credit risk are set out in Note 31(a).

(ii) The Group's trade receivables of RMB13,899,000 as at 31 December 2023 were pledged to secure certain interest-bearing borrowings of the Group.

## 19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Amounts due from a related party | – | 3,000 | – |
| Amounts due from family farmers *(Note (i))* | 26,880 | 30,832 | 23,568 |
| Amounts due from government *(Note (ii))* | 22,236 | 5,229 | 5,079 |
| Deposits | 47,979 | 68,282 | 36,965 |
| Others | 29,123 | 20,708 | 32,924 |
| | 126,218 | 128,051 | 98,536 |
| Less: loss allowance | (24,997) | (17,501) | (29,232) |
| Financial assets measured at amortised cost | 101,221 | 110,550 | 69,304 |
| Prepayments for purchase of inventories | 9,118 | 10,201 | 30,081 |
| Prepayments for operating expenses | 8,015 | 11,717 | 7,455 |
| Prepayments for [**REDACTED**] expense *(Note (iii))* | – | – | [REDACTED] |
| Value added tax recoverable | 653 | 1,196 | 2,806 |
| Total prepayments, deposits and other receivables | 119,007 | 133,664 | 118,402 |
| Less: Long-term deposits-non-current portion *(Note 16)* | (20,948) | (19,975) | (3,000) |
| Total | 98,059 | 113,689 | 115,402 |

*Notes:*

(i) Amounts due from family farmers are loans with maturity periods within 1 year at fixed interest rates ranging from nil to 18% per annum. Among the amounts due from family farmers, as certain family farmers failed to repay such loans when due, the Company commenced legal proceedings against them. As at 31 December 2023, 2024 and 2025, the amounts of loans subject to litigation amounted to RMB4,870,000, RMB10,970,000 and RMB11,842,000, respectively. In assessing the expected credit losses on such loans, the Company took into account various factors, including the trend of pigs price, the credit profiles of the relevant family farmers, the availability of enforceable assets, their operating results and cooperation status with the Company. Based on the foregoing, the expected credit losses provided on the loans subject to litigation was RMB3,313,000, RMB8,210,000 and RMB11,113,000 as at 31 December 2023 and 2024 and 2025, respectively.

(ii) Amounts due from governments are interest-free loans and have no fixed terms of repayment.

(iii) The balance will be transferred to the capital reserve account within equity upon the [**REDACTED**] of the Company's H shares on the Stock Exchange.

All of the current prepayments and other receivables are expected to be recovered or recognised as expense within one year.

**The Company**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Amounts due from subsidiaries *(Note)* | 1,081,623 | 893,408 | 809,669 |
| Amounts due from a related party | – | 3,000 | – |
| Amounts due from family farmers | 10,198 | 13,749 | 12,399 |
| Deposits | 7,725 | 14,117 | 19,717 |
| Others | 2,501 | 2,565 | 3,399 |
| | 1,102,047 | 926,839 | 845,184 |
| Less: loss allowance | (811) | (1,787) | (9,958) |
| Financial assets measured at amortised cost | 1,101,236 | 925,052 | 835,226 |
| Prepayments for purchase of inventories | 1,707 | 1,751 | 18,869 |
| Prepayments for operating expenses | 1,265 | 230 | 3,754 |
| Prepayments for [**REDACTED**] expense | – | – | [REDACTED] |
| Total prepayments, deposits and other receivables | 1,104,208 | 927,033 | 866,605 |
| Less: Long-term deposits-non-current portion | (3,000) | – | – |
| Total | 1,101,208 | 927,033 | 866,605 |

*Note:* The amounts due from subsidiaries are non-interest bearing and have no fixed terms of repayment.

## 20 FINANCIAL ASSETS/(LIABILITIES) MEASURED AT FVPL

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Financial assets measured at FVPL** | | | |
| Structured deposits, trust products and other debt investments *(Note (i))* | 200 | 110,081 | – |
| Commodity futures contracts *(Note (ii))* | – | 22,200 | 482 |
| Total | 200 | 132,281 | 482 |

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Financial liabilities measured at FVPL** | | | |
| Commodity futures contracts *(Note (ii))* | – | (1,789) | (2,912) |

*Notes:*

(i) Structured deposits, trust products and other debt investments are purchased from banks and other financial institutions with variable return and mature within one year as of the end of each of the reporting period.

(ii) The Group has entered into hog, corn and soybean meal future contracts to manage the price risk in hog, corn and soybean meal. These futures contracts are measured at FVPL.

## 21 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

**(a)** Cash and cash equivalents comprise:

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Cash at bank and on hand | 273,630 | 370,463 | 573,090 |
| Time deposits with original maturity more than three months | – | – | 30,280 |
| | 273,630 | 370,463 | 603,370 |
| Less: Restricted bank deposits *(Note)* | (154,126) | (177,771) | (109,290) |
| Less: Time deposits with original maturity more than three months | – | – | (30,280) |
| Cash and cash equivalents | 119,504 | 192,692 | 463,800 |

*Note:* Restricted bank deposits mainly included the deposits pledged for obtaining bank loans and deposits pledged for bills payable and operation-related guarantees. The deposits pledged for obtaining bank loans was RMB113,111,000, RMB107,574,000 and RMB63,078,000 as at 31 December 2023, 2024 and 2025, respectively.

**The Company**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Cash at bank and on hand | 119,589 | 229,054 | 394,456 |
| Less: restricted bank deposits | (51,253) | (110,845) | (42,944) |
| Cash and cash equivalents | 68,336 | 118,209 | 351,512 |

**(b) Reconciliation of liabilities arising from financing activities**

The tables below detail changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statements as cash flows from financing activities.

| | Interest-bearing borrowings | Accruals and other payables | Lease liabilities | Total |
|---|---|---|---|---|
| | *RMB'000* *(Note 24)* | *RMB'000* *(Note 23)* | *RMB'000* *(Note 25)* | *RMB'000* |
| **At 1 January 2023** | 1,422,051 | 57,329 | 267,819 | 1,747,199 |
| **Changes from financing cash flows:** | | | | |
| Proceeds from new interest-bearing borrowings | 1,506,141 | – | – | 1,506,141 |
| Repayment of interest-bearing borrowings | (1,307,382) | – | – | (1,307,382) |
| Proceeds from interest-bearing borrowings from a related party | – | 10,000 | – | 10,000 |
| Repayment of interest-bearing borrowings from a related party | – | (10,000) | – | (10,000) |
| Interest paid | (82,289) | (15) | – | (82,304) |
| Dividends paid | – | (57,329) | – | (57,329) |
| Capital element of lease rentals paid | – | – | (64,609) | (64,609) |
| Interest element of lease rentals paid | – | – | (12,204) | (12,204) |
| **Total changes from financing cash flows** | 116,470 | (57,344) | (76,813) | (17,687) |

| | Interest-bearing borrowings | Accruals and other payables | Lease liabilities | Total |
|---|---|---|---|---|
| | *RMB'000* *(Note 24)* | *RMB'000* *(Note 23)* | *RMB'000* *(Note 25)* | *RMB'000* |
| **Other changes:** | | | | |
| Increase in lease liabilities from entering into new leases during the year | – | – | 124,997 | 124,997 |
| Early termination of leases | – | – | (3,208) | (3,208) |
| Interest expenses *(Note 6(a))* | 81,861 | 15 | 12,204 | 94,080 |
| Total other changes | 81,861 | 15 | 133,993 | 215,869 |
| **At 31 December 2023** | 1,620,382 | – | 324,999 | 1,945,381 |

| | Interest-bearing borrowings | Accruals and other payables | Lease liabilities | Total |
|---|---|---|---|---|
| | *RMB'000* *(Note 24)* | *RMB'000* *(Note 23)* | *RMB'000* *(Note 25)* | *RMB'000* |
| **At 1 January 2024** | 1,620,382 | – | 324,999 | 1,945,381 |
| **Changes from financing cash flows:** | | | | |
| Proceeds from new interest-bearing borrowings | 1,184,801 | – | – | 1,184,801 |
| Repayment of interest-bearing borrowings | (1,414,145) | – | – | (1,414,145) |
| Proceeds from interest-bearing borrowings from a related party | – | 6,400 | – | 6,400 |
| Repayment of interest-bearing borrowings from a related party | – | (6,400) | – | (6,400) |
| Interest paid | (69,425) | (142) | – | (69,567) |
| Capital element of lease rentals paid | – | – | (24,256) | (24,256) |
| Interest element of lease rentals paid | – | – | (14,959) | (14,959) |
| Purchase of own shares | – | (289,630) | – | (289,630) |
| **Total changes from financing cash flows** | (298,769) | (289,772) | (39,215) | (627,756) |
| **Other changes:** | | | | |
| Increase in lease liabilities from entering into new leases during the year | – | – | 10,049 | 10,049 |
| Interest expenses *(Note 6(a))* | 69,447 | 142 | 14,959 | 84,548 |
| Increase due to forward contracts to purchase of own shares | – | 377,053 | – | 377,053 |
| Total other changes | 69,447 | 377,195 | 25,008 | 471,650 |
| **At 31 December 2024** | 1,391,060 | 87,423 | 310,792 | 1,789,275 |

| | Interest-bearing borrowings | Accruals and other payables | Lease liabilities | Total |
|---|---|---|---|---|
| | *RMB'000* *(Note 24)* | *RMB'000* *(Note 23)* | *RMB'000* *(Note 25)* | *RMB'000* |
| **At 1 January 2025** | 1,391,060 | 87,423 | 310,792 | 1,789,275 |
| **Changes from financing cash flows:** | | | | |
| Proceeds from new interest-bearing borrowings | 1,377,865 | – | – | 1,377,865 |
| Repayment of interest-bearing borrowings | (1,333,122) | – | – | (1,333,122) |
| Interest paid | (49,064) | – | – | (49,064) |
| Dividends paid | – | (128,796) | – | (128,796) |
| Capital element of lease rental paid | – | – | (32,760) | (32,760) |
| Interest element of lease rentals paid | – | – | (12,843) | (12,843) |
| Purchase of own shares | – | (87,423) | – | (87,423) |
| **Total changes from financing cash flows** | (4,321) | (216,219) | (45,603) | (266,143) |

| | Interest-bearing borrowings | Accruals and other payables | Lease liabilities | Total |
|---|---|---|---|---|
| | *RMB'000* (*Note 24*) | *RMB'000* (*Note 23*) | *RMB'000* (*Note 25*) | *RMB'000* |
| **Other changes:** | | | | |
| Increase of interest bearing borrowings without cash inflows | 48,000 | – | – | 48,000 |
| Increase in lease liabilities from entering into new leases during the year | – | – | 16,175 | 16,175 |
| Lease modifications | – | – | (16,257) | (16,257) |
| Interest expenses *(Note 6(a))* | 50,494 | – | 12,843 | 63,337 |
| Dividends declared *(Note 29(b))* | – | 128,796 | – | 128,796 |
| Total other changes | 98,494 | 128,796 | 12,761 | 240,051 |
| **At 31 December 2025** | 1,485,233 | – | 277,950 | 1,763,183 |

**(c) Total cash outflow for lease**

Amounts included in the consolidated cash flow statements for leases comprise the following:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within operating cash flows | 5,164 | 4,092 | 6,426 |
| Within investing cash flows | – | 988 | 86 |
| Within financing cash flows | 76,813 | 39,215 | 45,603 |
| | 81,977 | 44,295 | 52,115 |

These amounts relate to the following:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Lease rentals paid | 81,977 | 43,307 | 52,029 |
| Prepaid lease payments | – | 988 | 86 |
| | 81,977 | 44,295 | 52,115 |

## 22 TRADE AND BILLS PAYABLES

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade payables due to third parties | 436,497 | 433,463 | 366,725 |
| Bills payable | 55,820 | 15,000 | 34,380 |
| | 492,317 | 448,463 | 401,105 |

All trade and bills payables are expected to be settled within one year or are repayable on demand.

Ageing analysis of trade and bills payables as at the end of each reporting period, based on the invoice date, are as follows:

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 471,566 | 443,207 | 389,503 |
| Over 1 year | 20,751 | 5,256 | 11,602 |
| | 492,317 | 448,463 | 401,105 |

**The Company**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Trade payables due to: | | | |
| – third parties | 123,633 | 117,183 | 78,262 |
| Bills payable | – | – | 26,380 |
| | 123,633 | 117,183 | 104,642 |

## 23 ACCRUALS AND OTHER PAYABLES

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Staff cost payables | 22,064 | 56,668 | 47,448 |
| Deposits received | 405,574 | 371,993 | 349,573 |
| Payables relating to purchase of property, plant and equipment | 51,059 | 35,318 | 24,002 |
| Payables for purchase of own shares *(Note (ii))* | – | 87,423 | – |
| Payables for [**REDACTED**] expense | – | – | [REDACTED] |
| Others | 42,046 | 34,884 | 44,288 |
| Financial liabilities measured at amortised cost | 520,743 | 586,286 | 468,513 |
| Other taxes payables | 3,624 | 1,564 | 1,648 |
| Contract liabilities *(Note (iii))* | 12,728 | 18,037 | 15,582 |
| Total | 537,095 | 605,887 | 485,743 |

*Notes:*

(i) All of the accruals and other payables are expected to be settled or recognised within one year or are repayable on demand.

(ii) Pursuant to the agreements entered into among the Company, the Controlling Shareholders and certain investors in August and October 2024, the Company agreed to purchase and the investors agreed to sell 39,187,501 shares of the Company held by these investors for a total consideration of RMB377,053,000, of which RMB289,630,000 and RMB87,423,000 were paid by the Company during the year ended 31 December 2024 and 2025, respectively.

(iii) Contract liabilities primarily relate to the considerations received from customers before the Group satisfying performance obligations. It would be recognised as revenue upon the rendering of goods. The contract liabilities balance as at 1 January 2023, 2024 and 2025 has been fully recognised as revenue during the respective years.

**The Company**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Amounts due to subsidiaries *(Note)* | 1,069,359 | 1,128,641 | 1,103,264 |
| Staff cost payables | 6,875 | 25,593 | 16,176 |
| Deposits received | 133,408 | 107,623 | 86,163 |
| Payables relating to purchase of property, plant and equipment | 1,232 | 3,392 | 1,176 |
| Payables for purchase of own shares | – | 87,423 | – |
| Payables for [**REDACTED**] expense | – | – | [REDACTED] |
| Others | 8,294 | 8,653 | 10,262 |
| Financial liabilities measured at amortised cost | 1,219,168 | 1,361,325 | 1,220,243 |
| Other taxes payables | 350 | 419 | 454 |
| Contract liabilities | 4,122 | 7,033 | 8,871 |
| Total | 1,223,640 | 1,368,777 | 1,229,568 |

*Note:* The amounts due to subsidiaries are non-interest bearing and have no fixed terms of repayment.

## 24 INTEREST-BEARING BORROWINGS

**(a)** The interest-bearing borrowings comprise:

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Bank loans** | | | |
| – Secured | 53,793 | – | – |
| – Secured and guaranteed | 622,237 | 760,882 | 606,251 |
| – Guaranteed | 459,285 | 279,875 | 626,416 |
| – Unsecured and unguaranteed | 40,000 | 20,039 | 127,485 |
| **Total bank loans** | 1,175,315 | 1,060,796 | 1,360,152 |
| **Borrowings from government** | | | |
| – Secured | 31,100 | 31,100 | 31,100 |
| – Guaranteed | 18,287 | 9,816 | 5,890 |
| – Unsecured and unguaranteed | 22,541 | 23,541 | 20,535 |
| | 71,928 | 64,457 | 57,525 |
| **Borrowings from other financial institutions** | | | |
| – Secured and guaranteed | 353,139 | 265,807 | 67,556 |
| – Guaranteed | 20,000 | – | – |
| | 373,139 | 265,807 | 67,556 |
| **Total other borrowings** | 445,067 | 330,264 | 125,081 |
| | 1,620,382 | 1,391,060 | 1,485,233 |

*Notes:*

(i) The amounts of bank loans and other borrowings guaranteed by Controlling Shareholders or shareholders of the Company were RMB1,413,060,000, RMB1,271,893,000 and RMBnil as at 31 December 2023, 2024 and 2025, respectively. As at the date of this report, all guarantees provided by Controlling Shareholders have been released.

(ii) Certain of the Group's bank facilities are subject to the fulfilment of covenants relating to the Group's certain financial ratios. If the Group were to breach the covenants the related loans would become payable on demand. None of covenants relating to drawn down facilities had been breached.

(iii) Certain of the Company's subsidiaries received bills issued by other entities within the Group in respect of certain intra-group transactions. The receiving entities in the Group have discounted such bills to banks to obtain financing. As at 31 December 2023, 2024 and 2025, the loans from discounted bills amounted to RMB45,180,000, RMBnil and RMB20,000,000, respectively.

**The Company**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Bank loans** | | | |
| – Secured and guaranteed | 272,840 | 509,233 | 368,701 |
| – Guaranteed | 278,662 | 160,858 | 384,000 |
| – Unsecured and unguaranteed | 40,000 | 20,039 | 127,211 |
| **Total bank loans** | 591,502 | 690,130 | 879,912 |
| **Borrowings from government** | | | |
| – Guaranteed | 9,816 | 9,816 | 5,890 |
| – Unsecured and unguaranteed | 2,200 | 2,700 | 2,500 |
| | 12,016 | 12,516 | 8,390 |

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Borrowings from other financial institutions** | | | |
| – Secured and guaranteed | 110,101 | 37,543 | 37,500 |
| – Guaranteed | 20,000 | – | – |
| | 130,101 | 37,543 | 37,500 |
| **Total other borrowings** | 142,117 | 50,059 | 45,890 |
| | 733,619 | 740,189 | 925,802 |

**(b)** The interest-bearing borrowings were repayable as follows:

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year or on demand | 1,113,212 | 1,070,260 | 1,136,556 |
| After 1 year but within 2 years | 212,343 | 163,666 | 39,866 |
| After 2 years but within 5 years | 187,724 | 88,897 | 231,807 |
| After 5 years | 107,103 | 68,237 | 77,004 |
| | 507,170 | 320,800 | 348,677 |
| | 1,620,382 | 1,391,060 | 1,485,233 |

**The Company**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year or on demand | 602,471 | 649,252 | 820,097 |
| After 1 year but within 2 years | 38,882 | 14,434 | 4,337 |
| After 2 years but within 5 years | 26,200 | 32,503 | 42,364 |
| After 5 years | 66,066 | 44,000 | 59,004 |
| | 131,148 | 90,937 | 105,705 |
| | 733,619 | 740,189 | 925,802 |

## 25 LEASE LIABILITIES

As at the end of each reporting period, the lease liabilities were repayable as follows:

**The Group**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 35,957 | 46,506 | 54,946 |
| After 1 year but within 2 years | 30,661 | 31,598 | 26,230 |
| After 2 years but within 5 years | 79,422 | 81,885 | 73,293 |
| After 5 years | 178,959 | 150,803 | 123,481 |
| | 289,042 | 264,286 | 223,004 |
| | 324,999 | 310,792 | 277,950 |

**The Company**

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 17,488 | 8,251 | 8,004 |
| After 1 year but within 2 years | 2,635 | 2,941 | 2,880 |
| After 2 years but within 5 years | 8,692 | 9,764 | 6,555 |
| After 5 years | 18,545 | 14,938 | 16,005 |
| | 29,872 | 27,643 | 25,440 |
| | 47,360 | 35,894 | 33,444 |

## 26 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

**(a)** Movement of current taxation:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At the beginning of the year | – | – | – |
| Provision for the year *(Note 7)* | – | – | 837 |
| Income tax paid | – | – | (717) |
| At the end of the year | – | – | 120 |

**(b) Deferred tax assets not recognised**

In accordance with the accounting policy set out in Note 2(t), the Group has not recognised deferred tax assets in respect of cumulative tax losses and other temporary difference of RMB120,920,000, RMB128,124,000 and RMB102,484,000 as at 31 December 2023, 2024 and 2025, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions and entities. The tax losses expire in five years from the year of loss.

## 27 REDEMPTION LIABILITIES

On 31 August 2025, the Company and the Controlling Shareholders of the Company entered into a series of agreements with Guizhou Zhongken Equity Investment Fund Partnership (Limited Partnership) ("Guizhou Zhongken"). Pursuant to the agreements, Guizhou Zhongken agreed to subscribe an aggregate number of 14,030,093 shares at total consideration of RMB200,000,000, which was fully paid on 10 September 2025.

Pursuant to the agreements, Guizhou Zhongken was granted the right to require the Company or the Controlling Shareholders to redeem all or part of shares of the Company held by it upon the occurrence of certain contingent events, including but not limited to a qualified [**REDACTED**] has not been consummated by the Company by the specified date, or any breach of contractual terms or misconducts committed by the Company or the Controlling Shareholders (the "Redemption Right"). Upon the completion of the initial [**REDACTED**] of shares of the Company on the Stock Exchange, the Redemption Right will be discharged and the carrying amount of the redemption liability will be reclassified to equity.

The redemption price shall equal to the amount of the subscription price plus a simple interest of 7.5% per annum for the period from the payment date of the subscription price up to the redemption date.

The Company recognised the redemption liabilities arising from its obligation to purchase all or part of shares from Guizhou Zhongken under the specified contingent events of which the occurrence is beyond the control of the Company.

The movements of the redemption liabilities arising from the grant of Redemption Right during the Track Record Period are set out below:

| | Redemption liabilities |
|---|---|
| | *RMB'000* |
| At 1 January 2023, 2024 and 2025 | – |
| Issuance of shares | 200,000 |
| Change in the carrying amount of redemption liabilities | 4,644 |
| At 31 December 2025 | 204,644 |

## 28 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

Pursuant to a resolution of Board of Directors on 31 December 2024, a share award scheme was approved whereby 6,520,800 shares were granted to certain directors, supervisors, senior management and key personnel of the Group. The share award scheme enabled the holders to subscribe shares of the Company at a price of RMB7.39 per share. All of the shares granted to the eligible employees are vested immediately without any performance or non-performance conditions.

The fair value of the shares granted is determined to be RMB9.93 per share, which is based on the income approach, valued by the independent appraiser.

Equity-settled share-based payment expenses of RMB16,548,000 was recognised in profit or loss for the year ended 31 December 2024.

## 29 CAPITAL, RESERVES AND DIVIDEND

### (a) Movements in component of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

| | Share capital | Treasury shares | Capital reserve | PRC statuary reserve | Fair value reserve (non-recycling) | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Balance at 1 January 2023** | 418,000 | – | 532,763 | 60,529 | 3,303 | 348,980 | 1,363,575 |
| **Changes in equity for the year ended 31 December 2023:** | | | | | | | |
| Total comprehensive income for the year | – | – | – | – | 763 | (217,284) | (216,521) |
| **Balance at 31 December 2023 and 1 January 2024** | 418,000 | – | 532,763 | 60,529 | 4,066 | 131,696 | 1,147,054 |
| **Changes in equity for the year ended 31 December 2024:** | | | | | | | |
| Total comprehensive income for the year | – | – | – | – | (1,369) | 378,757 | 377,388 |
| Purchase of own shares | – | (289,630) | (87,423) | – | – | – | (377,053) |
| Equity-settled share-based payment expenses | – | – | 16,548 | – | – | – | 16,548 |
| Appropriation to reserve | – | – | – | 37,876 | – | (37,876) | – |
| **Balance at 31 December 2024 and 1 January 2025** | 418,000 | (289,630) | 461,888 | 98,405 | 2,697 | 472,577 | 1,163,937 |
| **Changes in equity for the year ended 31 December 2025:** | | | | | | | |
| Total comprehensive income for the year | – | – | – | – | 6,325 | 7,130 | 13,455 |
| Purchase of own shares | – | (87,423) | 87,423 | – | – | – | – |
| Cancellation of shares | (39,188) | 377,053 | (337,865) | – | – | – | – |
| Issuance of shares | 14,030 | – | 185,970 | – | – | – | 200,000 |
| Redemption rights granted upon share issuance | – | – | (200,000) | – | – | – | (200,000) |
| Dividends declared | – | – | – | – | – | (128,796) | (128,796) |
| Appropriation to reserve | – | – | – | 713 | – | (713) | – |
| **At 31 December 2025** | 392,842 | – | 197,416 | 99,118 | 9,022 | 350,198 | 1,048,596 |

### (b) Dividend

Dividends declared during the Track Record Period are as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Dividend declared during the year (RMB0.34 per share for the year ended 31 December 2025) | – | – | 128,796 |

In June 2025, the Company declared dividends to its shareholders with amounts of RMB128,796,000, which was fully settled in cash in November 2025.

**(c) Share capital**

| | Year ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| | *'000* | *RMB'000* | *'000* | *RMB'000* | *'000* | *RMB'000* |
| **Ordinary shares, issued and fully paid:** | | | | | | |
| At the beginning of the year | 418,000 | 418,000 | 418,000 | 418,000 | 418,000 | 418,000 |
| Cancellation of shares | – | – | – | – | (39,188) | (39,188) |
| Issuance of shares *(Note 27)* | – | – | – | – | 14,030 | 14,030 |
| At the end of the year | 418,000 | 418,000 | 418,000 | 418,000 | 392,842 | 392,842 |

Pursuant to the shareholders' resolutions dated on 10 April 2025, registered capital of the Company decreased from RMB418,000,000 to RMB378,812,499 by way of cancellation of own shares of the Company purchased from certain investors of RMB39,187,501. On 31 August 2025, the Company and the Controlling Shareholders of the Company entered into a series of agreements with Guizhou Zhongken. Pursuant to the agreements, Guizhou Zhongken agreed to subscribe an aggregate number of 14,030,093 shares, registered captial of the Company increased from RMB378,812,499 to RMB392,842,592.

**(d) Treasury shares**

Treasury shares represented 30,358,358 shares and 8,829,143 shares repurchased by the Company during the years ended 31 December 2024 and 2025, respectively, which had been cancelled during the year ended 31 December 2025 (see Note 23).

**(e) Nature and purpose of reserves**

***(i) Capital reserve***

The capital reserve primarily comprises the following:

– The net proceeds received in excess of the total amount of the par value of shares issued.

– Amounts in relation to the forward contracts to purchase of own shares as disclosed in Note 23.

– Amounts in relation to the recognition and termination of the redemption liabilities.

– Share-based payment reserve represents grant date fair value of shares granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(s)(ii).

***(ii) PRC statutory reserve***

The Company is required to appropriate 10% of its after-tax profit to the general reserve fund as determined until the cumulative amounts reach 50% of the registered capital in accordance with the laws and regulations in the Chinese Mainland. The transfer to this reserve must be made before distribution of a dividend to equity shareholders. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the Company and is non distributable other than in liquidation.

***(iii) Fair value reserve (non-recycling)***

Fair value reserve (non-recycling) represents fair value changes in the other equity securities and the reserve will not be recycled to profit and loss.

**(f) Capital management**

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

## 30 CHANGES IN NON-CONTROLLING INTERESTS

### (a) Acquisition of non-controlling interests during the Track Record Period

During the Track Record Period, the Group acquired additional interests in certain subsidiaries from non-controlling shareholders. The differences between the carrying amounts of non-controlling interests acquired and the fair value of consideration paid were recorded in capital reserve as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Carrying amount of non-controlling interests acquired | 209 | 722 | 52,666 |
| Consideration paid to non-controlling interests | 209 | 380 | 45,606 |
| An increase in equity attributable to equity shareholders of the Company | – | 342 | 7,060 |

### (b) Disposal of a subsidiary

In 2024, the Group disposed of its equity interest in a subsidiary to third parties with an aggregate consideration of RMB1,800,000, which resulted a decrease in non-controlling interests of RMB1,256,000, a gain from disposal of RMB461,000 and net cash inflow of RMB1,739,000.

### (c) Liquidation of subsidiaries

Pursuant to resolutions of shareholders' meeting of certain subsidiaries of the Group in January 2025, all shareholders of those subsidiaries agreed to liquidate those subsidiaries, which resulted a decrease in non-controlling interests of RMB14,474,000 and net cash outflow of RMB14,474,000.

## 31 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Group's business. The Group is not exposed to significant currency risk.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and prepayments, deposits and other receivables. The Group's exposure to credit risk arising from cash at bank and bills receivable is limited because the counterparties are banks and financial institutions with high credit ratings assigned by credit-rating agencies, for which the Group consider to have low credit risk.

Except for the financial guarantees given by the Group as set out in Note 33, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in Note 33.

***Trade receivables***

The Group's exposure to credit risk is influenced by the individual characteristics of each customer rather than the industry in which the customers operate. As at 31 December 2023, 2024 and 2025, 0.5%, nil and nil, of the total trade receivables, respectively, was due from the Group's largest customer and 1.0%, nil and 35% of the total trade receivables, respectively, was due from the five largest customers in each year during the Track Record Period. In order to manage the credit risk, the Group continuously monitor the level of exposure by ongoing review of credit records of customers to take follow-up actions on the balances of trade receivables.

Individual credit evaluations are performed on all customers. These evaluations focus on the customer's past history of making payments when due and current liability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are typically due within 60-90 days upon the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs based on historical settlement records and forward-looking information.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2023, 2024 and 2025:

| | At 31 December 2023 | | |
|---|---|---|---|
| | Expected loss rate | Gross carrying amount | Loss allowance |
| | *%* | *RMB'000* | *RMB'000* |
| Current (not past due) | 1.32% | 28,769 | 379 |
| Overdue less than 3 months | 3.59% | 11,136 | 400 |
| Overdue more than 3 months but less than 6 months | 28.23% | 418 | 118 |
| Overdue more than 6 months but less than 9 months | 54.61% | 152 | 83 |
| Overdue more than 9 months | 100.00% | 1,189 | 1,189 |
| | | 41,664 | 2,169 |

| | At 31 December 2024 | | |
|---|---|---|---|
| | Expected loss rate | Gross carrying amount | Loss allowance |
| | *%* | *RMB'000* | *RMB'000* |
| Current (not past due) | 1.09% | 43,499 | 472 |
| Overdue less than 3 months | 5.53% | 9,133 | 505 |
| Overdue more than 3 months but less than 6 months | 41.30% | 138 | 57 |
| Overdue more than 6 months but less than 9 months | 79.42% | 549 | 436 |
| Overdue more than 9 months | 100.00% | 1,548 | 1,548 |
| | | 54,867 | 3,018 |

| | At 31 December 2025 | | |
|---|---|---|---|
| | Expected loss rate | Gross carrying amount | Loss allowance |
| | *%* | *RMB'000* | *RMB'000* |
| Current (not past due) | 0.27% | 53,423 | 142 |
| Overdue less than 3 months | 1.70% | 2,406 | 41 |
| Overdue more than 3 months but less than 6 months | 13.46% | 832 | 112 |
| Overdue more than 6 months but less than 9 months | 87.50% | 192 | 168 |
| Overdue more than 9 months | 100.00% | 462 | 462 |
| | | 57,315 | 925 |

Expected loss rates are based on actual loss experience over the past recent years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in the loss allowance account in respect of trade receivables during the Track Record Period are as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At the beginning of the year | 3,523 | 2,169 | 3,018 |
| Impairment loss (reversed)/recognised during the year | (1,354) | 849 | (2,093) |
| At the end of the year | 2,169 | 3,018 | 925 |

***Other receivables***

The Group measures loss allowances for other receivables at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Movements in the loss allowance account in respect of other receivables during the Track Record Period are as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| At the beginning of the year | 12,711 | 24,997 | 17,501 |
| Impairment loss recognised/(reversed) | 12,286 | (7,496) | 14,731 |
| Write-off | – | – | (3,000) |
| At the end of the year | 24,997 | 17,501 | 29,232 |

**(b) Liquidity risk**

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the respective reporting period) and the earliest dates the Group can be required to pay:

| | At 31 December 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Contractual undiscounted cash outflow | | | | | |
| | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years | Total | Carrying amount |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Interest-bearing borrowings | 1,164,678 | 223,327 | 196,846 | 112,423 | 1,697,274 | 1,620,382 |
| Lease liabilities | 39,057 | 42,272 | 107,426 | 244,023 | 432,778 | 324,999 |
| Trade and bills payables | 492,317 | – | – | – | 492,317 | 492,317 |
| Accruals and other payables measured at amortised cost | 520,743 | – | – | – | 520,743 | 520,743 |
| | 2,216,795 | 265,599 | 304,272 | 356,446 | 3,143,112 | 2,958,441 |

| | At 31 December 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Contractual undiscounted cash outflow | | | | | |
| | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years | Total | Carrying amount |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Interest-bearing borrowings | 1,110,290 | 170,970 | 92,864 | 72,067 | 1,446,191 | 1,391,060 |
| Lease liabilities | 48,455 | 42,567 | 108,111 | 206,500 | 405,633 | 310,792 |
| Trade and bills payables | 448,463 | – | – | – | 448,463 | 448,463 |
| Accruals and other payables measured at amortised cost | 586,286 | – | – | – | 586,286 | 586,286 |
| Financial liabilities measured at FVPL | 1,789 | – | – | – | 1,789 | 1,789 |
| | 2,195,283 | 213,537 | 200,975 | 278,567 | 2,888,362 | 2,738,390 |

| | At 31 December 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Contractual undiscounted cash outflow | | | | | |
| | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years | Total | Carrying amount |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Interest-bearing borrowings | 1,174,643 | 43,242 | 249,037 | 83,384 | 1,550,306 | 1,485,233 |
| Lease liabilities | 65,757 | 35,825 | 95,607 | 176,791 | 373,980 | 277,950 |
| Trade and bills payables | 401,105 | – | – | – | 401,105 | 401,105 |
| Accruals and other payables measured at amortised cost | 468,513 | – | – | – | 468,513 | 468,513 |
| Financial liabilities measured at FVPL | 2,912 | – | – | – | 2,912 | 2,912 |
| | 2,112,930 | 79,067 | 344,644 | 260,175 | 2,796,816 | 2,635,713 |

In addition to the above, the Group was also exposed to liquidity risk arising redemption liabilities at 31 December 2025, the payment terms of which are further disclosed in Note 27.

**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's interest rate profile as monitored by management is set out in (i) below.

***(i) Interest rate risk profile***

The following table, as reported to the management of the Group, details the profile of the Group's interest-bearing financial liabilities as at 31 December 2023, 2024 and 2025.

| | At 31 December 2023 | | At 31 December 2024 | | At 31 December 2025 | |
|---|---|---|---|---|---|---|
| | Effective interest rate | Amounts | Effective interest rate | Amounts | Effective interest rate | Amounts |
| | % | RMB'000 | % | RMB'000 | % | RMB'000 |
| **Fixed rate borrowings** | | | | | | |
| Lease liabilities | 3.45%-4.30% | 324,999 | 3.10%-4.20% | 310,792 | 3.50%-4.20% | 277,950 |
| Bank loans | 2.71%-4.80% | 888,524 | 1.51%-4.50% | 802,396 | 1.28%-4.50% | 1,064,523 |
| Other borrowings | 4.40%-18.30% | 445,067 | 4.40%-11.01% | 330,264 | 6.00%-12.00% | 125,081 |
| **Total fixed rate borrowings** | | 1,658,590 | | 1,443,452 | | 1,467,554 |
| **Variable rate borrowings** | | | | | | |
| Bank loans | 4.05%-5.50% | 286,791 | 3.65%-4.95% | 258,400 | 2.30%-4.20% | 295,629 |
| **Total variable rate borrowings** | | 286,791 | | 258,400 | | 295,629 |
| **Total borrowings** | | 1,945,381 | | 1,701,852 | | 1,763,183 |
| Fixed rate borrowings as a percentage of total borrowings | | 85% | | 85% | | 83% |

***(ii) Sensitivity Analysis***

At 31 December 2023, 2024 and 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately RMB2,868,000, RMB2,584,000 and RMB2,956,000, respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits that would arise assuming that the change in interest rates had occurred at the end of each reporting period. The impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expense of such a change in interest rates. The analysis is performed on the same basis during the Track Record Period.

**(d) Fair value measurement**

***(i) Financial assets and liabilities measured at fair value***

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*.

| | Fair value at 31 December | Fair value measurements as at 31 December 2023 categorised into | | |
|---|---|---|---|---|
| | 2023 | Level 1 | Level 2 | Level 3 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Financial assets measured at FVOCI | | | | |
| – other equity securities | 5,565 | – | – | 5,565 |
| Financial assets measured at FVPL | | | | |
| – structured deposits, trust products and other debt investments | 200 | – | – | 200 |
| | 5,765 | – | – | 5,765 |

| | Fair value at 31 December | Fair value measurements as at 31 December 2024 categorised into | | |
|---|---|---|---|---|
| | 2024 | Level 1 | Level 2 | Level 3 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Financial assets measured at FVOCI | | | | |
| – other equity securities | 5,896 | – | – | 5,896 |
| Financial assets measured at FVPL | | | | |
| – structured deposits, trust products and other debt investments | 110,081 | – | 90,063 | 20,018 |
| – commodity futures contracts | 22,200 | – | 22,200 | – |
| Financial liabilities measured at FVPL | | | | |
| – commodity futures contracts | (1,789) | – | (1,789) | – |
| | 136,388 | – | 110,474 | 25,914 |

| | Fair value at 31 December | Fair value measurements as at 31 December 2025 categorised into | | |
|---|---|---|---|---|
| | 2025 | Level 1 | Level 2 | Level 3 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Financial assets measured at FVOCI | | | | |
| – other equity securities | 10,521 | – | – | 10,521 |
| Financial assets measured at FVPL | | | | |
| – commodity futures contracts | 482 | – | 482 | – |
| Financial liabilities measured at FVPL | | | | |
| – commodity futures contracts | (2,912) | – | (2,912) | – |
| | 8,091 | – | (2,430) | 10,521 |

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

*Information about Level 2 fair value measurements*

- The fair values of structured deposits are measured using discounted cash flow method with observable inputs.
- The fair value of commodity futures contracts is estimated based on the difference between spot price and contract price.

*Information about Level 3 fair value measurements*

| | Valuation techniques | Significant unobservable inputs |
|---|---|---|
| Other equity securities | Market approach | Discount for lack of marketability |
| Trust products and other debt investments | Discounted cash flow method | Interest rate |

- The valuation model of the fair value of unlisted equity securities is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the equity securities. The fair value measurement is negatively correlated to the discount of lack of marketability. As at 31 December 2023, 2024 and 2025, it is estimated that with all other variables held constant, a decrease/increase in discount of lack of marketability by 1% would have increased/decreased the Group's other comprehensive income by approximately RMB77,000, RMB58,000 and RMB146,000, respectively.

- The fair values of trust products and other debt investments are measured using discounted cash flow method with unobservable inputs. The fair value measurement is positively correlated to the interest rate. As at 31 December 2023, 2024 and 2025, it is estimated that with all other variables held constant, a decrease/increase in interest rate by 1% would have increased/decreased the Group's profit after tax and retained profits by approximately RMB2,000, RMB200,000 and RMBnil, respectively.

The movements in the balance of Level 3 fair value measurements are as follows:

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Other equity securities:** | | | |
| At the beginning of the year | 4,802 | 5,565 | 5,896 |
| Additions in investments | – | 1,700 | – |
| Changes in fair value recognised in other comprehensive income during the year | 763 | (1,369) | 6,325 |
| Disposal of investments | – | – | (1,700) |
| At the end of the year | 5,565 | 5,896 | 10,521 |

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Trust products and other debt investments:** | | | |
| At the beginning of the year | – | 200 | 20,018 |
| Additions in investments | 200 | 20,000 | – |
| Changes in fair value recognised in profit or loss during the year | – | 18 | 292 |
| Disposal of financial assets | – | (200) | (20,310) |
| At the end of the year | 200 | 20,018 | – |

***(ii) Fair values of financial assets and liabilities carried at other than fair value***

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2023, 2024 and 2025.

## 32 COMMITMENTS

Capital commitments outstanding at respective reporting period end dates not provided for in the Historical Financial Information were as follows:

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Contracted for | 296,146 | 326,227 | 524,732 |

## 33 CONTINGENT LIABILITIES

As at 31 December 2023, 2024 and 2025 the Group has given guarantees in respect of loans made by banks to family farms. The directors of the Company did not consider it probable that a claim will be made against the Group under any of the guarantees. The maximum liability of the Group under the guarantees issued was the outstanding amount of the loans of family farms of RMB16,451,000, RMB6,040,000 and RMB18,282,000 as at 31 December 2023, 2024 and 2025, respectively.

## 34 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Names and relationships of the related parties that had material transactions with the Group during the Track Record Period:

| Name of related party | Relationship |
|---|---|
| Mr. Xiao Wenqing 肖文清 | One of the Controlling Shareholders |
| Dr. Zhang Zhengfen 張正芬 | One of the Controlling Shareholders |
| Qingyuan Fenghuang Restaurant Co., Ltd. 清遠市鳳皇酒樓有限公司 | A company controlled by one of the Controlling Shareholders |
| Guangdong Fengxiaofeng Catering Management Co., Ltd. 廣東省鳳小鳳餐飲管理有限公司 | A company controlled by one of the Controlling Shareholders |
| Zhuhai Free Trade Zone Huatianlong Logistics Co., Ltd, 珠海保稅區華天隆物流有限公司 | A company controlled by a shareholder of the Company |
| Qingyuan Fengwang Seed Industry Co., Ltd 清遠鳳王種業有限公司 (formerly known as "Qingyuan Quanmu Agriculture Co., Ltd." ("清遠市泉牧農業有限公司")) | A company controlled by Controlling Shareholders |
| Changshun Bowen Poultry Breeding Co., Ltd. 長順博文家禽育種有限公司 | A company controlled by Controlling Shareholders |

*Note:* The official names of these individuals or companies are in Chinese. The English translation is for identification purpose only.

### (b) Key management personnel emoluments

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| Salaries and other emoluments | 5,648 | 6,438 | 6,686 |
| Discretionary bonuses | – | 5,453 | 2,838 |
| Retirement scheme contributions | 270 | 282 | 306 |
| Share-based payments | – | 432 | – |
| | 5,918 | 12,605 | 9,830 |

Total remuneration is included in "staff costs" (see Note 6(b)).

### (c) Transactions with related parties

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Sale of goods to related parties** | | | |
| – A company controlled by one of the Controlling Shareholders | 1,048 | 806 | 1,372 |
| – A company controlled by a shareholder of the Company | 23 | – | – |
| | 1,071 | 806 | 1,372 |
| **Sale of Property, plant and equipment** | | | |
| – A company controlled by one of the Controlling Shareholders | – | – | 4,120 |
| **Purchase of goods and provision of service from related parties** | | | |
| – A company controlled by one of the Controlling Shareholders | – | 1,500 | 2,500 |
| **Loans from related parties** | | | |
| – Controlling Shareholders | 10,000 | 6,400 | – |
| | 10,000 | 6,400 | – |

| | Year ended 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Repayments of loans from related parties** | | | |
| – Controlling Shareholders | 10,000 | 6,400 | – |
| | 10,000 | 6,400 | – |
| **Interest paid to related parties** | | | |
| – Controlling Shareholders | 15 | 142 | – |
| | 15 | 142 | – |
| **Loans to related parties** | | | |
| – Controlling Shareholders | – | 1,100 | – |
| – A company controlled by one of the Controlling Shareholders | – | 1,500 | – |
| | – | 2,600 | – |
| **Repayments of loans to related parties** | | | |
| – Controlling Shareholders | – | 1,100 | – |
| – A company controlled by one of the Controlling Shareholders | – | – | 1,500 |
| | – | 1,100 | 1,500 |
| **Interest received from related parties** | | | |
| – Controlling Shareholders | – | 18 | – |
| – A company controlled by one of the Controlling Shareholders | – | – | 26 |
| | – | 18 | 26 |

**(d) Balances with related parties**

The balances with related parties as at the end of each reporting period are as follows:

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Trade nature:** | | | |
| **Trade receivables** | | | |
| – A company controlled by one of the Controlling Shareholders | 761 | 1,578 | 430 |
| **Prepayments, deposits and other receivables** | | | |
| – A company controlled by one of the Controlling Shareholders | – | 1,500 | – |

| | At 31 December | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-trade nature:** | | | |
| **Prepayments, deposits and other receivables** | | | |
| – A company controlled by one of the Controlling Shareholders | – | 1,500 | – |

## 35 ULTIMATE CONTROLLING PARTIES

As at the date of the report, the directors consider the ultimate controlling shareholders of the Company are Mr. Xiao Wenqing and Dr. Zhang Zhengfen.

### 36 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information. These developments include the following:

| | Effective for accounting periods beginning on or after |
|---|---|
| Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures – Contracts referencing nature dependent electricity* | 1 January 2026 |
| Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments* | 1 January 2026 |
| Annual improvements to IFRS Accounting Standards – Volume 11 | 1 January 2026 |
| IFRS 18, *Presentation and disclosure in financial statements* | 1 January 2027 |
| IFRS 19, *Subsidiaries without public accountability: disclosures* | 1 January 2027 |
| Amendments to IAS 21, *Translation to a hyperinflationary presentation currency* | 1 January 2027 |
| Amendments to IFRS 10 and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint venture* | To be determined |

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

**IFRS 18, *Presentation and disclosure in financial statements***

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

### 37 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

[No significant subsequent events have been occurred to the Group in respect of period subsequent to 31 December 2025.]

## SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries comprising the Group in respect of any period subsequent to 31 December 2025.