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Application Proof of

GUANGDONG TINOOS GROUP CO., LIMITED

廣東天農集團股份有限公司

(the “Company”)

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

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GUANGDONG TINOOS GROUP CO., LIMITED 廣東天農集團股份有限公司

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

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares
the [REDACTED]
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
[REDACTED])
Maximum [REDACTED] : [REDACTED] per H Share, plus
brokerage fee of 1.0%, SFC transaction
levy of 0.0027%, AFRC transaction levy
of 0.00015% and Stock Exchange
trading fee of 0.00565% (payable in full
on application in Hong Kong dollars and
subject to refund on final pricing)
Nominal value : RMB1.00 per Share
[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED], [REDACTED],
[[REDACTED] and [REDACTED]]

CMS  **招商證券國際**

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Prior to making an [REDACTED] decision, prospective [REDACTED] should consider carefully all of the information set out in this document, including but not limited to the risk factors set out in “Risk factors” in this document.

The [REDACTED] is expected to be determined by an agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and the Company on the [REDACTED], which is expected to be on or before [REDACTED], but in any event no later than 12:00 noon on [REDACTED]. The [REDACTED] will not be more than [REDACTED] per [REDACTED] and is currently expected to be not less than [REDACTED] per [REDACTED], unless otherwise announced. Applicants for [REDACTED] are required to pay, on application, the maximum [REDACTED] of [REDACTED] for each [REDACTED] together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction of 0.00015% and Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] is lower than [REDACTED]. If, for any reason, the [REDACTED] (for itself and on behalf of the [REDACTED]) and we are unable to reach an agreement on the [REDACTED] on or before 12:00 noon on [REDACTED], the [REDACTED] will not proceed and will lapse.

The [REDACTED] (for itself and on behalf of the [REDACTED]) may, with our consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] range stated in this document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. In such case, a notice of such reduction will be published on the Stock Exchange's website at www.hkexnews.hk and our website at www.tnong.com, not later than the morning of the last day for lodging applications under the [REDACTED]. Further details are set out in “Structure of the [REDACTED]” and “How to apply for [REDACTED]” in this document.

The obligations of the [REDACTED] under the [REDACTED] to [REDACTED] or purchase, and to procure applicants for the [REDACTED] or purchase of, the [REDACTED], are subject to termination by the [REDACTED] (for itself and on behalf of the [REDACTED]) upon the occurrence of any of the events set forth in “[REDACTED]” in this document at any time prior to 8:00 a.m. (Hong Kong time) on the [REDACTED]. It is important that you refer to that section for further details.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be [REDACTED], sold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold outside the United States in offshore transactions in accordance with Regulation S.

[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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You should rely only on the information contained in this document to make your [REDACTED] decision. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not made in this document must not be relied on by you as having been authorized by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], [REDACTED], the [REDACTED], any of our or their affiliates or any of their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the [REDACTED].

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SUMMARY

This summary aims to give you an overview of the information contained in this Document, and should be read in conjunction with the more detailed information and financial information contained in other sections of this Document to ensure its entirety. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Document before you decide to [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in our [REDACTED] are set out in the section headed “Risk Factors” in this Document. You should read that section carefully before you decide to [REDACTED] in our [REDACTED].

OVERVIEW

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

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

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

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

OUR PRODUCTS

We offer a comprehensive portfolio primarily consisting of Qingyuan Chicken and other native chickens, pigs, and fresh and other products, catering to evolving consumer preferences. Our Qingyuan Chickens are indigenous native chickens with unique characteristic, renowned for its high meat quality and distinctive partridge feathering. Our other native chickens also include Lingnan native chicken, etc. Our pigs mainly include market hogs, breeding pigs and market piglets. We introduced pig breeders from abroad, and established integrated breeding system for the production of market hogs. Leveraging our proprietary breeding and farming expertise in Qingyuan Chicken, we have established a diversified product portfolio comprising fresh products and other products, including ready-to-eat products, whole fresh chicken, portioned chicken and semi-finished products. We market our fresh and other under our own brands “Tiannong” (天農) and “Fengzhonghuang” (鳳中皇).

SUMMARY

The following table sets forth a breakdown of our revenue by product category for the Track Record Period:

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

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

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

Notes:

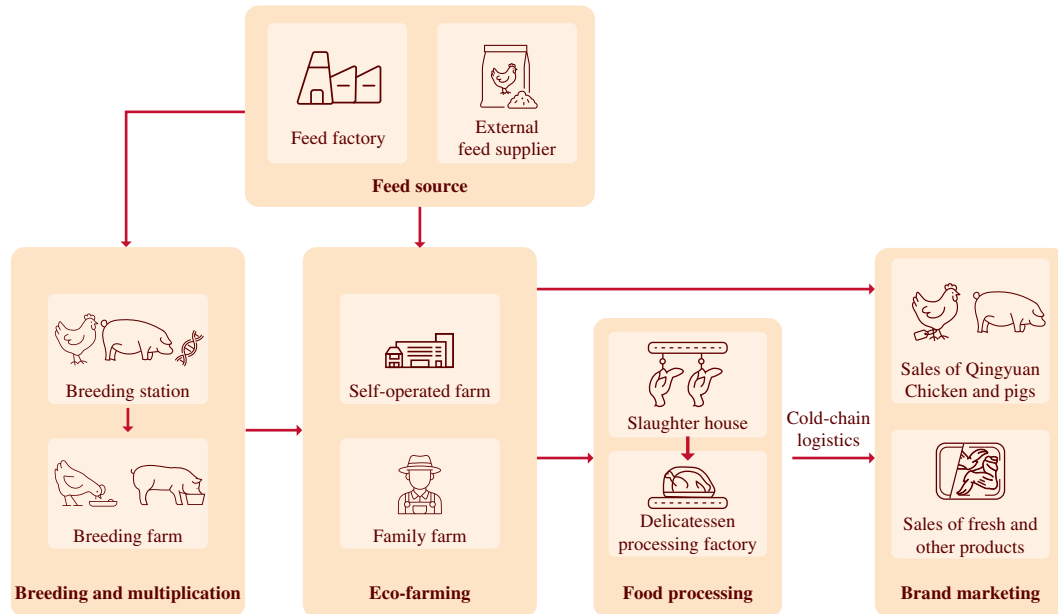
- (1) Average selling price per head or bird represents the revenue divided by the sales volumes in heads or birds of the product category for the same year.
- (2) For illustrative purpose, we only use the main product (commercial broiler, excluding day-old chicks) to represent the sales volumes.
- (3)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

During the Track Record Period, sales of pigs accounted for 61.6%, 67.1% and 62.4% of our total revenue in 2023, 2024 and 2025, respectively, representing the majority of our revenue. Please refer to the section headed “Financial Information — Discussion of Certain Key Statements of Comprehensive Income Items — Revenue — Average selling price per heads or birds” for further details on the underlying and specific factors leading to the fluctuations in average selling prices and sales volume.

SUMMARY

OUR FULL INDUSTRY CHAIN BUSINESS MODEL

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



The coordinated operation of the full industry chain not only effectively strengthens the quality control and supply stability, but also drives the joint development with farmers and enhances our risk resilience and sustainable growth capabilities.

OUR MARKET STRATEGY

We have established a nationwide, omnichannel marketing network that integrates distribution and direct sales network to optimize market penetration. Offline, we leverage distributor networks to expand regional coverage and deepen product penetration. Our dedicated sales team also directly serves key customers, including supermarket chains, catering, and food processing enterprises. Online, we utilize e-commerce platforms as well as community-based fresh produce platforms, on-demand retail channels and live-streaming e-commerce channels.

OUR GROWTH OPPORTUNITIES

According to the Frost & Sullivan, the market size of Qingyuan Chicken with National Geographical Indication increased from RMB1,876.2 million in 2025 to RMB2,916.8 million in 2030, representing a CAGR of 10.4% between 2026 and 2030, primarily driven by policy support and increasing brand recognition. The market size of China’s pig farming industry is expected to remain relatively stable from RMB1,241.5 billion in 2025 to RMB1,240.5 billion in 2030, representing a CAGR of 3.8% between 2026 and 2030, driven mainly by a recovery in pig prices under a more stable supply environment supported by policy regulation over pig breeder inventory.

SUMMARY

OUR STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (i) Established Breeding Stock and Multiplication System; (ii) A Brand-driven Holistic Go-to-market Approach; (iii) Full-Industry-Chain Business Model Driving Consistent Product Quality; (iv) Core Markets Enables Logistics Efficiency and Product Freshness; (v) Farming Models Driving Efficiency, Market Penetration, and Scalable Growth; (vi) Visionary Founders and Experienced Management Team Leading a Professional, Skilled Workforce

For details, please refer to the section headed “Business — Strengths” in this document.

OUR STRATEGY

We plan to further implement the following strategies: (i) Build a Leading Meat Product Brand; (ii) Launch Causal Dining Restaurants; (iii) Expand Sales Network and Upgrade Supply Chain; (iv) Enhance Production and R&D capabilities; (v) Attract Talents and Optimize Human Resources; (vi) Seek Strategic Alliances, Joint Ventures, or Other Acquisition Opportunities

For details, please refer to the section headed “Business — Strategy” in this document.

OUR BUSINESS DEVELOPMENT MILESTONES

The following is the summary of the key business development milestones of the Group:

Year	Event
2003	We were incorporated in Qingyuan City, Guangdong Province
2012	Chongqing Riquan was incorporated in Chongqing and commenced pig breeding and sales business
2019	Our Qingyuan Chicken and other native chickens business was reorganized and merged with Chongqing Riquan’s pig business
2020	We were converted into a joint stock limited company
2022	We were approved to participate in the construction of the National Modern Agricultural Industrial Park (Qingyuan Chicken) project. In the same year, we were included in the “List of Leading Competitive Matrix Enterprises within the National Livestock and Poultry Breeding Industry Matrix” by the Ministry of Agriculture and Rural Affairs
2024	The Changshun Tiannong Green-eggshell Chicken Conservation Farm was approved for the designation of “National-Level Changshun Green-eggshell Chicken Conservation Farm”

OUR CUSTOMERS

We primarily sell our products to distributor customers consisting of dealers for chicken and pigs and distributors of fresh and other products. We also sell to direct customers including supermarket chains, foodservice and food processing enterprises, e-commerce platforms, slaughtering plants and other farming enterprises. During the Track Record Period, all of our customers were based in the PRC. For 2023, 2024 and 2025, our sales to the top five customers in each year during the Track Record Period accounted for 17.1%, 17.8% and 18.4% of our total revenue, respectively. Our sales to our largest customer for 2023, 2024 and 2025 accounted for 4.7%, 4.8% and 5.3% of our total revenue during the respective year. During the Track Record Period, none of the Directors, Supervisors, their respective associates or Shareholders who own 5% or more of our issued share capital had any interest in the top five customers.

SUMMARY

OUR SUPPLIERS

During the Track Record Period, our raw materials mainly included (i) feed, (ii) feed ingredients, such as corn, soybean meal, and other by-products, and (iii) veterinary medicines and vaccines. For 2023, 2024 and 2025, our purchases from the top five suppliers in each year accounted for 43.7%, 44.6% and 41.0% of our total purchase of products and services for the respective year. Our purchases from the single largest supplier for 2023, 2024 and 2025 accounted for 26.5%, 17.6% and 12.0% of our total purchase of products and services for the respective year. For each of the years during the Track Record Period, all our top five suppliers are Independent Third Parties, and no Directors, Supervisors, their respective associates or Shareholders who own 5% or more of our issued share capital have any interest in the top five suppliers.

RISK FACTORS

Our business and the [REDACTED] are subject to certain risks as set out in the “Risk Factors”. Before deciding to [REDACTED] in the [REDACTED], you should read the entire content of this section. Some of the key risks we face include: (i) Our results of operations are significantly affected by cyclical fluctuations and inherent unpredictability in the prevailing market price of our Qingyuan Chicken and pigs. (ii) Increases in the cost of raw materials used in our operations, especially feed ingredients, may lead to declines in our margins and operating results. (iii) Outbreak of avian influenza, African Swine Fever, and other diseases among the livestock or attributed to livestock or zoonoses and adverse publicity of these diseases can significantly affect our production, supply and demand for our products and our business. (iv) Government restrictions, such as discouraging the sale of live poultry and pig livestock, and industry transformation may adversely impact our business. (v) Any perceived or actual food safety or health issues related to our raw materials, products or the food industry generally could adversely affect our reputation, our ability to sell our products and our financial performance, and subject us to liability claims and regulatory actions.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Dr. Zhang, Mr. Xiao, Fengtian Investment, Tianju Investment, Chongqing Ronghui, Qingyuan Quanfa and Qingyuan Quanxing together controlling approximately 52.28% of the total issued share capital of the Company, are a group of our Controlling Shareholders.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Domestic Unlisted Shares into H Shares, Dr. Zhang, Mr. Xiao, Fengtian Investment, Tianju Investment, Chongqing Ronghui, Qingyuan Quanfa and Qingyuan Quanxing will collectively control approximately [REDACTED]% of the total issued share capital of the Company and will remain to be a group of our Controlling Shareholders upon the [REDACTED]. For details, please refer to the section headed “Relationship with Our Controlling Shareholders” in this document.

PRE-[REDACTED] INVESTMENTS

We have completed eight rounds of Pre-[REDACTED] Investments since our establishment. For further information, please refer to the section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The table below sets out the summary of our historical financial information during the Track Record Period, which is extracted from the Accountants’ Report in Appendix I to this document. The summary of historical financial information set out below should be read in conjunction with the historical financial information (including the relevant notes) in this document to ensure its integrity. Our historical financial information has been prepared in accordance with the IFRS Accounting Standards.

Our selected consolidated statements of comprehensive income data for the Track Record Period as set out below are derived from our historical financial information included in Appendix I to this document.

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SUMMARY

	Year ended December 31,											
	2023				2024				2025			
	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	% of revenue	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	% of revenue	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	% of revenue
(Loss)/profit from operations	(288,466)	(286,255)	(574,721)	(16.0)	682,702	291,950	974,652	20.4	179,553	(212,920)	(33,367)	(0.8)
Finance cost	(94,080)	-	(94,080)	(2.6)	(84,548)	-	(84,548)	(1.8)	(63,337)	-	(63,337)	(1.5)
Changes in the carrying amount of redemption liabilities	-	-	-	-	-	-	-	-	(4,644)	-	(4,644)	(0.1)
(Loss)/profit before taxation	(382,546)	(286,255)	(668,801)	(18.6)	598,154	291,950	890,104	18.6	111,572	(212,920)	(101,348)	(2.4)
Income tax	-	-	-	-	-	-	-	-	(837)	-	(837)	0.0
(Loss)/profit for the year	(382,546)	(286,255)	(668,801)	(18.6)	598,154	291,950	890,104	18.6	110,735	(212,920)	(102,185)	(2.4)

SUMMARY

NON-IFRS FINANCIAL MEASURE

The following table reconciles our adjusted (loss)/profit for the year (non-IFRS measure) from our (loss)/profit for the year prepared in accordance with IFRS Accounting Standards for the years ended December 31, 2023, 2024, and 2025:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Reconciliation of (loss)/profit to adjusted (loss)/profit (non-IFRS measure) for the year			
(Loss)/profit for the year	(668,801)	890,104	(102,185)
Adjustment:			
Biological assets fair value adjustments . .	286,255	(291,950)	212,920
Equity-settled share-based payment expenses	—	16,548	—
Changes in the carrying amount of redemption liabilities	—	—	4,644
[REDACTED] expenses	—	—	[REDACTED]
Adjusted (loss)/profit (non-IFRS measure) for the year	(382,546)	614,702	127,929
Adjusted (loss)/profit margin (non-IFRS measure) for the year	(10.6)%	12.9%	3.0%

For the reasons for the adjustment of the reconciling items, please refer to “Financial Information — Non-IFRS Financial Measure — Reasons for the Adjustment”.

Cost of sales

The following table sets forth the components of our cost of sales (by nature) and each component as a percentage of our total cost of sales during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Costs	% of total cost of sales	Costs	% of total cost of sales	Costs	% of total cost of sales
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Feed and feed ingredients cost	2,482,449	70.2	2,680,741	69.1	2,521,922	66.3
Family farming fee	304,355	8.6	369,930	9.5	376,665	9.9
Depreciation and amortization	266,238	7.5	267,181	6.9	264,804	7.0
Veterinary medicines	136,831	3.9	139,754	3.6	142,655	3.7
Staff cost	125,117	3.5	150,443	3.9	167,596	4.4
Others	222,520	6.3	272,199	7.0	331,183	8.7
Total	3,537,510	100.0	3,880,248	100.0	3,804,825	100.0

Please refer to the section headed “Financial Information — Discussion of Certain Key Statements of Comprehensive Income Items — Cost of sales” for further details on the fluctuations in cost of sales.

SUMMARY

Gross profit and gross profit margin

The following table sets forth a breakdown of our gross profit and gross profit margin of each product category during the Track Record Period:

	Year ended December 31,											
	2023				2024				2025			
	Gross profit	Unit gross profit		Gross profit margin	Gross profit	Unit gross profit		Gross profit margin	Gross profit	Unit gross profit		Gross profit margin
	RMB'000	(RMB per head or bird)	(RMB per kg)	(%)	RMB'000	(RMB per head or bird)	(RMB per kg)	(%)	RMB'000	(RMB per head or bird)	(RMB per kg)	(%)
Qingyuan Chicken and other native chickens	6,967	0.2	0.1	0.7	175,694	6.1	3.5	16.4	56,968	1.8	1.0	5.8
Pigs	9,482	8.5	0.07	0.4	659,972	470.1	3.6	20.6	306,399	218.5	1.7	11.5
Fresh and other products	42,046	5.1	n/a	10.8	59,899	5.3	n/a	11.9	93,241	5.8	n/a	14.9
Total gross profit and gross profit margin .	58,495			1.6	895,565			18.8	456,608			10.7

In 2023, fresh and other products were the largest contributor to our gross profit. In 2024, our gross profit increased significantly, primarily driven by pigs, which became the largest contributor to our gross profit, consistent with pigs also being the largest contributor to our revenue, while Qingyuan Chicken and other native chickens also made a substantial contribution. In 2025, our gross profit declined, mainly due to a decrease in the average selling price of pigs, from RMB2,281.6 per head in 2024 to RMB1,897.8 per head in 2025, whereas Qingyuan Chicken and other native chickens remained a positive contributor to our gross profit. Please refer to the section headed “Financial Information — Discussion of Certain Key Statements of Comprehensive Income Items — Gross profit” for further details regarding the fluctuations in gross profit.

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets out a breakdown of selected information from our consolidated statement of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total current assets	1,378,756	1,838,534	1,655,876
Total current liabilities	2,178,581	2,172,905	2,286,026
Total net current liabilities	799,825	334,371	630,150
Total non-current assets	2,599,350	2,446,481	2,453,091
Total non-current liabilities	907,534	693,525	689,092
Net assets	891,991	1,418,585	1,133,849
Non-controlling interests	65,562	131,044	64,564

As of December 31, 2023, 2024, 2025, and March 31, 2026, we recorded net current liabilities of RMB799.8 million, RMB334.4 million, RMB630.2 million, and RMB564.5 million, respectively. The net current liabilities position primarily reflected a high level of short-term borrowings to support operations and expansion, as well as fluctuations in biological assets and other working capital items. Despite this, net cash generated from operating activities of RMB15.4 million, RMB962.0 million, and RMB447.7 million in 2023, 2024, and 2025, respectively. We expect to

SUMMARY

maintain sufficient working capital through internally generated cash flows, available banking facilities, and recent capital injection, including an capital injection of RMB200.0 million from Guizhou Zhongken Equity Investment Fund Partnership (Limited Partnership) in 2025. As of March 31, 2026, we had unutilized credit facilities of RMB1,163.2 million. Based on these factors, our Directors believe we have adequate working capital to meet our obligations for at least the twelve months following the [REDACTED]. For more details, please see “Financial Information — Current Assets And Current Liabilities — Net Current Liabilities Position”.

SELECTED INFORMATION OF OUR CONSOLIDATED CASH FLOW STATEMENTS

The following table sets forth a summary of our consolidated statements of cash flows for the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash generated from operating activities	15,368	961,957	447,681
Net cash used in investing activities	(191,903)	(267,443)	(115,439)
Net cash generated from/(used in) financing activities	40,336	(621,326)	(61,134)
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

KEY FINANCIAL RATIOS

	2023 or as of December 31, 2023	2024 or as of December 31, 2024	2025 or as of December 31, 2025
Gross profit margin	1.6%	18.8%	10.7%
(Loss)/profit margin	(18.6%)	18.6%	(2.4%)
Adjusted (loss)/profit margin (non-IFRS measure)	(10.6%)	12.9%	3.0%
Return on total assets	(16.8%)	20.8%	(2.5%)
Current ratio	0.6 times	0.8 times	0.7 times
Debt to asset ratio	77.6%	66.9%	72.4%

For the calculation methods of the above financial ratios, please see “Financial Information — Key Financial Ratios”.

Biological Assets and Valuation

Our biological assets comprise breeding stocks, including chicken breeders, sows, boars, gilts and studs, and commodity stocks, including fertile eggs, broilers, growers and piglets. Biological assets are measured at fair value less costs of disposal in accordance with International Accounting Standard 41 (*Agriculture*). Changes in fair value are recognized in profit or loss under “Changes in fair value of biological assets.” The valuation of biological assets was performed by an independent

SUMMARY

professional valuer using the market approach and replacement cost approach, as appropriate, based on the nature of the assets and availability of market data. Further details of the valuation methodology, key assumptions and inputs are set out in Note 14 to the Accountants’ Report in Appendix I to this document.

During the Track Record Period, we recorded losses arising from changes in fair value of biological assets of RMB285.3 million in 2023, gains arising from changes in fair value of biological assets of RMB300.1 million in 2024 and losses arising from changes in fair value of biological assets of RMB216.5 million in 2025 arising from changes in fair value of biological assets. These movements primarily reflected period-end remeasurement of our biological assets under IAS 41 based on fluctuations in market prices of pigs and chickens and changes in other relevant valuation inputs, including the size and age of pigs and chickens. Such fair value movements were non-cash in nature and were recognized in profit or loss.

Qingyuan Chicken and other native chickens

Fair value changes relating to chickens were smaller in scale but followed a similar pattern. Lower market prices for broilers and breeders in 2023 resulted in a fair value loss. The recovery in chicken prices in 2024 led to an increase in the valuation of broilers and breeders and a corresponding gain. In 2025, despite the decline in chicken prices, the overall fair value movement for chickens remained a gain, primarily reflecting fair value gains in breeding stocks, chicken breeders, and commodity stocks, broilers and fertile eggs. These fair value movements were non-cash valuation adjustments recognized in profit or loss.

Pigs

Biological assets related to pigs represented the majority of our total biological assets during the Track Record Period. In 2023, market pig prices declined, resulting in a downward revaluation of growers and breeding stock and a net fair value loss recognized in profit or loss. In 2024, market conditions improved and pig prices recovered, leading to an upward revaluation of commodity pigs and sows and a net fair value gain. In 2025, increased pig supply and lower market prices led to a decrease in year-end valuations, RMB120 per head lower than the valuation as of 31 December 2024, resulting in a net fair value loss recognized in profit or loss.

See “Financial Information — Biological Assets and Valuation” in this document for further information.

DIVIDENDS

In 2022, we declared cash dividends of RMB83.6 million (RMB0.20 per share) to our Shareholders, of which RMB26.3 million was paid in 2022 and the remaining RMB57.3 million was fully settled in cash in January 2023. We did not declare any dividend during 2023 and 2024. In 2025, our shareholders approved a cash dividend of RMB128.8 million out of our retained profits, which was paid during the year. We do not have a fixed dividend policy or a pre-determined dividend payout ratio. The declaration, payment, and amount of dividends depend on our financial condition, earnings, and capital requirements, and are subject to the discretion of our Board, our constitutional documents, and applicable laws and regulations in the PRC. Past dividend distributions should not be regarded as indicative of future dividend distributions.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the retained earnings of the Company of RMB350.2 million, which is available for distribution to our Shareholders.

SUMMARY

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED]. We expect to incur [REDACTED] expenses of [REDACTED] million, representing approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED] (based on the mid-point of the indicative [REDACTED] range and taking into account any discretionary incentive fees, if applicable). During the Track Record Period, we incurred [REDACTED]-related expenses of approximately [REDACTED] million, of which (i) [REDACTED] million was charged to consolidated statement of comprehensive income for the year ended December 31, 2025 and (ii) [REDACTED] million was recorded as prepayments as of December 31, 2025 and is expected to be a deduction from equity upon the [REDACTED]. We expect to incur [REDACTED] expenses after December 31, 2025, of which [REDACTED] million is expected to be charged to our consolidated statement of comprehensive income and [REDACTED] million is directly attributable to the issue of our H shares and to be accounted for as a deduction from equity in accordance with the relevant accounting standards.

The [REDACTED] expenses (based on the mid-point of the indicative [REDACTED] range and taking into account any discretionary incentive fees, if applicable) we incurred during the Track Record Period and expect to incur for this [REDACTED] would consist of (i) [REDACTED] million in [REDACTED]-related expenses, and (ii) [REDACTED] million in [REDACTED]-related expenses, including [REDACTED] million in fees and expenses of legal advisors and accountants, and [REDACTED] million in other fees and expenses, respectively.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, there was no litigation, arbitration or administrative proceeding pending or threatened against our Group or any of our Directors which could have a material adverse effect on our business, financial condition or results of operations. Our Directors are of the view that we had complied with all relevant laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. We had certain historical non-compliance incidents during the Track Record Period and details of which are disclosed in “Business — Legal Proceedings and Compliance”. During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business.

[REDACTED] STATISTICS

	Based on an [REDACTED] of [REDACTED] per H Share	Based on an [REDACTED] of [REDACTED] per H Share
[REDACTED] of our H Shares ⁽¹⁾	[REDACTED] million	[REDACTED] million
[REDACTED] of our Shares ⁽²⁾	[REDACTED] million	[REDACTED] million
[REDACTED] adjusted consolidated net tangible assets per Share ⁽³⁾	[REDACTED]	[REDACTED]

Notes:

- (1) The calculation is based on the assumption that [REDACTED] H Shares will be issued pursuant to the [REDACTED] and [REDACTED] Domestic Unlisted Shares will be converted into H shares (without taking into account H Shares that may be issued upon the exercise of the [REDACTED]).
- (2) The calculation is based on the assumption that [REDACTED] Shares will be expected to be in issue immediately upon completion of the [REDACTED] (without taking into account Shares that may be issued upon the exercise of the [REDACTED]).

SUMMARY

- (3) The [REDACTED] adjusted consolidated net tangible assets per Share as of [December 31, 2025], are calculated after making the adjustments referred to in Appendix II and on the assumption that [REDACTED] Shares expected to be in issue, and without taking into account Shares that may be issued upon the exercise of the [REDACTED], which did not reflect any transaction subsequent to [December 31, 2025].

FUTURE PLANS AND USE OF [REDACTED]

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes (assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range stated in this document), after deducting the [REDACTED] fees and commissions and other estimated expenses in connection with the [REDACTED]): (i) Approximately [REDACTED]% of our estimated net [REDACTED], or approximately [REDACTED] million will be used over the next five years for expanding our fresh product production and opening casual dining restaurants; (ii) Approximately [REDACTED]% of our estimated net [REDACTED], or approximately [REDACTED] will be used over the next five years for further development of our technology and R&D capability; (iii) Approximately [REDACTED]% of our estimated net [REDACTED], or approximately [REDACTED] million will be used over the next five years for further development of our information system; (iv) Approximately [REDACTED]% of our estimated net [REDACTED], or approximately [REDACTED] million will be used over the next five years for strategic investments or potential acquisitions; (v) Approximately [REDACTED]%, or approximately [REDACTED] million will be used for working capital and general corporate purposes.

RECENT DEVELOPMENTS AND MATERIAL ADVERSE CHANGE

Increase in Yellow-Feather Broiler Prices and Decline in Pig Prices

According to Frost & Sullivan, the industry average selling price of yellow-feather broilers increased by 2.3%, from RMB12.8 per kilogram in 2025 to an average selling price of RMB13.1 per kilogram for the three months ended March 31, 2026, mainly driven by increased demand for chicken. Over the same period, the industry average selling price of pigs decreased by 15.9%, from RMB13.8 per kilogram in 2025 to an average selling price of RMB11.6 per kilogram for the three months ended March 31, 2026, primarily due to expanded production capacity in the industry.

Asset Disposal and Genetic Resource Supply Arrangements

On December 20, 2025, we disposed of certain assets relating to our Qingyuan Chicken and Changshun Green-eggshell Chicken breeds to our Controlling Shareholder, and on January 5, 2026, we entered into genetic resource supply agreements with our Controlling Shareholder in relation to such breeds. The transactions under the above agreements will constitute our exempt continuing connected transactions upon [REDACTED]. The Directors are of the view that these arrangements will not have a material adverse effect on our operations, financial position or results of operations. See “Business — Asset Disposal and Genetic Resource Supply Arrangements with Our Controlling Shareholder” for further details.

Material Adverse Change

Our Directors confirm that, up to the date of this document, except as disclosed above, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects of our Group since December 31, 2025, the end of the period reported in the Accountants’ Report set out in Appendix I to this document, and there has been no event since December 31, 2025 which would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

SUMMARY

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the [REDACTED] of, and permission to [REDACTED], our H Shares to be issued pursuant to the [REDACTED] (including any additional H Shares that may be issued pursuant to the exercise of the [REDACTED], and H Shares to be converted from Domestic Unlisted Shares). This application is made on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules, with reference to (i) our revenue for the year ended December 31, 2025, being approximately RMB4,261.4 million, which is over HK\$500 million required by Rule 8.05(3) of the Listing Rules, and (ii) our expected [REDACTED] at the time of [REDACTED], which, based on the low end of the [REDACTED] range, will exceed [REDACTED].

DEFINITIONS

“Accountants’ Report”	the accountants’ report on our Group for the Track Record Period set out in Appendix I to this document
“affiliate(s)”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the articles of associations of our Company, as amended from time to time, which shall become effective on the [REDACTED], a summary of which is set out in Appendix V to this document
“Audit Committee”	the audit committee of the Board
“Bixiang Science and Technology”	Guangdong Bixiang Science and Technology Development Co., Ltd. (廣東碧鄉科技發展有限公司) (formerly known as Yingde Bixiang Agricultural Development Co., Limited (英德市碧鄉農業發展股份有限公司)), a limited liability company established in the PRC on December 5, 2017 and one of the Pre-[REDACTED] Investors
“Board” or “Board of Directors”	the board of directors of our Company
“business day(s)”	any day(s) (other than Saturday(s), Sunday(s) or public holiday(s) in Hong Kong) on which licensed banks in Hong Kong are generally open for general banking business throughout their normal business hours

[REDACTED]

“China” or “PRC”	the People’s Republic of China and, except where the context otherwise requires and only for the purpose of this document, references in this document to China or the PRC exclude Hong Kong, the Macao Special Administrative Region and Taiwan Region
“Chinese government” or “PRC government”	the central people’s government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them

DEFINITIONS

“Chongqing Riquan”	Chongqing Riquan Agriculture and Animal Husbandry Co., Ltd. (重慶日泉農牧有限公司), a limited liability company established in the PRC on June 21, 2012 and a wholly-owned subsidiary of our Company
“Chongqing Ronghui”	Chongqing Ronghui Agricultural and Animal Husbandry Technology Partnership (Limited Partnership) (重慶榮匯農牧技術合夥企業(有限合夥)) (formerly known as Chongqing Tianhui Agriculture and Animal Husbandry Technology Partnership (Limited Partnership) (重慶天匯農牧技術合夥企業(有限合夥))), a limited partnership established in the PRC on April 21, 2017 and one of our Controlling Shareholders
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented and otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Guangdong Tinoos Group Co., Limited (廣東天農集團股份有限公司), a limited liability company established in the PRC on March 7, 2003 and converted into a joint stock limited liability company on August 12, 2020
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and refer to the persons set out in the section headed “Relationship with our Controlling Shareholders” in this document
“Controlling Shareholders Group”	Mr. Xiao, Dr. Zhang, Fengtian Investment, Tianju Investment, Chongqing Ronghui, Qingyuan Quanfa and Qingyuan Quanxing, being a group of our Controlling Shareholders. For details, please refer to the section headed “Relationship with our Controlling Shareholders” in this document
“Conversion of Domestic Unlisted Shares into H Shares”	the conversion of an aggregate of [REDACTED] Domestic Unlisted Shares into H Shares on an one-for-one basis upon the completion of the [REDACTED]
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

DEFINITIONS

“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “Our Director(s)”	the directors of our Company
“Domestic Unlisted Share(s)”	ordinary share in our capital, with a nominal value of RMB1.0 each, which are subscribed for and paid up in Renminbi, which are not listed on any stock exchange
“EIT”	the PRC enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Employee Share Scheme”	the employee share scheme of our Company, a summary of the principal terms of which is set forth in the paragraph headed “D. Employee Share Scheme” in Appendix VI to this document
“Employee Shareholding Platform(s)”	the employee shareholding platforms established by the Company, namely Qingyuan Quanwang, Qingyuan Quanxing and Qingyuan Quanfa, or any one of them as the context may require
“ESG”	environmental, social and governance
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
“Fengtian Investment”	Qingyuan Fengtian Agricultural Investment Center (Limited Partnership) (清遠市鳳天農業投資中心(有限合夥)) (formerly known as Qingyuan Fengzhonghuang Agricultural Investment Management Center (Limited Partnership) (清遠市鳳中皇農業投資管理中心有限合夥)), a limited partnership established in the PRC on March 14, 2017 and one of our Controlling Shareholders

[REDACTED]

DEFINITIONS

[REDACTED]

“Group”, “our Group”, “we”, “us”, or “our”	our Company and our subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“Guangdong Guangken”	Guangdong Guangken Taizheng Agricultural Supply-side Equity Investment Fund Partnership (Limited Partnership) (廣東廣墾太證農業供給側股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on April 29, 2019 and one of the Pre-[REDACTED] Investors
“Guide”	the Guide for New Listing Applicants published by the Stock Exchange published by the Stock Exchange in December 2023 which took effect on January 1, 2024 (as amended or supplemented or otherwise modified from time to time)
“Guizhou Zhongken”	Guizhou Zhongken Equity Investment Fund Partnership (Limited Partnership) (貴州中墾股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on September 30, 2021 and one of the Pre-[REDACTED] Investors
“H Share(s)”	ordinary share(s) in the share capital of our Company with nominal value of RMB1.0 each, which are to be [REDACTED] for and [REDACTED] in Hong Kong dollars and are to be [REDACTED] on the Stock Exchange

[REDACTED]

“HKICPA”	Hong Kong Institute of Certified Public Accountants

[REDACTED]

DEFINITIONS

[REDACTED]

“HK\$” or “Hong Kong dollars” or “HK dollars”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China

[REDACTED]

“IAS”	International Accounting Standards
“IDG”	IDG-Accel China Investment II, Limited, a private company limited by shares incorporated in Hong Kong on June 15, 2007 and one of the Pre-[REDACTED] Investors
“Independent Third Party(ies)”	an individual(s) or an entity(ies) who or which, as far as our Directors are aware after having made all reasonable enquiries, is/are not a connected person of our Company within the meaning of the Listing Rules

DEFINITIONS

[REDACTED]

“[REDACTED]” the [REDACTED] as named in “Directors, Supervisors and Parties Involved in the [REDACTED]”

“[REDACTED]” the [REDACTED] as named in “Directors, Supervisors and Parties Involved in the [REDACTED]”

“Latest Practicable Date” [April 30, 2026], being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Committee” the Listing Committee of the Stock Exchange

[REDACTED]

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

“Main Board” the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange

“MARA” the Ministry of Agriculture and Rural Affairs of the People’s Republic of China (中華人民共和國農業農村部)

DEFINITIONS

“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Xiao”	Mr. Xiao Wenqing (肖文清) (formerly known as Mr. Yin Pingan (尹平安)), one of our founders, chairperson of the Board, executive Director and one of our Controlling Shareholders
“Dr. Zhang”	Dr. Zhang Zhengfen (張正芬), one of our founders, executive Director, vice chairperson of the Board, the president of the Company and one of our Controlling Shareholders
“Nomination Committee”	the nomination committee of the Board
“NPC” or “National People’s Congress”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“NPC Standing Committee”	the Standing Committee of National People’s Congress (全國人民代表大會常務委員會)

[REDACTED]

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law” or “Company Law”	the Company Law of the PRC 《中華人民共和國公司法》, as enacted by the Standing Committee of the Eighth National People’s Congress on December 29, 1993 and effective on July 1, 1994, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“PRC GAAP”	PRC Generally Accepted Accounting Principles
“PRC Legal Advisors”	King & Wood, legal advisors to our Company as to PRC Law
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the Pre-[REDACTED] Investors. See section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document for details
“Pre-[REDACTED] Investors”	the investors in our Company prior to our [REDACTED]. See section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document for details
[REDACTED]	
“document”	this document being issued in connection with the [REDACTED]
“Qingyuan Quanfa”	Qingyuan Quanfa Agricultural and Animal Husbandry Technology Center (Limited Partnership) (清遠泉發農牧科技中心(有限合夥)), a limited partnership established in the PRC on March 20, 2025 and one of our Employee Shareholding Platforms and one of our Controlling Shareholders
“Qingyuan Quanwang”	Qingyuan Quanwang Agriculture & Animal Husbandry Technology Center (Limited Partnership) (清遠泉旺農牧科技中心(有限合夥)), a limited partnership established in the PRC on January 23, 2025, one of our Employee Shareholding Platforms
“Qingyuan Quanxing”	Qingyuan Quanxing Agricultural and Animal Husbandry Technology Center (Limited Partnership) (清遠泉興農牧科技中心(有限合夥)), a limited partnership established in the PRC on February 25, 2025, one of our Employee Shareholding Platforms and one of our Controlling Shareholders
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)

DEFINITIONS

“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Self-operated Farm Model”	the model under which our Group build farms and employ labor force to carry out scaled farming, and are responsible for breeding, fattening, farming and other related process
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
“Shanghai Qingquan Investment”	Shanghai Qingquan Investment Management Co., Ltd. (上海清泉投資管理有限公司), a limited liability company established in the PRC on February 7, 2013 and one of the Pre-[REDACTED] Investors
“Share(s)”	ordinary share(s) with nominal value RMB1.0 each in the share capital of our Company, comprising Domestic Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
	[REDACTED]
“Sole Sponsor”	the sole sponsor of the [REDACTED] of the H Shares on the Stock Exchange as named in “Directors, Supervisors and Parties Involved in the [REDACTED]”
	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of the Board
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Tianjin Jingping”	Tianjin Jingping Tiannong Enterprise Management Consulting Center (Limited Partnership) (天津市京平天農企業管理諮詢中心(有限合夥)), a limited partnership established in the PRC on September 15, 2020 and one of the Pre-[REDACTED] Investors
“Tianjin Shunxin”	Tianjin Shunxin No.1 Enterprise Management Consulting Partnership (Limited Partnership) (天津市順心壹號企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on September 15, 2020 and one of the Pre-[REDACTED] Investors
“Tianju Investment”	Qingyuan Tianju Agricultural Investment Center (Limited Partnership) (清遠市天聚農業投資中心(有限合夥)) (formerly known as Qingyuan Tiannong Agricultural Investment Consulting Center (Limited Partnership) (清遠市天農農業投資諮詢中心(有限合夥))), a limited partnership established in the PRC on January 29, 2018 and one of our Controlling Shareholders
“Track Record Period”	For the years ended December 31, 2023, 2024 and 2025

[REDACTED]

“United States” or “U.S.”	the United States of America

[REDACTED]

“Zhongshan Lianyidong”	Zhongshan Lianyidong Investment Co., Ltd. (中山市聯宜動投資有限公司), a limited liability company established in the PRC on December 29, 2008, was one of the Pre-[REDACTED] Investors

Unless otherwise expressly stated or the content otherwise requires, in this document:

- all times refer to Hong Kong time and references to years in this document are to calendar years;*
- the terms “associate(s)”, “close associate(s)”, “connected person(s)”, “core connected person(s)”, “connected transaction(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings ascribed to such terms in the Listing Rules; and*
- certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of figures preceding them.*

GLOSSARY OF TECHNICAL TERMS

This glossary contains certain definitions and technical terms in this document which relate to our business and the industries and sectors that we operate in. As such, some terms and definitions may not correspond to standard industry definitions or usage of such terms.

“boar(s)”	male pig(s) selected for semen production for mating in pig production system
“breeding pig(s)”	pig(s) that are one of our products, including boars and sows and primarily selected for breeding and pig production
“broiler(s)”	the mature chickens which are grown from chicks. A broiler is a type of chicken bred for the production of chicken products rather than for eggs. Broilers are usually slaughtered when they reach a required weight. After slaughtering, it will be processed into chicken meat products for sale. Broilers mainly include white-feathered broilers and yellow-feathered broilers
“chick(s)”	the chicks hatched from fertile eggs, which will then be delivered to broiler farms for breeding into broilers
“chicken breeder(s)”	collectively, the immature and mature chicken breeders
“commodity DOC(s)”	the day-old chicks that are bred for the purpose of growing into broilers
“DOC(s)”	day-old chick(s)
“elite stock multiplication”	the structured breeding process whereby genetically superior breeding stock with desirable traits is reproduced through controlled mating and selection, in order to expand populations of high-quality parent or commercial livestock while preserving genetic performance standards
“FVPL”	Fair value through profit or loss
“Family Farm Model”	the model under which family farms provide the land and facilities and raise the broilers according to our standards, while we provide chicks/piglets, feeds, medicines, and technical support
“family equal random breeding”	a breeding practice under which different family lines participate in mating in equal proportions, with mating pairs formed on a random basis. This approach is adopted to control inbreeding risk, maintain genetic diversity, and reduce the disproportionate influence of any single family line on the overall genetic structure of the population
“farrow”	the time and process whereby a fetus is separated from the mother’s body and exists as an independent entity

GLOSSARY OF TECHNICAL TERMS

“feed conversion”	the ratio of inputs to outputs, which means how many kilograms of feed does an animal need to get to gain one kilogram of body weight
“fertile egg(s)”	the fertilised eggs laid by breeders, which are incubated for approximately 21 days and hatched into chicks
“finish”	the farming process of raising livestock (typically for meat production) until fattened
“genetic resource preservation”	the conservation of valuable genetic materials to maintain genetic diversity and support sustainable livestock breeding
“gilt(s)”	female pig(s) selected and used for breeding and not yet mated. Gilts become sows, since they are mated naturally or inseminated artificially for the first time
“Grandparent” or “GP”	the second populations used for the preparation of parental generations under the specialised synthetic mating system layer purebred mating pigs or chicken in specialised synthetic mating system
“Grandparent Stock(s)”	chickens that are bred for the purpose of breeding Parent Stocks
“Great Grandparent” or “GGP”	purebred mating pigs or chickens in specialised synthetic mating system for generational breeding
“grower(s)”	breeding pig(s) and market hog(s) that age(s) over 70 days and are not finished yet
“km”	kilometer, a unit of length
“leukemia purification protocol”	a purification program targeting avian leukosis virus (ALV), under which the presence of the virus in poultry flocks is progressively reduced and eliminated through testing, isolation or culling of infected individuals, as well as source and breeding stock management
“market hog(s)”	pigs primarily used for production of pork products
“market piglets”	market hogs weighing between six to 25 kilograms (the conservation stage after weaning)
“mature chicken breeder(s)”	the mature chickens of 24 weeks old or more which are grown from Parent Stock DOCs and used for laying fertile eggs. Such mature chicken breeders will usually start to lay eggs from approximately the 25th week to the 65th week after their birth. After the 65th week, mature chicken breeders will be sold and will be used for the production of chicken meat products

GLOSSARY OF TECHNICAL TERMS

“geographical indication”	a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin
“Parent Stock(s)”	chickens that are bred for the purpose of laying eggs that produce commodity chicks
“Parent Stock DOC(s)”	the day-old chicks that are bred for the purpose of laying fertile eggs
“parity”	the number of litters a sow has carried
“pedigree”	the record of descent of an animal
“porcine circovirus”	a common virus of pigs
“porcine eperythrozoonosis”	an infectious disease of pigs that can infect human
“porcine parvovirus”	a common virus causing infectious infertility in swine
“PRRS”	porcine reproductive and respiratory syndrome, a disease that causes a decrease in reproductive performance in breeding animals and respiratory disease in pigs
“pseudorabies”	a disease of swine that can also affect cattle, dogs, cats, sheep, and goats
“PSY”	piglets weaned per sow per year, means the total number of piglets weaned in a given period, expressed on a yearly basis, divided by the average number of sows in this period
“pullorum purification protocol”	a systematic disease control and purification program targeting pullorum disease caused by <i>Salmonella pullorum</i> , implemented through measures including serological testing, culling of serologically positive individuals, and continuous monitoring, with the objective of controlling and progressively eliminating the disease within poultry flocks
“purebred”	(of an animal) descendants bred from parents of the same breed
“pure line(s)”	(of birds) descendants bred from parents of the same line
“Qingyuan Chicken”	Qingyuan Chicken is a native chicken with high quality, known for its high-quality meat and distinctive partridge feathering. With a low speed for growing, Qingyuan Chicken usually takes 125-130 days to lay eggs and enter mature stage, offering enough time for it to cumulate flavor and nutrition
“R&D”	research and development

GLOSSARY OF TECHNICAL TERMS

“seroprevalence rate”	the proportion of samples within a defined population that test positive for specific antibodies in serological testing, and is commonly used to assess levels of disease exposure, infection status, or the effectiveness of purification programs
“source-to-table”	a source-to-table approach refers to end-to-end management and control of the food supply chain, covering all stages from breeding and farming at the source through processing, logistics, distribution and final delivery to consumers
“sow(s)”	female pig(s) which have been mated naturally or inseminated artificially once. We use sows to give birth to litters in our pig farming process
“stud(s)”	male pig(s) that are selected for breeding training, then used for breeding (or semen production)
“supporting lines”	a production model which concentrates excellent traits through crossbreeding by making use of multiple excellent breeds (lines) according to their respective excellent traits, to produce excellent market livestock and poultry
“weaning”	separating the piglets and its mother, and made them accustom to feed other than its mother’s milk
“yellow-feathered broiler(s)”	indigenous species of chicken from China, and therefore can be domestically produced

FORWARD-LOOKING STATEMENTS

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

- our operations and business prospects;
- our ability to maintain and enhance our market positions;
- future developments, trends and conditions in the industry and markets in which we operate;
- our business strategies and plans to achieve these strategies;
- our ability to identify and integrate suitable acquisition targets;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment and general outlook in the industry and markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our ability to reduce costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors;
- risks identified under “Risk Factors” in this document;
- certain statements in “Business” and “Financial Information” in this document with respect to trends in prices, volumes, operations, margins, overall market trends, risk management and exchange rates; and
- other statements in this document that are not historical facts.

We do not guarantee that the transactions and events described in the forward-looking statements in this document will happen as described, or at all. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risks and uncertainties set forth in “Risk Factors” in this document. You should read this document in its entirety and with the understanding that actual

FORWARD-LOOKING STATEMENTS

future results may be materially different from what we expect. The forward-looking statements made in this document relate only to events as of the date on which the statements are made or, if obtained from third-party studies or reports, the dates of the respective studies or reports. Since we operate in an evolving environment where new risks or uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events. We undertake no obligation, beyond what is required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even when our situation may have changed.

RISK FACTORS

You should carefully consider all of the information in this document, including the risks and uncertainties described below before making an [REDACTED] in our H Shares. You should pay particular attention to the fact that we conduct significant operations in China, the legal and regulatory environment of which differs in certain respects from that which prevails in other countries. Our business, financial condition, results of operations or prospects may be materially and adversely affected by any of these risks and the [REDACTED] of our H Shares may decline as a result. You may lose all or part of your [REDACTED].

We believe that there are certain risks involved in our operations, some of which are beyond our control. These risks can broadly be categorised into: (i) risks relating to our business and our industry; (ii) risks relating to conducting business in the PRC; and (iii) risks relating to the [REDACTED].

RISKS RELATING TO OUR BUSINESS AND OUR INDUSTRY

Our results of operations are significantly affected by cyclical fluctuations and inherent unpredictability in the prevailing market price of our Qingyuan Chicken and pigs.

Our financial performances are significantly affected by the selling prices of Qingyuan Chicken and pigs. All of these prices are determined by constantly changing and volatile market supply and demand as well as other factors, over which we have limited or no control. These factors include: economic conditions; government regulations and actions; market competition; and livestock diseases.

The inherent unpredictability of these price movements poses ongoing risks to our business. The selling price trend of Qingyuan Chicken generally fluctuates in line with the broader yellow-feathered broiler market, which is subject to multiple factors, such as supply and demand adjustments and fluctuations in raw material costs. The industry average selling price of yellow-feathered broilers decreased from RMB14.0 per kilogram in 2023 to RMB13.6 per kilogram in 2024 and RMB12.8 per kilogram in 2025. The industry average selling price of yellow-feathered broilers increased to RMB13.1 per kilogram from January to March 2026.

Similarly, pigs prices typically fluctuate cyclically, reflecting changes in market demand and supply. The industry average selling price of pigs increased from RMB15.1 per kilogram in 2023 to RMB16.7 per kilogram in 2024, and decreased to RMB13.8 per kilogram in 2025. The industry average selling price of pigs further decreased to RMB11.6 per kilogram from January to March 2026.

We cannot predict or control these price movements, and adverse price changes could materially and adversely affect our business, financial conditions, and results of operation.

Changes in the cost of raw materials used in our operations, especially feed ingredients, may lead to declines in our margins and operating results.

Our primary raw materials used in our operations are corn, soybean meal, etc, with feed ingredients representing a significant portion of its farming costs. As bulk commodities, the market prices of corn and soybean meal are highly influenced by supply and demand dynamics, and fluctuations in their prices directly affect our production costs. From 2023 to 2025, market prices of corn and soybean fluctuated, reflecting a CAGR of up to approximately 14.1% and 13.6%, respectively, driven by factors such as changes in planting areas, weather conditions, national grain policies, international trade conditions and transportation disruptions. If raw material prices undergo a sustained increase and we are unable to promptly pass on the additional costs to downstream customers, it may have a serious adverse impact on our operating results.

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Outbreak of avian influenza, African Swine Fever, and other diseases among the livestock or attributed to livestock or zoonoses and adverse publicity of these diseases can significantly affect our production, supply and demand for our products and our business.

Our operators are exposed to inherent risks related to animal health and disease control. Outbreaks of poultry diseases, such as avian influenza, or swine diseases, such as African Swine Fever (ASF), Porcine Reproductive and Respiratory Syndrome (PRRS), porcine circovirus, porcine epidemic diarrhea (PED), pseudorabies, porcine parvovirus, or porcine erythrozoosis, could disrupt our production and erode consumer confidence in our production facilities. During the Track Record Period and up to the Latest Practicable Date, we experienced no material disruptions to our operations or financial losses due to these diseases.

Avian influenza is a highly contagious poultry disease that may result in large-scale livestock losses and heightened regulatory interventions. Its rapid mutation and potential transmission by wild birds increase the difficulty of disease prevention and control for poultry farming operations. African Swine Fever is a highly contagious and often fatal swine disease. An outbreak may require large-scale culling of infected pigs or entire herds, resulting in substantial economic losses, supply disruptions and adverse impacts on pig farming operations.

There is currently no ASF vaccine commercially available for use in China, although a vaccine was approved for clinical trial in July 2025. In any event, our pig farming operations experienced no material disruptions due to ASF or other swine diseases during the Track Record Period. For further details, please refer to the section titled “Business – Impact of Disease and Epidemic.”

Porcine epidemic diarrhea is another highly contagious swine disease with high morbidity and mortality, particularly among newborn piglets. Despite our biosecurity measures and vaccination protocols, we cannot fully eliminate the risk of PED outbreaks. Overall, swine diseases can reduce pig production, hinder growth to market size, increase medication and vaccination costs, necessitate quarantine or culling, and, in severe cases, lead to large-scale culls or temporary suspension of operations at affected facilities. These outcomes could adversely affect our production and ability to sell products.

Our Directors confirm that no large-scale avian influenza and swine diseases outbreaks occurred in our self-operated farms and family farms, and these outbreaks did not materially impact our business operations or financial performance. However, disease outbreaks in nearby areas could raise public and customer concerns about the safety and quality of our products. Adverse publicity surrounding animal diseases or zoonotic health risks could undermine consumer confidence in the safety and quality of our poultry and pig, potentially reducing demand for our products. Zoonotic diseases, like avian influenza and swine diseases, may further suppress consumption of related meat products. While we have established a strict epidemic prevention system, equipped with comprehensive facilities, formed a specialised prevention team, and rapidly promoted our practices across both our self-operated farms and family farms, there is no assurance that in the event of a large-scale outbreak of animal diseases or zoonoses in the future, we will be able to fully implement effective controls or mitigate all risks associated with the outbreak. Should such outbreaks affect our operations, our business, financial condition, and results of operations could be materially and adversely impacted.

Government restrictions, such as discouraging the sale of live poultry and pig livestock, and industry transformation may adversely impact our business.

Currently, government restrictions on discouraging the sale of live poultry and livestock for public security reasons have directly limited sales channels for live animals. Furthermore, measures to balance supply and demand, including the plans to reduce the breeding sow by one million head in 2025 to stabilize pork prices, have further constrained industry expansion. This may limit sales of our live products, such as Qingyuan Chicken and pigs. At the same time, the industrial structure is being upgraded at a faster pace, with consumer demand prominently shifting toward fresh and

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other products. To address this trend, we are strategically enhancing our fresh and other products business. During the Track Record Period, sale of fresh and other products of our total revenue increased from 10.8% in 2023 to 14.7% in 2025. However, this transformation process presents multiple operational challenges. The production of fresh and other products requires significantly higher standards in supply chain efficiency, cold chain logistics, cost control, and marketing capabilities than our Qingyuan Chicken and pigs business. Deficiencies in any of these areas could erode projected profits. If we fail to balance business development through product differentiation, cost management and efficient resource allocation, we may not be able to seize new market opportunities and our overall profitability and revenue growth may be adversely affected.

Any perceived or actual food safety or health issues related to our raw materials, products or the food industry generally could adversely affect our reputation, our ability to sell our products and our financial performance, and subject us to liability claims and regulatory actions.

We are subject to risks affecting China’s food industry generally, including risks posed by the following: food spoilage; food contamination; contamination of raw materials; consumer product liability claims; product tampering; product labeling errors; expenses and possible unavailability of product liability insurances; and potential costs and disruption of a product recall.

Also, there can be no assurance that contamination of our raw materials or products will not occur during the transportation, production, sales and distribution processes due to reasons unknown to us, out of our control or otherwise. If our raw materials or products are found to be spoiled, contaminated, tampered with, incorrectly labeled or reported to be associated with any such incidents, we may be subject to product liability claims, adverse publicity and government scrutiny or investigations, any of which could result in lower demand and prices for our products, increased costs and interruption of our operations. Any of these events could have a material and adverse impact on our reputation, business, financial condition, results of operations and prospects.

During the course of breeding, we (and our family farms) apply medicines and vaccines to the livestock. Any adverse effects, misuse or unforeseen consequences of such medicines or vaccines could give rise to food safety, quality or human health concerns. In such cases, we may face product liability claims, litigation, government scrutiny and reputational damage, which could strain our administrative and financial resources, weaken consumer confidence and adversely affect the sales of our products and our business.

The pig industry has historically been exposed to food safety incidents involving illegal substances, such as clenbuterol, which have resulted in consumer health concerns and regulatory intervention. Although such practices are prohibited, there can be no assurance that similar incidents will not reoccur in the industry. Any widespread food safety issues, whether involving our products or other industry participants, may undermine consumer confidence in pork products generally, which could adversely affect demand for our products and materially and adversely impact our reputation, business, financial condition, results of operations and prospects.

In addition, if our products are tampered with by third parties or become contaminated, or if adverse test results are reported, we may be required to conduct product recalls and could be subject to product liability claims, regulatory scrutiny, investigations or enforcement actions, adverse publicity, increased costs and operational disruption. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

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

Our biological assets are measured at fair value less costs of disposals. Gains or losses arising from the 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 year in

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which they arise. The fair values of our biological assets at each reporting date during the Track Record Period were determined by the Valuer. In valuing our biological assets, the Valuer has relied on a number of key parameters and assumptions that may vary from time to time, such as the quantity, market prices, mortality rate, age for sale, and body weight. Please refer to the section headed “Financial Information — Biological Assets and Valuation — Valuation Methodology” for further details. The fair value of our biological assets may be affected by factors including the accuracy of these parameters and assumptions, the quality of our biological assets, and changes in the pig and poultry farming industry. Market prices for biological assets are highly volatile and susceptible to significant fluctuations from year to year. As a result of revaluations of our biological assets, our financial position and results of operations may change significantly from year to year. During the Track Record Period, we recorded fluctuations in the changes in fair value of biological assets in both our Qingyuan Chicken and other native chickens business and pigs business. For further details, please refer to the section headed “Financial Information — Biological Assets and Valuation”. We cannot assure you that the fair value of our biological assets will not decrease in the future, which could adversely affect our financial results.

If the estimated market price or replacement cost increases or decreases significantly on a standalone basis, it will result in a substantial increase or decrease in the fair value of our biological assets. As of December 31, 2023, and 2024, and 2025, assuming a 10% increase in transaction market prices or replacement cost, the estimated fair value of our biological assets would have increased by RMB105.2 million, RMB120.6 million and RMB103.1 million, respectively; whereas assuming a 10% decrease in market price or replacement cost, the estimated fair value of our biological assets would have decreased by RMB116.4 million, RMB123.7 million and RMB118.4 million, respectively.

Given the nature and valuation sensitivity of our biological assets, we are exposed to risks that may lead to financial volatility and could have a material adverse effect on our business, financial condition, and results of operations.

As perishable goods, our fresh products are subject to inherent risks of spoilage and supply chain disruptions.

During the Track Record Period, our fresh and other products accounted for approximately 10.8%, 10.5% and 14.7% of our total revenue, respectively.

The production and distribution of perishable goods, primarily fresh products, are subject to inherent risks of spoilage and supply chain disruptions. Fresh products have a limited shelf life, typically ranging from three days to six days, and require stringent temperature control and proper handling throughout the supply chain to ensure quality and safety. Our fresh products are generally delivered to customers through cold-chain logistics, with transportation typically completed within one to two days. Any failure in storage, handling, or transportation, such as equipment malfunctions, human error, or logistical delays may result in spoilage. Such incidents could lead to direct financial losses from discarded products and potential reputational harm if customers receive substandard goods.

Moreover, our full industry chain operations cover from breeding, elite stock multiplication, eco-farming, feed production, slaughtering and food processing to end customers. Disruptions at any point, whether due to transportation delays caused by adverse weather or traffic, natural disasters, or regulatory changes could impede our ability to deliver products on time. These disruptions may result in stockouts, lost in sales opportunities, and increased operational costs, particularly if we are required to procure products from alternative suppliers at higher prices. Any spoilage or supply chain disruptions would incur additional costs to fulfill existing contracts, as a result adversely impact the results of operations.

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Our operations are subject to the risks associated with our Family Farm Model, and we rely on family farms to raise Qingyuan Chicken, other native chickens, and market hogs.

We employ Family Farm Model for breeding Qingyuan Chicken and market hogs. We may not be able to monitor the performance of these family farms as directly and efficiently as our self-operated farms. The nature of decentralization of the Family Farm Model means that our ability to monitor performance and compliance may, in certain cases, be less direct than our self-operated farms.

Although the Family Farm Model is widely adopted in China’s livestock and poultry industry and benefits from robust support through local government poverty alleviation policies, if a farm owner is penalized by government authorities for issues concerning land use, certifications, or environmental compliance during operations, it could disrupt the stability of our activities at those sites and adversely affect its overall performance.

We cannot guarantee that farm owners under the Family Farm Model will always hold all necessary and valid permits or licenses, or fully comply with all regulations, policies and requirements of regulatory authorities regarding quality control, environmental, social and governance aspects. As a result, farm owners may face penalties, confiscation of relevant business revenues, or even orders for suspension of operations due to the lack of necessary critical permits. We cannot assure you that the farm owners we cooperate with will not be subject to any suspension orders in the future, nor can we assure you that we will be able to find suitable replacement farm owners in a timely manner and on acceptable terms, or that we will be able to find any at all. Such events could adversely affect our profitability, financial performance, and reputation, and expose us to litigation or compensation claims. Furthermore, we face the risk of fraud or other misconduct by family farm owners, which could result in financial losses, third-party claims, regulatory investigations, or reputational damage. Any such actions by family farm owners could have a material adverse impact on our reputation, business, financial condition, and operational performance.

There can be no assurance that we will continue to be able to contract with family farms which meet our requirements and quality standards on favorable terms or at all. In the event that our family farms operation is disrupted for whatever reason, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our historical financial and operating results are not indicative of future performance, and we may not be able to achieve and sustain the historical level of revenue and profitability.

For the years ended December 31, 2023, 2024 and 2025, our revenue was RMB3,596.0 million, RMB4,775.8 million, and RMB4,261.4 million, respectively. Our gross profit was RMB58.5 million, RMB895.6 million, and RMB456.6 million, respectively. For the years ended December 31, 2023, 2024 and 2025, our (loss)/profit for the year amounted to RMB(668.8) million, RMB890.1 million, and RMB(102.2) million, respectively. For discussions on our results of operations, see “Financial Information — Discussion of Certain Key Statements of Comprehensive Income Items”.

There is inherent risk in using such historical financial information of us to project or estimate our financial performance in the future, as they only reflect our past performance under particular conditions. We may not be able to sustain our historical growth rate, revenue and profit margin for various reasons, including but not limited to, deterioration in the market conditions of the poultry and pig industry in the key markets we operate, intensification of competition among our competitors and other unforeseen factors such as deterioration in general economic conditions, which reduce the sales volume of our products and/or reduce the profit margin of our products. There is no assurance that we will be able to achieve the performance as we did during the Track Record Period. [REDACTED] should not solely rely on our historical financial information as an

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indication of our future financial or operating performance. Our financial and operating results may not meet the expectations of public market analysts or [REDACTED], which could cause the future [REDACTED] of our H Shares to decline.

Our net current liabilities may expose us to certain liquidity risks, limit our operational flexibility and impact our ability to expand our business.

As of December 31, 2023, and 2024, and 2025, we recorded net current liabilities of RMB799.8 million, RMB334.4 million and RMB630.2 million, respectively. For a detailed analysis of our historical net current liability position, see “Financial Information — Current Assets and Current Liabilities”. Net current liabilities may expose us to liquidity risks, limit our operational flexibility and impact our ability to expand our business. Our future liquidity and payments of trade and other payables when due will depend primarily on our ability to maintain sufficient cash inflows from operating activities and secure adequate external financing. The latter is subject to factors such as our future operating performance, prevailing economic conditions, our financial and business status, and other elements beyond our control. If we lack sufficient working capital to meet future financial requirements, we may need to seek external funding. If we are unable to obtain additional external borrowings in a timely manner or on acceptable terms, or unable to secure such funding at all, we may be forced to abandon development and expansion plans, which could materially and adversely impact our business, financial condition and operating results.

We operate in a highly competitive industry and may face increased competition.

We operate within highly competitive pig and chicken farming industries in China. China’s broiler market comprises white-feathered broilers, yellow-feathered broilers and hybrid broilers, each serving different consumer segments, while the hog farming industry is characterised by large market size and pronounced price cyclicity. Both industries involve significant barriers to entry, including high capital requirements, stringent biosecurity and environmental compliance standards, complex breeding and farming technologies, and the need for stable downstream sales channels and logistics capabilities. Market participants face challenges in capturing market opportunities due to rising feed and labour costs, disease control risks, increasingly stringent environmental and regulatory requirements, and intensified competition as industry consolidation accelerates. In particular, regulatory developments in areas such as environmental compliance have increased operating thresholds, leading to the exit of smaller operators and a competitive landscape increasingly dominated by larger and more integrated enterprises.

Against this backdrop, competition is primarily based on product safety and quality, brand recognition, cost efficiency, pricing strategies and distribution capabilities. Our competitors may develop products with comparable or higher quality at lower operating costs through more efficient business models, or demonstrate greater agility in responding to changes in consumer preferences and market dynamics. In addition, strategic alliances among competitors may enable them to expand operational scale and distribution networks, while certain competitors may adopt aggressive pricing strategies or provide additional incentives to customers to expand market share. We may not be able to compete effectively with existing or potential market participants. Our inability to maintain or enhance our competitive position could result in a loss of market share or a decline in gross profit margins, either of which could materially and adversely affect our financial condition and results of operations.

RISK FACTORS

We rely on our family farms for our business operations. Any failure to secure renewals of our current farm leases on commercially acceptable terms, or at all, could adversely affect our growth prospects and business condition.

We (i) lease collectively owned rural land use rights to build and operate our self-operated farms, and (ii) lease farms directly from third-party facility owners to operate our leased farms. Certain lease agreements have shorter terms, and we have no assurance that we will be able to renew such leases upon expiry on the same terms, on commercially acceptable terms, or at all.

The rural land parcels we lease were obtained through contractual arrangements and circulation in accordance with applicable laws and regulations in the People’s Republic of China (PRC). Under the Rural Land Contracting Law of the PRC (《中華人民共和國農村土地承包法》) and the Measures for the Administration of Circulation of Rural Land Contracted Management Right (《農村土地經營權流轉管理辦法》), rural land contracted management rights may be circulated through leasing, shareholding, or other lawful methods, and such circulation may be facilitated by the contract-letting party or an intermediary organization. Pursuant to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), collectively owned rural land use rights may not be granted, transferred, or leased for non-agricultural construction without prior approval from the relevant PRC government authorities.

We cannot assure you that we will not experience material defaults, claims, disputes, or regulatory challenges from land contractors, collective economic organisations, or relevant government authorities relating to our facilities. In addition, there is no assurance that our existing leases will not be terminated early by the lessors before the expiry of the agreed terms.

Changes in laws, regulations, or land use policies, particularly in light of rapid economic development in the surrounding areas, could also increase the risk of lease defaults or terminations. If we are unable to renew land leases, or if rental costs increase significantly upon renewal, our production costs may rise, or we may lose access to essential operational facilities. In such cases, we may be required to relocate our farms, and we may not be able to secure suitable alternative sites on commercially reasonable terms, or at all.

Any such disruptions could materially and adversely affect our production, business operations, financial condition, results of operations, and future growth prospects.

We procure certain feeds and feed ingredients from our external suppliers, and the supply from such external suppliers may be disrupted or suspended.

Feeds and feed ingredients represent our principal raw materials, and a continuous, stable supply of such inputs that comply with our quality standards is fundamental to the sustainability of our operations. During the Track Record Period, feed and feed ingredients costs represented 70.2%, 69.1% and 66.3% of our total cost of sales in 2023, 2024 and 2025, respectively. During the Track Record Period, our feed ingredients were all sourced from third-party suppliers, and we expect to continue procuring feeds and feed ingredients from external sources. In addition, we also procure other essential raw materials, including pharmaceuticals and farming equipment, from independent suppliers. There is no assurance that we will be able to secure continued access to feeds, feed ingredients or other raw materials that meet our specifications at commercially reasonable prices, on satisfactory terms, or at all. Any disruption or interruption in the supply of these inputs, regardless of cause, could have a material and adverse effect on our business operations, financial condition, results of operations and prospects.

Changes in our relationships with our major customers, including individual customers, or in the trade terms with these customers, may reduce our sales and profits.

Our sales to five largest customers accounted for 17.1%, 17.8% and 18.4% of our total revenue for 2023, 2024 and 2025, respectively. We do not have long-term sales agreements or other contractual assurances as to future sales to these major customers. Our business could suffer significant setbacks in sales and operating income if our customers’ business plans or markets

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change significantly, or if we lose one or more of our major customers. The loss of a major customer or a material reduction in sales to a major customer, or an adverse change to trade terms with a major customer, could materially and adversely affect our product sales, financial condition, results of operations and future prospects.

We sell our products to distributors, and we have limited control over our distributors.

We sell a significant amount of our Qingyuan Chicken and other native chickens and pigs to dealers, which is in line with industry norm. Dealers are generally self-employed individuals or intermediaries between breeding enterprises and downstream slaughterhouses, butchers, and foodservice operators. We also sell certain of our fresh and other products through distributors.

As of December 31, 2025, we had a total of 1,384 distributors. Revenue contributed by our distributors in each year during the Track Record Period accounted for 81.2%, 79.2%, and 77.1% of our total sales revenue, respectively. Any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition and results of operations: reduction, delay or cancelation of orders from one or more of our large distributors; the quality of customer service provided by distributors, which could harm our reputation or brand image; failure to renew sales contracts or distribution agreements and maintain relationships with our existing distributors; and our ability to expand existing distribution arrangements.

Our relationships with distributors are structured as typical seller and buyer relationship, which do not grant us control over their operational practices or inventory management. As such, our ability to influence their business decisions or mitigate risks arising from their commercial strategies is limited. We cannot provide any assurance that we will retain existing distributors or prevent their migration to competing suppliers. The loss of any key distributors may result in the termination of preferential arrangements, contraction of our distribution network, or a decline in sales volumes. Any material disruption in our sales through distributor channels, whether due to the inability, unwillingness, or operational mismanagement of such distributors could have a significant adverse impact on our business operations, financial performance, liquidity and overall prospects.

International health crises and related containment measures may materially and adversely affect our business operations.

Although the most recent international health crisis has officially subsided, the potential for future global health emergencies continues to introduce significant uncertainties. The long-term implications of such crises are unpredictable and subject to rapid change. Failure to proactively mitigate or effectively respond to such events could significantly and adversely affect our business, financial condition, and operational results.

We cannot guarantee that these measures will fully eliminate the risks posed by ongoing health threats or future global health emergencies. The international health landscape remains dynamic, with uncertainties surrounding potential new outbreaks, differing responses across countries, and the effectiveness of medical interventions, making it impossible to predict the duration or full impact of such events. Consequently, the extent and duration of their effect on our business and financial performance remain indeterminable.

If infection cases surge or a new global health crisis emerges, stricter preventive measures, farm or facility closures, reduced production capacity, increased costs, or loss in revenue may occur. We cannot ensure the adequacy of transportation or raw material supplies to sustain production and meet customer demand during such disruptions. Additionally, if our suppliers face closures or reduced capacity due to health-related issues, securing essential raw materials to meet production needs could become challenging. These factors, or outbreaks of other contagious diseases such as SARS, H5N1 avian influenza, or human swine flu, could materially and adversely impact our business, financial condition, operational results, and future prospects.

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Our business depends on the strength of our reputation and brands.

Our Qingyuan Chicken currently enjoy a robust brand reputation in the market. Any claim against us, even if meritless or unsuccessful, could divert our management’s attention and resources from other business, especially could result in costly litigation, which may adversely affect our business and results of operations. Negative media coverage regarding the safety, quality or nutritional value of our products and the resulting negative publicity could materially and adversely affect consumers’ recognition of and trust in us and our brands and products. In addition, adverse publicity about any regulatory or legal action against us could damage our reputation and brand image, undermine our customers’ confidence in us and reduce demand for our products, even if the regulatory or legal action is unfounded or immaterial to our operations.

Furthermore, negative publicity relating to our products, raw materials, brands, operations, the food industry or products similar to ours may adversely affect consumers’ perceptions of our products and result in decreased demand for our products. In particular, negative publicity relating to any one of our brands may be particularly harmful as we use only a few core brands to sell our products and therefore face risks from brand concentration. Negative publicity concerning any perceived or actual health risks associated with our brands or products could also cause customers to lose confidence in the safety and quality of our products, which could adversely affect our reputation, business, financial condition, results of operations and prospects. We could also be adversely affected by perceived or actual health risks associated with similar products produced by other companies since these types of risks could cause consumers to lose confidence in the safety and quality of these types of products generally and consumers may therefore opt for other meat products that are perceived as safer.

We may not be able to effectively manage our inventory levels.

Our inventories comprise raw materials we used for feed production, finished goods and spare parts and consumables. We adopt stringent inventory control and maintain low level of inventory. We periodically assess whether inventory is slow-moving, obsolete, or has experienced a decline in market value. We manage our inventory levels principally based on the anticipated demand. The carrying amount of our inventories slightly decreased from RMB166.1 million as of December 31, 2023 to RMB161.9 million as of December 31, 2024. As of December 31, 2025, the balance of our inventory was RMB194.9 million. If we fail to manage our inventory levels effectively, we may be subject to a higher risk of inventory obsolescence, a decline in the value of inventories, and potential inventory write-downs or write-offs. In particular, if market demand weakens or selling prices decline significantly, we may be required to make provisions for inventory impairment, which could materially and adversely affect our results of operations and financial condition. Procuring additional inventories may also require us to commit substantial working capital, which would prevent us from using this capital for other purposes. Any of the foregoing may materially and adversely affect our results of operations and financial condition.

We may need to make allowance for impairment of prepayments, deposits and other receivables.

Our prepayments, deposits and other receivables primarily comprise advances to family farmers, deposits, prepayments for inventory purchases, prepaid expenses, and other miscellaneous items. As of December 31, 2023, 2024, and 2025, these amounted to RMB98.1 million, RMB113.7 million, and RMB115.4 million, respectively.

There is no assurance that related parties, suppliers, or other third parties will fulfill their obligations promptly, exposing us to credit risk associated with prepayments, deposits, and other receivables. We establish provisions for impairment when the likelihood of recovering these amounts is deemed low. Our recoverability assessments consider factors such as historical settlement records, relationships with counterparties, payment terms, economic trends, and, to some extent, the broader economic and regulatory environment. These evaluations rely on management’s

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judgments, assumptions, and estimates, which are based on information available at the time. However, there is no guarantee that these projections will remain accurate. Should we fail to recover these amounts as anticipated, we may need to increase provisions for impairment, which could materially and adversely impact our business, financial condition, and operational results.

The fair value measurement of our derivative financial instruments is subject to uncertainties and risks and the fair value changes of such derivative financial instruments may materially and adversely affect our results of operations.

Our derivative financial instruments primarily consist of commodity futures contracts linked to pigs, corn and soybean meal options. For further details, please refer to the section titled “Financial Information — Discussion of Certain Key Statement of Financial Position Items — Futures and Derivatives Business.” We initiated investment activities with derivative financial instruments in 2022, and recognized nil, gains of RMB20.3 million, and gains of 19.3 million on changes in fair value of financial instrument at fair value through profit or loss in 2023, 2024 and 2025, respectively.

Gains or losses from changes in the fair value of our financial assets measured at fair value through profit or loss are recognized in the consolidated statements of comprehensive income. Future negative fair value changes in these financial instruments could adversely impact our profitability. Our financial results may fluctuate due to variations in the appraised fair value of these derivatives.

We are subject to risks associated with managing future growth and expansion.

In the future, we aim to further build the leading brand of high-quality livestock and poultry products with unique advantages. However, implementing these strategies involves significant challenges that could adversely affect our operations, financial condition, and growth prospects. Our strategic objectives subject to numerous uncertainties. Our ability to manage future growth depends on securing adequate financing, implementing and improving operational, financial, and management systems, and expanding, training, and motivating its workforce. There is no assurance that we will obtain sufficient funding on favorable terms or that its existing systems and personnel will adequately support growth. Failure to effectively manage these resources could lead to increased operational costs, inefficiencies, or delays in achieving strategic objectives, adversely affecting profitability and long-term prospects. External factors, such as economic downturns, regulatory changes, or outbreaks of diseases like African Swine Fever or avian influenza, could further exacerbate these risks, potentially disrupting operations and supply chains.

We are subject to risks associated with expanding into new business.

We plan to invest and expand new businesses such as opening casual dining restaurants. However, we lack operational experience in this sector and will face intense market competition and relatively high investment costs. Furthermore, the success of this new venture is heavily contingent upon our ability to successfully build brand awareness, gain market acceptance, and effectively manage food safety, supply chain and the operational complexities that accompany scale expansion. Failure to adequately address these challenges may impair our ability to meet market demand, posing substantial risks to our expansion plans.

We are subject to risks associated with potential investment into new infrastructure or further capital expenditure.

Expanding fresh and other products requires significant investment in infrastructure, technology, management and demands effective coordination across regions, which may strain financial and managerial resources. There is a time lag between investing in such infrastructure and generating revenue from new products or markets, which could strain our liquidity and increase leverage within the financial structure. Failure to effectively manage the pace of investment and

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capital turnover may challenge our financial stability. To support business expansion and product upgrades, we may need to allocate substantial funds for the construction or upgrading of production facilities, cold chain logistics systems, and processing lines. Such capital investment decisions are based on forecasts of future market demand, but changes in the market environment may result in actual returns falling short of expectations. If newly added production capacity cannot be absorbed by market demand in a timely manner, it will lead to insufficient utilization rate of fixed assets, rising depreciation costs, and consequently impact overall profitability.

We may incur additional expenses to obtain, maintain or renew the necessary approvals, permits, licenses, certificates and other regulatory filings required for our operations and production.

We are obligated to comply with a broad range of laws and regulations governing breeding, farming, slaughtering, processing, and the production and sale of fresh and other products in China. These include but not limited to stringent hygiene and safety standards for production, quality requirements for meat products, as well as filings for facility agricultural-use land. There is no assurance that regulatory authorities will not introduce direct or indirect price control measures in our industry, such as government interventions to regulate chicken or pig prices, in the future.

Additionally, we are required to obtain and maintain various licenses, permits, and filings to operate, including the Certificate for Production and Operation of Breeding Livestock and Poultry (種畜禽生產經營許可證), Certificate for Animal Epidemic Disease Prevention (動物防疫條件合格證), and Food Production Licence (食品生產許可證). Compliance with government approvals and adherence to hygiene and food safety standards are critical for our production processes, facilities, and products.

Our operations are subject to extensive environmental laws and regulations and our environmental-related costs may increase.

The pollutants generated during our production processes primarily include animal waste produced during livestock and poultry breeding; wastewater used for cleaning and disinfecting pens and flushing waste; as well as wastewater, exhaust gas, and small amounts of solid waste produced during slaughtering and processing. There is a risk that operational errors or unexpected ecological incidents could lead to excessive discharge of pollutants such as wastewater and exhaust gases, or even environmental pollution events. In such cases, we may face penalties from regulatory authorities, which could adversely affect its production and operations.

If national or local environmental policies are adjusted and environmental requirements applicable to the livestock and poultry farming industry are further strengthened, we may incur additional costs due to increased investment in environmental protection facilities and pollutant discharge fees. In addition, if future adjustments to local land-use planning result in the reclassification of currently designated suitable farming areas into restricted zones, our existing farms could face relocation or forced closure within a limited time frame, which may adversely affect its short-term business operations.

There is no assurance that we can effectively implement our ESG governance framework or adequately identify and address ESG-related risks. Failure to promptly and effectively manage ESG compliance could materially and adversely impact our business, operational results, and financial condition.

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Our non-compliances with social insurance and housing provident fund contribution laws and regulations in the PRC could lead to imposition of fines and penalties.

Under the Social Insurance Law of PRC (《中華人民共和國社會保險法》) and the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), employers and employees are required to contribute to pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance, and housing provident funds. Employers must make these contributions either jointly with employees or independently on their behalf.

During the Track Record Period, at the request of certain employees, we have engaged a third-party human resources agency to make contributions to social insurance and housing provident fund on their behalf, as we do not have a legal entity in the local area that can handle such contributions. As advised by our PRC Legal Advisors, pursuant to the Regulations on Management of Housing Provident Fund, if an employer engages a third-party human resources agency to make housing provident fund contributions or fails to complete the housing provident fund account registration procedures, the relevant authorities shall order it to complete the procedures within a specified period. Failure to complete the procedure by the deadline, a fine ranging from RMB10,000 to RMB50,000 may be imposed. As of December 31, 2025, the theoretical maximum fine exposure is RMB1.55 million. We may continue to engage third-party agencies to make social insurance and housing provident fund contributions on our behalf after [REDACTED], as we may not establish subsidiaries or branches in all cities where our employees are located given our extensive nationwide operations. Nevertheless, we undertake to rectify any such arrangements as required by the relevant competent authorities and will make the relevant payments if required by the competent authorities to compensate the relevant expenses.

In addition, we did not make full contributions to the social insurance and housing provident fund for certain employees. If an employer fails to make or underpay housing provident fund contributions, the relevant authorities shall order it to make the payment within a specified period. Should we remain delinquent after the deadline, an application may be filed with a people’s court of China for compulsory enforcement. The aggregate principal amount of underpaid social insurance contributions by the Group during the Track Record Period was approximately RMB45.2 million. As advised by our PRC Legal Advisors, if we fail to fully pay social insurance contributions within the stipulated period, the relevant PRC authorities may require us to make the contributions within a prescribed timeframe and impose a late fee calculated at a daily rate of 0.05% from the date of delayed payment. Should we remain delinquent beyond the final deadline, we may be subject to a fine of not less than one time but not more than three times the overdue amount. Therefore, the theoretical maximum fine exposure of such underpayments would be three times of the aggregate principal amount of underpaid social insurance contributions. As of the Latest Practicable Date, we have not received any rectification notice from the competent authorities regarding underpayment, nor have we received any employee complaints or labor arbitration claims. Nevertheless, we cannot assure you that the competent authorities will refrain from demanding rectification of any non-compliance or levying associated fines. Moreover, we cannot guarantee that the implementation progress of any new laws or regulations, or existing laws and regulations, will not retroactively require us to settle payments, thereby adversely affecting our operational results and financial condition.

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Under a judicial interpretation issued by the Supreme People’s Court on July 31, 2025 (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), and effective from September 1, 2025, any agreement between an employer and an employee, or any undertaking by an employee, to waive mandatory social insurance contributions is invalid and void. If an employer fails to make the social insurance contributions required by law, the employee may terminate the labor contract under Article 38(3) of the PRC Labor Contract Law and seek economic compensation, and the People’s Court is expected to uphold that claim. In such circumstances, we cannot guarantee that no employee will initiate such litigation or arbitration in the future. If this occurs, it could impact our reputation, employee relations, and potentially result in additional costs.

We may require additional funding to finance our operations, which may not be available on terms acceptable to us or at all.

Our daily operations and expansion of production and sales requires working capital and external financing support. As of March 31, 2026, we had outstanding indebtedness of RMB1,943.3 million, which comprised of interest-bearing borrowings and lease liabilities.

As of December 31, 2023, 2024 and 2025, our debt-to-asset ratio were 77.6%, 66.9% and 72.4%. If unfavourable changes in macroeconomic conditions or credit tightening occur and we fail to secure new financing channels, we may face significant financial pressure in our operations and be exposed to certain repayment risks.

If we fail to renew our existing bank borrowings or raise additional funding through future debt or equity offerings as needed, our ability to implement our business strategy may be impaired, which could adversely affect our growth, prospects and our results of operations. In addition, our ability to comply with financial covenants and conditions, make scheduled payments of principal and interest or refinance existing borrowings depends on our business performance, which is subject to economic, financial, competitive and other factors, including the other risks described in this document.

The terms of our indebtedness include affirmative and negative covenants. Should market conditions worsen or our operational performance decline, we may need to seek amendments or waivers for these covenants and restrictions. There is no guarantee that we will secure such relief if required. Non-compliance with these covenants could constitute a default, enabling lenders to demand immediate repayment of all outstanding amounts, including accrued and unpaid interest. This could also trigger cross-default provisions in other debt agreements, potentially leading to the termination of lenders’ commitments to provide credit under our financing agreements. If we are unable to repay our debts in such circumstances, lenders could seize collateral, which may encompass substantially all of our assets, significantly disrupting our operations.

Defects in title, registration and filing procedures relating to certain of our owned and leased properties may expose us to penalties, additional costs and operational disruption.

As of the Latest Practicable Date, four of our self-owned buildings with an aggregate area of approximately 3,850 sq.m. had not obtained property ownership certificates. According to our PRC Legal Adviser, the relevant authorities may order rectification, impose fines ranging from 2% to 4% of the contractual project price and require compensation for losses caused. Based on the contractual project prices of these four buildings, the maximum potential fine to which we may be subject is approximately RMB0.8 million. If penalties are imposed or rectification measures are required, our business, financial condition and results of operations may be adversely affected.

As of the Latest Practicable Date, one parcel of state-owned land use rights held by us has not been constructed within the stipulated time. Under the Measures for the Disposal of Idle Land, we may be subject to an idle land fee of 20% of the land grant premium if construction has not commenced for one year, or forfeiture of the land use right without compensation after two years, which would result in a loss of RMB18.0 million. In addition, pursuant to the land grant contract, liquidated damages of 0.1% of the land grant premium per day of delay may be imposed, with a maximum theoretical exposure of approximately RMB30.8 million. Our Controlling Shareholders have undertaken to indemnify us against any such losses, but failure to commence or complete construction as required could have an adverse impact on our business, financial condition and results of operations.

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As of the Latest Practicable Date, in relation to eight breeding farms, we had not obtained documents or certificates from at least two-thirds of the relevant village meeting members or village representatives in respect of the relevant rural collective land, and in relation to seven breeding farms, we had not completed the filing procedures for the relevant land transfers. If the relevant land use arrangements are challenged or invalidated, we may incur additional costs and our business, financial condition and results of operations may be adversely affected.

As of the Latest Practicable Date, eight of our lease agreements had not been registered with the relevant authorities. Under the relevant PRC regulations, we may be subject to a fine of up to RMB10,000 for each unregistered lease agreement, and the maximum aggregate penalty to which we may be subject is RMB90,000. If such penalties are imposed, our business, financial condition and results of operations may be adversely affected.

For further details, please refer to “Business — Owned Properties” and “Business — Leased Properties”.

Changes in the international trade environment, ongoing trade conflicts and geopolitical conflicts may affect our business and financial condition.

Shifts in international trade policies and escalating geopolitical tensions could curtail trade, investment, technological exchanges, and other economic activities between China and other nations, potentially destabilizing global economic conditions and financial markets. Such disruptions could adversely impact the economic and financial environments in the jurisdictions where we and our business partners operate, thereby negatively affecting our financial condition and operational results.

Since May 2022, the ongoing Russia-Ukraine conflict, involving two of the world’s leading producers and exporters of agricultural products such as grain, has triggered significant economic sanctions against Russia, restricting exports of certain agricultural commodities, including feed ingredients. As of the Latest Practicable Date, we have not experienced direct supply shortages, as we do not source feeds directly from Russia or Ukraine. However, the global ripple effects of this conflict may drive up prices for feed ingredients we import from other overseas markets. A prolonged or intensified conflict could further disrupt global supply chains, limiting access to critical raw materials and adversely impacting our business, financial condition, and operational results.

Notwithstanding the above, any unfavourable government policies on international trade or restrictions targeting Chinese companies could disrupt these business relationships, diminish consumer demand for our products and services, weaken our competitive position, or restrict our ability to operate in certain markets. Additionally, if geopolitical tensions or adverse trade policies negatively impact the Chinese or global economy, our operational results could be materially and adversely affected.

The preferential tax treatment, government grants and financial incentives that we currently enjoy may be altered or terminated, which could have a material adverse effect on our business, financial position, results of operations and prospects.

Under the Provisional Regulations of the PRC on Value-Added Tax 《中華人民共和國增值稅暫行條例》 and its implementing rules 《中華人民共和國增值稅暫行條例實施細則》, agricultural producers are exempt from value-added tax (VAT) on sales of self-produced primary agricultural products. If preferential tax treatments, government grants or financial incentives currently enjoyed by us are altered, reduced, or terminated in the future, our effective tax rate could increase, resulting in higher costs and a material adverse effect on our business, financial condition, results of operations, and prospects. Accordingly, revenue from the sale of self-produced agricultural products, including Qingyuan Chicken and pigs, by us and subsidiaries qualifies for VAT exemption.

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Pursuant to the Enterprise Income Tax Law of PRC 《中華人民共和國企業所得稅法》 and its implementing regulations 《中華人民共和國增值稅暫行條例實施細則》, income derived from livestock and poultry breeding is exempt from enterprise income tax. Our subsidiaries and branches engaged in poultry and pig breeding are eligible for this tax exemption.

We enjoy preferential tax treatments. According to the EIT Law and the related implementation rules and the Circular of the Ministry of Finance and the State Tax Administration on Scope of Agricultural Products’ Primary processing Entitled to Preferential Policies on Enterprise Income Tax (Trial Implementation) (Cai Shui [2008] No. 149) (《財政部、國家稅務總局關於發佈享受企業所得稅優惠政策的農產品初加工範圍(試行)的通知》(財稅[2008]149號)), our subsidiaries that engage in agricultural products’ primary processing (such as slaughtering and cutting, etc.) are entitled to full income tax exemptions. In addition, according to the Interim Value-Added Tax Regulations of the People’s Republic of China (《中華人民共和國增值稅暫行條例》) and the relevant regulations, our subsidiaries that sell self-produced agricultural products, such as live pigs, poultry and feed, are exempt from VAT on income derived from those sales.

However, future adjustments to these tax incentive policies by regulatory authorities could alter our tax obligations, potentially increase costs and adversely affect our business performance, financial condition, and operational results.

There can be no assurance that the preferential tax treatment, government grants and financial incentives that we enjoy will not be altered or terminated. Any alteration or termination of our current preferential tax treatments, government grants or financial incentives could have a material adverse effect on our business, financial condition, results of operations and prospects.

There is no assurance of whether or when we will pay dividends and payment of dividends is subject to restrictions under PRC law.

During the Track Record Period, we declared and distributed certain dividends. For further details, refer to the section titled “Financial Information — Dividends” in this document. There is no assurance regarding the timing, form, or amount of future dividend payments following the [REDACTED]. Dividend declarations are proposed by our Board of Directors, taking into account our business and financial performance, capital and regulatory requirements, general market conditions, and other factors deemed relevant by the Board.

Under PRC law, dividends may only be distributed from distributable profits, defined as the lower of our profits, after deducting any recovery of accumulated losses and mandatory appropriations to statutory and other reserves. Consequently, even in profitable years, we may lack sufficient or any distributable profits to declare dividends to our shareholders. Future amendments to these regulations by PRC authorities could significantly impact the capital available for our business operation and dividend payout.

We are subject to risks associated with animal welfare.

Our operations in livestock and poultry farming are subject to increasing scrutiny regarding animal welfare practices, which could impact our business, reputation, and financial performance. There have been growing societal awareness and concern for the ethical treatment of animals which may lead to heightened public expectations or future legislative developments. If animal welfare regulations or stricter industry standards which require us to implement costly changes to our breeding, farming, and slaughtering processes, such as modifying facilities, enhancing care protocols, or adopting new technologies to meet compliance requirements are introduced, these changes could significantly increase our operating costs and capital expenditures, potentially adversely affecting our financial condition and operational results. Additionally, failure to align with evolving societal expectations or emerging best practices for animal welfare could harm our reputation and brand image. Such reputational damage could also strain relationships with key retail partners, further affecting our revenue and profitability.

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Loss of our core management and other key personnel may adversely affect our results of operation and business prospects.

Our future business performance and prospects depend significantly on our Directors and senior management as they are in charge of the overall planning, development and execution of our business and operations. If any of our Directors and/or any members of senior management were to terminate their services or employment with us, we may not be able to find suitable replacements in a timely manner, at acceptable cost or at all. In addition, competition for qualified personnel in China is intense and the availability of suitable candidates may be limited. Failure to attract and retain key personnel could materially and adversely affect our results of operations and business prospects.

Our performance depends on favorable labor relations with our employees

Our success depends on our ability to hire, train, retain and motivate our employees. As of December 31, 2025, we had a total of 2,977 employees. We consider favorable labor relations as an important factor that can affect our performance, and any deterioration of our labor relations could cause labor disputes, which could result in disruptions to production and operations. Our staff costs were RMB291.6 million, RMB333.9 million, and RMB354.7 million for 2023, 2024 and 2025, respectively. Average labor wages in China are expected to continue to increase. In addition, we may need to increase our total compensations to attract and retain experienced personnel required to achieve our business objectives. Any shortages in labor, any material increases in our staff costs or any deterioration in employee relations may have a material and adverse effect on our business, financial condition, results of operations and prospects.

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

We have purchased and maintained insurance policies that we believe are in line with industry practices and as required by applicable laws and regulations. For further details of our insurance coverage, please refer to the section headed “Business — Insurance” in this document. However, our insurance coverage does not extend to all possible risks. In particular, we do not maintain insurance policies against certain exposures such as major disruptions to business operations, or third-party claims for environmental liabilities. As a result, any such events could expose us to significant financial loss. If we experience operational disruptions, or third-party claims for environmental liabilities for which we are not insured or for which our insurance coverage is inadequate, our business, financial condition, and results of operations could be materially and adversely affected.

We face risks relating to changes of consumer preferences and dietary habits.

A shift in consumer preferences toward vegetarianism, veganism, low-meat diets, or alternative proteins could lead to a decline in demand for traditional meat products, including our poultry and pork offerings. There is no assurance that our current products will maintain consumer acceptance or that we can effectively anticipate and adapt to evolving preferences in a timely manner. Failure to accurately predict, identify, or respond to these changes could result in reduced demand for our products, which may materially and adversely impact our business, financial condition, operational results, and growth prospects.

We face risks relating to fluctuations in the prices of substitute products.

Fluctuations in the prices of substitute protein products, such as imported beef, lamb, and seafood, relative to poultry and pork, could adversely impact the selling prices of our products. A significant decline in the prices of these substitutes, or shifts in consumer dietary preferences, may lead to a measurable reduction in consumer demand for poultry and pork. Such developments could further result in unforeseen adverse consequences, including lasting changes in consumer tastes and preferences. Moreover, we have limited ability to control the industry dynamics, competitive landscape, or regulatory environment of substitute products. While we may adjust our selling prices to remain competitive, the downward pressure from substitute products could materially compress our profit margins, thereby adversely affecting our business, financial condition, operational results, and growth prospects.

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We may not be able to adequately protect our intellectual property rights and technologies.

We rely on our current intellectual property rights, including software patents and trademarks, to safeguard our business operations and maintain a competitive edge. These rights are integral to protecting our proprietary technologies, processes, and brand identity. However, there is no assurance that pending applications for intellectual property rights will be approved, or that our existing rights will fully protect our intellectual assets. We may not always detect violations of our intellectual property rights, and these rights may be challenged, invalidated, or deemed unenforceable by third parties. Furthermore, our intellectual property rights may not effectively prevent competitors from using similar business models, processes, or brand names to offer comparable products, potentially eroding our market position.

Additionally, we may face disputes, claims, or litigation related to our intellectual property or allegations of infringing third-party intellectual property rights. Such legal proceedings could disrupt our operations, divert management’s focus, and incur significant costs, including legal fees and potential settlements. Any adverse outcomes, including findings of infringement, could damage our brand reputation, restrict our ability to use certain technologies or branding, and result in financial penalties. These risks could materially and adversely impact our business, financial condition, operational results, and growth prospects.

Our operations may be disrupted by production difficulties due to mechanical failures, utility shortages or explosions, fires, acts of God or other calamities at or near our facilities.

Our production is vulnerable to a range of risks stemming from natural disasters, equipment failures, and utility disruptions, any of which could significantly impair our operations and financial performance. Natural disasters, such as droughts, floods, earthquakes, hailstorms, typhoons, or extreme weather conditions, could damage or destroy our poultry and pig farms, production facilities, and warehouses, leading to the loss of livestock, poultry, or stored products. Such events could also disrupt critical infrastructure, including transportation networks, electricity, water, and gas supplies, hindering our ability to produce, process, or distribute products. Additionally, natural disasters affecting major domestic or international grain-producing regions could drive up prices for essential feed ingredients, such as corn and soybean meal, increasing our production costs and adversely impacting our operating margins.

We rely heavily on machinery and equipment to achieve efficient, large-scale production of meat products. Mechanical failures or breakdowns could interrupt production, delay order fulfillment, and result in significant repair or replacement costs. There is no assurance that we can prevent such issues or address them promptly, nor that we can secure timely replacements for critical equipment. Any prolonged disruption caused by equipment failures could materially affect our production capacity and financial performance.

Furthermore, our operations depend on a consistent and adequate supply of utilities, including electricity, water, and gas. Regional shortages or government-mandated shutdowns due to utility constraints could force temporary closures of our facilities, leading to production halts, product spoilage, or loss. Catastrophic events, such as explosions, fires, or natural disasters, could exacerbate these risks by causing power outages, utility shortages, or physical damage to our production, processing, or transportation infrastructure. While we maintain insurance coverage, there is no guarantee that it will fully cover losses or damages from such incidents.

RISK FACTORS

Malfunctions or security breaches of our information technology systems could disrupt our operations and negatively impact our business.

We rely extensively on information technology (IT) systems to optimize critical aspects of our operations, including monitoring production processes, enhancing production efficiency, and analyzing operational and financial data. These systems are also integral to processing financial information for internal reporting and ensuring compliance with regulatory, legal, and tax obligations. However, our IT systems are vulnerable to various threats, including unauthorized data disclosure, data tampering, cyberattacks, power outages, system configuration errors, and telecommunication failures.

A significant system malfunction, failure, or breach could disrupt our production processes, impair inventory management, hinder communication with stakeholders, or compromise compliance with regulatory requirements. Unauthorized disclosure of sensitive information, such as trade secrets, proprietary data, or customer details, could weaken our competitive position, damage customer trust, and harm our reputation. Any of these incidents could materially and adversely impact our business operations, financial condition, results of operations, and reputation.

Personal injuries, damage to property or fatal accidents may occur in our production facilities.

We employ potentially hazardous machinery and equipment, such as heating machines and biogas generation systems, in our production processes, which pose risks of industrial accidents and personal injuries to employees. Additionally, non-compliance with safety protocols or applicable regulations by employees could further increase the likelihood of such incidents. During the Track Record Period and up to the Latest Practicable Date, no significant accidents occurred at our farms, and no employees sustained any personal injuries.

Significant accidents could disrupt production, cause property damage, result in severe injuries or fatalities, and lead to legal and regulatory liabilities. Such incidents may expose us to claims, litigation, and obligations to cover medical expenses, compensation to affected employees or their families, and fines or penalties imposed by regulatory authorities. These events could also harm our reputation and brand image, particularly given the nature of our branded products. Consequently, any major accident or safety violation could materially and adversely impact our business, financial condition, operational results, and prospects.

Our operations are subject to the general risks of litigation, claims and disputes, which may cause us to pay significant damages and incur other costs.

During the ordinary course of business, we may be involved in litigation or legal proceedings related to, among other things, product or other types of liability, labor disputes or sales contract disputes that could have a material and adverse effect on our financial condition. These actions could also expose us to negative publicity, which might adversely affect our brands, reputation and customer preference for our products. If we become involved in any litigation or other legal proceedings in the future, the outcome of the proceedings could be uncertain and could result in settlements or outcomes that adversely affect our financial condition. In addition, any litigation or legal proceedings could result in substantial legal expenses to us and distract significant time and attention of our management, diverting their attention from our business and operations.

RISK FACTORS

RISK RELATING TO CONDUCTING BUSINESS IN THE PRC

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

All of our income is denominated in Renminbi. Currently, the conversion of Renminbi into foreign currency has to comply with the relevant laws and regulations, and conversion and remittance of foreign currencies are subject to the PRC foreign exchange regulations. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends following the completion of the [REDACTED], do not require advance approval from the SAFE, but we are required to present written evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the requisite licences to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved or registered in advance by the SAFE.

The policies regarding foreign exchange transactions under the current account and the capital account may not necessarily continue in the future. In addition, these foreign exchange policies may restrict our ability to obtain sufficient foreign exchange, which could have an adverse effect on our foreign exchange transactions and the fulfillment of our other foreign exchange requirements. If there are changes in the policies regarding the payment of dividends in foreign currencies to shareholders or other changes in foreign exchange policies resulting in insufficient foreign exchange, our payment of dividends in foreign currencies may be affected.

Fluctuations in the value of Renminbi may result in foreign exchange losses.

The value of Renminbi against the U.S. dollar, the Hong Kong dollar and other foreign currencies fluctuates from time to time and is affected by a number of factors, including changes in China’s and international political and economic conditions and the fiscal and foreign exchange policies of the PRC government. Since the People’s Bank of China (the “PBOC”) reformed the Renminbi exchange rate regime, including abolishing the policy of pegging Renminbi to the U.S. dollar and permitting Renminbi to fluctuate within a regulated band by reference to a basket of currencies, and as foreign exchange market development, interest rate liberalization and Renminbi internationalization continue, Renminbi may in the future appreciate or depreciate against the U.S. dollar, the Hong Kong dollar and other foreign currencies.

Our business transactions with overseas parties may be denominated in foreign currencies, and the [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. Accordingly, any appreciation or depreciation of Renminbi against the U.S. dollar, the Hong Kong dollar or other foreign currencies may materially and adversely affect our results of operations or the value of the [REDACTED] from the [REDACTED]. In addition, there are limited instruments available for us to reduce our foreign exchange risk exposure at reasonable cost. Any of the foregoing may materially and adversely affect our business, financial condition, results of operations and prospects, and may reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

The PRC legal system is still developing, and shareholders must form a reasonable expectation as to the legal protections available under the PRC legal system.

We are incorporated under the laws of the PRC and all of our operations are located in the PRC and subject to PRC laws and regulations. In addition, most of our Directors, Supervisors and officers reside in the PRC, and substantially all of their assets are located in the PRC. As a result, it may be difficult, time-consuming and costly for investors to effect service of process upon such persons in the PRC or to enforce against them judgments obtained outside the PRC.

On July 14, 2006, China and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判

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決的安排》) (the “Arrangement”). Pursuant to the Arrangement, a party with a final court judgment requiring payment of money in a civil and commercial case may apply for recognition and enforcement of such judgment in the other jurisdiction only if the dispute is subject to a written choice of court agreement expressly designating the relevant PRC or Hong Kong court as the court having sole jurisdiction. Accordingly, where there is no such written choice of court agreement, it may not be possible to enforce a judgment rendered by a Hong Kong court in the PRC. Investors may therefore experience difficulties in enforcing judgments against our assets or our Directors or senior management in the PRC.

Furthermore, although we will be subject to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Codes on Takeovers and Mergers and Share Buy-backs (the “Takeovers Code”) upon [REDACTED], holders of H Shares will not be able to bring actions directly based on violations of the Listing Rules and must rely on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to enforce its rules. In addition, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share buy-backs in Hong Kong.

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

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares. For more information, please refer to the section headed “Appendix III — Taxation and Foreign Exchange”.

PRC tax authorities determine whether and how individual income tax or enterprise income tax on gains derived by holders of our H Shares from their disposition of our H Shares may be collected in accordance to the applicable tax laws and regulations in the PRC. Non-PRC resident holders of our H Shares should be aware that they may be obligated to pay PRC tax on the dividends received from us and gains realized through sales or transfers by other means of the H Shares.

RISKS RELATING TO THE [REDACTED]

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

Prior to the completion of the [REDACTED], no public [REDACTED] market existed for our H Shares. The initial [REDACTED] range to the public for our H Shares is determined after negotiations between us and the [REDACTED] (for itself and on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the [REDACTED] for our H Shares following the [REDACTED]. There can be no assurance that an active [REDACTED] market for our H Shares will develop following the [REDACTED] or, if it does develop, that it will be sustained or that the [REDACTED] for our H Shares will not decline below the initial [REDACTED].

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

The [REDACTED] and [REDACTED] volume of our H Shares may be highly volatile and could fluctuate widely in response to factors beyond our control. Factor impacting the [REDACTED] and [REDACTED] volume of our H Shares include, but are not limited to, actual or anticipated fluctuations in our revenue, earnings and cash flow, changes in our pricing policy as a result of competition, potential strategic alliances or acquisitions, the addition or departure of key personnel, changes in ratings by financial analysts and credit rating agencies, fluctuations in the

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selling prices and demand for our products, public perception or negative news about our products, unexpected business disruptions resulting from natural disasters or power shortages, our inability to obtain or maintain regulatory approval for our operations, litigation, government investigation or other legal or regulatory proceeding, or political, economic, financial and social developments in China, Hong Kong and elsewhere in the world. In addition, the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume fluctuations that are not related to the operating performance of any particular company. These fluctuations may also materially adversely affect the selling price of our H Shares.

As the [REDACTED] is higher than our net tangible assets per Share, you will experience immediate dilution and you may experience further dilution if we issue additional H Shares or equity-linked securities in the future.

The [REDACTED] is higher than the net tangible book value per share issued to existing holders of our Shares. Therefore, purchasers of [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] net tangible assets while the existing holders of our Shares, including our Controlling Shareholders, will receive an increase in net tangible book value per share of their shareholdings. In addition, if we issue additional Shares or equity-linked securities in the future, purchasers of our Shares may experience further dilution in the net tangible assets book value per Share as additional Shares are issued at a price lower than the net tangible assets book value per Share at the time of their issuance.

Future sales, or perceived sales, of substantial amounts of our Shares in the public market, and the conversion of our Domestic Unlisted Shares into H Shares, could materially and adversely affect the market price of our H Shares and our ability to raise capital in the future.

Although the H Shares beneficially owned by our Controlling Shareholders are subject to certain lock-up periods under the Listing Rules and further undertakings in our favour, there can be no assurance that our Controlling Shareholders, whose interests may differ from those of other Shareholders, will not dispose of their Shares after the expiration of such lock-up periods.

We are currently applying for part of our Domestic Unlisted Shares to circulate on the Hong Kong Stock Exchange following completion of the [REDACTED]. Pursuant to the PRC Company Law, Shares issued prior to the [REDACTED], including a total of [REDACTED] H Shares to be converted from Domestic Unlisted Shares held by [38] Shareholders, are restricted from [REDACTED] within one year from the [REDACTED]. This restriction may limit the number of H Shares available for [REDACTED] and adversely affect the liquidity of our H Shares during that period.

If our application for circulation of the relevant Domestic Unlisted Shares on the Hong Kong Stock Exchange is approved, any future sales of such Shares after the expiry of the relevant restrictions may affect the market price of our Shares. In addition, if a substantial amount of Domestic Unlisted Shares is converted into H Shares for [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange in the future, the resulting increase in market supply may adversely affect the market [REDACTED] of our H Shares.

Any future sale, or perceived sale, of substantial amounts of our Shares by us or our Shareholders, or any actual or perceived conversion of Domestic Unlisted Shares into H Shares, could materially and adversely affect the prevailing market price of our H Shares and our ability to raise capital in the future. Further, the issuance of additional securities may dilute the shareholding interests of existing Shareholders. If additional funds are raised through the issue of new equity securities other than on a pro rata basis, the shareholding percentage of such Shareholders may be reduced, and such new securities may have rights, preferences and privileges senior to those of the H Shares.

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Our future financing may cause dilution of your shareholding or impose restrictions on our operations.

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or other securities convertible into or exchangeable for our Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the equity interest of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our business operations, which may further limit our ability or discretion to pay dividends, increase our risks in adverse economic conditions, adversely affect our cash flows or limit our flexibility in business development and strategic plans.

We have been, and will continue to be, controlled by our Controlling Shareholders, whose interests may differ from those of other Shareholders.

As of the Latest Practicable Date, Mr. Xiao directly held 10.20% of the issued share capital of our Company, and served as the executive partner of Fengtian Investment, Chongqing Ronghui and Qingyuan Quanfa, which directly held 4.32%, 1.06% and 0.37% of the issued share capital of our Company, respectively. Dr. Zhang directly held 32.97% of the issued share capital of our Company, and served as the executive partner of Tianju Investment and Qingyuan Quanxing, which directly held 3.09% and 0.27% of the issued share capital of our Company, respectively. Therefore, Mr. Xiao, Dr. Zhang, Fengtian Investment, Tianju Investment, Chongqing Ronghui, Qingyuan Quanfa and Qingyuan Quanxing constituted a group of Controlling Shareholders and collectively held 52.28% of the total issued share capital of our Company. Our Controlling Shareholders are able to control our operation and influence the selection of our senior management. Therefore, Mr. Xiao and Dr. Zhang will have significant influence with respect to the following matters relating to: our business strategies and policies; amendments to our constitutional documents; the timing and amount of dividend payments; mergers or other business combinations; acquisitions or dispositions of assets; and issuance of any additional Shares or other equity securities.

However, the interests of our Controlling Shareholders may differ from the interests of other Shareholders, and may therefore take actions in the future that are not in the best interests of other Shareholders.

You should read the entire document carefully and should not rely on any information contained in press articles or other media in making [REDACTED] decisions with respect to our H Shares.

Prior to the publication of this document, there may have been press and media coverage regarding us and the [REDACTED], which may include certain information not contained in this document. We have not authorized the disclosure of any such information in the press or other media. We make no representation as to the appropriateness, accuracy, completeness or reliability of such information, and disclaim responsibility for such information. We do not accept any responsibility for such unauthorised press and media coverage or for the accuracy or completeness of any such information. Accordingly, prospective [REDACTED] are cautioned to make their [REDACTED] decisions with respect to our H Shares on the basis of the information contained in this document only and should not rely on any other information. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document.

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

Certain facts, forecasts and other statistics relating to China, its economic conditions and the industry in which we operate contained in this document have been derived from official government sources. However, we cannot guarantee the accuracy and completeness of such

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information. These facts, forecasts and other statistics have not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], their respective directors and advisors or any other parties involved in the [REDACTED], and none of them make any representation as to the correctness, accuracy or completeness of such information. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up to date. In any event, you should consider carefully the importance placed on such information or statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “believe,” “expect,” “estimate,” “predict,” “aim,” “intend,” “will,” “may,” “plan,” “consider,” “anticipate,” “seek,” “should,” “could,” “would,” “continue,” and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], we have applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong, which normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. As of the Latest Practicable Date, none of our executive Directors resided in Hong Kong. Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange. Since our principal business and operations are in the PRC, all of our executive Directors are based in China as the Board believes it would be more effective and efficient for its executive Directors to be based in a location where our operations are conducted. It would be practically difficult and commercially unnecessary for us to relocate two of our executive Directors to Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Therefore, we do not and, for the foreseeable future, will not have executive Directors who are ordinarily resident in Hong Kong for the purposes of satisfying the requirements of Rules 8.12 and 19A.15 of the Listing Rules. Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange [has] granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- (i) **Authorized representatives:** we have appointed Mr. Zhang Pengfei and Ms. Liu Shengyun (柳聖雲) (“**Ms. Liu**”) as the authorized representatives (the “**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. Our Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Accordingly, our Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to us within a reasonable period of time. We will also inform the Stock Exchange promptly in respect of any change in our Authorized Representatives. Each of the Authorized Representatives is authorized to communicate on behalf of us with the Stock Exchange;
- (ii) **Joint company secretaries:** in addition to the appointment of the Authorized Representatives, Ms. Liu, one of our joint company secretaries and a Hong Kong resident, will, among other things, act as our additional channel of communication with the Stock Exchange and be able to answer enquiries from the Stock Exchange. Ms. Liu will maintain contact with our Directors, Supervisors and senior management through various means, including regular meetings and telephone discussions whenever necessary;
- (iii) **Directors:** to facilitate communication with the Stock Exchange, we have provided our Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers and e-mail addresses, to the extent possible) of each of our Directors such that our Authorized Representatives would have the means to contact all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or otherwise be out of office, they will provide their phone number of the place of their accommodation to our Authorized Representatives. To the best of our knowledge and information, except for Ms. Gao Wen who ordinarily resides in Hong Kong, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;

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- (iv) **Compliance advisor:** we have appointed WRise Capital Limited as our compliance advisor (the “**Compliance Advisor**”) upon [REDACTED] pursuant to Rules 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Pursuant to Note to Rule 3A.23 of the Listing Rules, our Compliance Advisor will have access at all times to our Authorized Representatives, our Directors, our Supervisors and the other senior management and act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of our Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in our Compliance Advisor;
- (v) meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or our Compliance Advisor, or directly with our Directors within a reasonable time frame;
- (vi) we will also appoint professional advisors (including legal advisors and accountants) after the [REDACTED], if necessary, to assist us in dealing with any questions or queries raised by us and to ensure that there will be efficient communication with the Stock Exchange; and
- (vii) the Compliance Advisor will also advise on the on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [REDACTED].

APPOINTMENT OF JOINT COMPANY SECRETARIES

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

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable: (i) a Member of The Hong Kong Chartered Governance Institute; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules provides that, in assessing “relevant experience”, the Stock Exchange will consider the individual’s: (i) length of employment with the issuer and other issuers and the roles he/she played; (ii) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code; (iii) relevant training taken and/or to be taken in addition to be the minimum requirement under Rule 3.29 of the Listing Rules; and (iv) professional qualifications in other jurisdictions.

We have appointed Mr. Du Xutao (杜旭濤) (“**Mr. Du**”) as one of our joint company secretaries. He has a thorough understanding of the operations of the Board and our Company and has gained experience in handling corporate governance and general administrative matters relating to our Company. Although he presently does not possess the qualifications required under Rules 3.28 and 8.17 of the Listing Rules, we would like to appoint him as our joint company secretary due to his past experience within our Group and his thorough understanding of the internal administration and business operations of our Group. In addition, we have appointed Ms. Liu as the other joint company secretary to assist Mr. Du in discharging the duties of a company secretary. Ms.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Liu is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Liu therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Our joint company secretaries will be jointly discharging the duties and responsibilities of a company secretary. Ms. Liu will be assisting Mr. Du in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Du will also be assisted by (i) our Compliance Advisor for the first full financial year starting from the [REDACTED], particularly in relation to Hong Kong corporate governance practice and compliance matters; and (ii) the Hong Kong legal advisor of our Company, on matters regarding our Company’s ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr. Du will endeavor to attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of an issuer [REDACTED] on the Stock Exchange. We have applied to the Stock Exchange for, and the Stock Exchange [has] granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Du may be appointed as a joint company secretary of our Company.

Pursuant to the Chapter 3.10 (Directors, Supervisors and Senior Management) of the Guide, the waiver will be for a fixed period of time not exceeding three years (the “**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial three-year period on the condition that Ms. Liu, as a joint company secretary of our Company, will work closely with, and provide assistance to, Mr. Du in the discharge of his duties as a joint company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Liu ceases to provide assistance to Mr. Du as the joint company secretary for the three-year period after [REDACTED].

We will further ensure that Mr. Du has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer [REDACTED] on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Prior to the end of the three-year period, the qualifications and experience of Mr. Du and the need for on-going assistance of Ms. Liu will be further evaluated by us. We will liaise with the Stock Exchange to enable it to assess whether Mr. Du, having benefited from the assistance of Ms. Liu for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the “relevant experience” within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See “Directors, Supervisors and Senior Management” for further information regarding the qualifications of Mr. Du and Ms. Liu.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality

Executive Directors

Mr. Xiao Wenqing (肖文清)	Room 2601, Building 2 Jinjiang Haoting No. 1 Qingbi Road Qingcheng District Qingyuan City Guangdong Province PRC	Chinese

Dr. Zhang Zhengfen (張正芬)	Room 2601, Building 2 Jinjiang Haoting No. 1 Qingbi Road Qingcheng District Qingyuan City Guangdong Province PRC	Chinese

Mr. Zhang Dali (張大立)	Room 1901, Building 17 Fujing Tianxia Beijiang 1st Road Qingcheng District Qingyuan City Guangdong Province PRC	Chinese

Mr. Deng Xuqing (鄧旭清)	Room 2603, Building B5 Vanke Huaifu Qingcheng District Qingyuan City Guangdong Province PRC	Chinese

Mr. Zhang Pengfei	Room 2604 No. 12, Nanguo 2nd Street Nanguo Garden Community Liede Subdistrict Tianhe District, Guangzhou City Guangdong Province PRC	Canadian

Non-executive Director

Mr. Zhang Yuanhua (張遠華)	Room 1801 No. 219 Lover's Road Xiangzhou District Zhuhai City Guangdong Province PRC	Chinese

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
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Mr. Luo Xugang (羅緒剛)	Room 1109, No. 10 Mansion Dijing Lanwan No. 88, Xianghe Road Hanjiang District Yangzhou City Jiangsu Province PRC	Chinese
Mr. Gong Kaisong (龔凱頌)	Room 105, Building 618 Puyuan Residential Area Sun Yat-sen University Guangzhou City Guangdong Province PRC	Chinese
Ms. Gao Wen (高雯)	Flat B, 11/F, Block 2 The Belcher’s 89 Pok Fu Lam Road Pok Fu Lam Hong Kong	Chinese
SUPERVISORS		
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Please see “Directors, Supervisors and Senior Management” of this document for further information of our Directors and Supervisors.

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

**China Merchants Securities (HK) Co.,
Limited**
32/F, One Exchange Square
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Independent Biological Assets Valuer

**Jones Lang LaSalle Corporate Appraisal
and Advisory Limited**
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Industry Consultant

**Frost & Sullivan (Beijing) Inc.,
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[●]

CORPORATE INFORMATION

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Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong
Company’s Website	https://www.tnong.com/ <i>(The information contained in this website does not form part of this Document)</i>
Joint Company Secretaries	Mr. Du Xutao (杜旭濤) Room 2801, Unit 103 Jin Gui Court Jinkui Subdistrict, Liangxi District Wuxi City Jiangsu Province PRC Ms. Liu Shengyun (柳聖雲) 46/F, Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong
Authorized Representatives	Mr. Zhang Pengfei Room 2604 No. 12, Nanguo 2nd Street Nanguo Garden Community Liede Subdistrict Tianhe District, Guangzhou City Guangdong Province PRC Ms. Liu Shengyun (柳聖雲) 46/F, Hopewell Centre 183 Queen’s Road East Wan Chai Hong Kong
Audit Committee	Mr. Gong Kaisong (龔凱頌) (<i>Chairperson</i>) Ms. Gao Wen (高雯) Mr. Zhang Yuanhua (張遠華)
Remuneration and Appraisal Committee	Ms. Gao Wen (高雯) (<i>Chairperson</i>) Mr. Luo Xugang (羅緒剛) Dr. Zhang Zhengfen (張正芬)

CORPORATE INFORMATION

Nomination Committee

Mr. Luo Xugang (羅緒剛) (*Chairperson*)
Mr. Gong Kaisong (龔凱頌)
Dr. Zhang Zhengfen (張正芬)

Strategy Committee

Mr. Xiao Wenqing (肖文清) (*Chairperson*)
Dr. Zhang Zhengfen (張正芬)
Mr. Luo Xugang (羅緒剛)
Mr. Zhang Yuanhua (張遠華)
Mr. Zhang Pengfei

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INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], any of the [REDACTED], any of their respective directors and advisers or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

SOURCE AND RELIABILITY OF INFORMATION

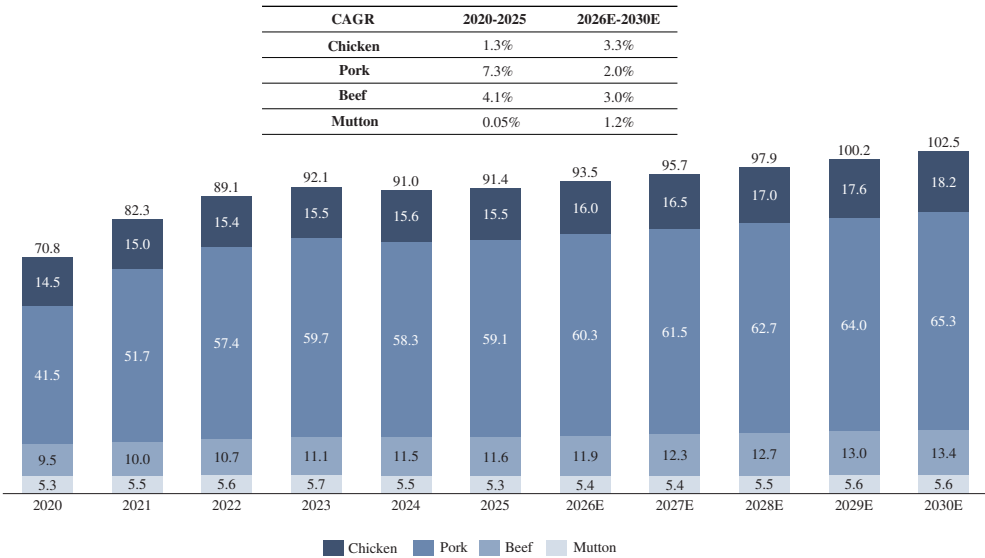
This section includes information from the F&S Report, a report commissioned by us from Frost & Sullivan, as we believe such information imparts a greater understanding of the industry. Frost & Sullivan is a global consulting company and an independent third party. Frost & Sullivan provides market research on a variety of industries, among other services. We have agreed to pay Frost & Sullivan a total of RMB610,000 in fees for its commissioned undertakings, which we believe to be consistent with market rates. We are of the view that the payment of such fee does not impair the fairness of the conclusions drawn in the F&S Report. In preparing the F&S Report, Frost & Sullivan performed both primary research which involved conducting interviews with leading industry participants and experts and secondary research which involved reviewing company reports, independent research reports and data based on Frost & Sullivan’s research database. Frost & Sullivan also assumed that China’s economy is likely to maintain its steady growth in the forecast period, China’s social, economic and political environment is likely to remain stable in the forecast period.

OVERVIEW OF MEAT CONSUMPTION IN CHINA

The main categories of meat consumption in China include pork, chicken, beef and mutton. Pork is currently the most consumed meat in China, with a total consumption of approximately 59.1 million tons in 2025, representing a CAGR of 7.3% from 2020 to 2025. Chicken is the second most frequently consumed meat, with a total consumption of approximately 15.5 million tons in 2025, achieving a CAGR of 1.3% between 2020 and 2025. Beef ranks as the third most frequently consumed meat, with a total consumption of about 11.6 million tons, growing at a CAGR of 4.1% from 2020 to 2025. Looking ahead, the total consumption of pork in China is projected to maintain steady growth. While pork remains the dominant category of overall meat consumption, its proportion is expected to slightly decline. In contrast, driven by factors such as increasing health awareness and growing demand for lean protein options, the share of chicken is anticipated to gradually rise. In terms of total consumption for pork, chicken, beef and mutton, these figures are forecast to reach 65.3 million tons, 18.2 million tons, 13.4 million tons and 5.6 million tons, respectively, by 2030, with the corresponding CAGR from 2026 onwards projected to be 2.0%, 3.3%, 3.0% and 1.2%, respectively.

INDUSTRY OVERVIEW

Market Size of China’s Meat Consumption, 2020-2030E



Note: Market size is measured by total meat consumption volume in million tonnes.

Source: National Bureau of Statistics of China, Frost & Sullivan

OVERVIEW OF CHINA’S BROILER FARMING INDUSTRY

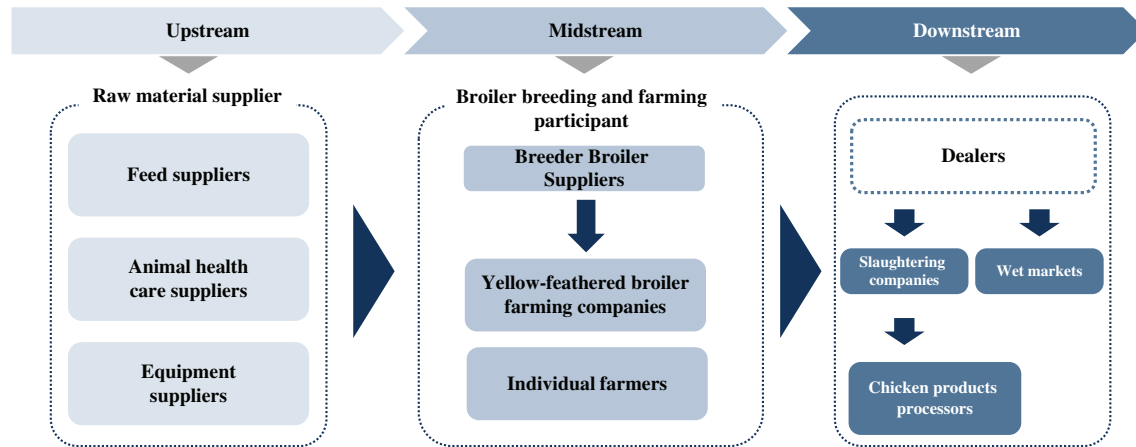
Overview of China’s Broiler Farming

The Chinese broiler market is primarily divided into several categories: white-feathered broilers, yellow-feathered broilers and hybrid broilers. White-feathered and yellow-feathered broilers exhibit distinct differences in their growth cycles, farming models and application scopes. Characterized by short growth periods and superior feed conversion ratios, white-feathered broilers are optimally suited for centralized, standardized farming systems and are extensively utilized in the processed meat product and fast-food sectors. Conversely, yellow-feathered broilers are renowned for their distinctive flavor profile, making them a better fit for traditional Chinese cuisine and the demand for high-quality chicken. This has allowed them to retain a stable consumer base within the fresh poultry market. In recent years, the white-feathered broiler industry has experienced a resurgence in production capacity propelled by the gradual restoration of its pedigree system, resulting in a steady expansion of the industry’s scale. Concurrently, yellow-feathered broilers, capitalizing on the native breeding expertise and consistent end-market demand, are maintaining a relatively stable growth trajectory. Particularly, they demonstrate notable competitiveness within the mid-to-high-end catering market and in regionally branded market niches.

Value chain of China’s Broiler Farming Industry

The following diagram illustrates the value chain of the chicken farming industry. The company operates in the midstream segment as a breeding participant for yellow-feathered broiler.

INDUSTRY OVERVIEW



Source: Frost & Sullivan

Major Farming Models of China's Broiler Industry

Self-operated farm: allows enterprises to maintain direct oversight over breeding standards, bio-security management and production processes, which is particularly important for pig farming operations with higher capital intensity and longer production cycles. This model supports compliance with regulatory requirements and facilitates the implementation of unified management systems across core production bases.

Family farm: enables enterprises to utilise decentralised farming capacity while leveraging local experience and labour resources. Through contractual arrangements, technical support and centralised input supply, enterprises can integrate family farms into their production networks without assuming full fixed asset investment. This model is widely adopted to enhance regional coverage and operational flexibility, while managing capital expenditure and operational risks.

Hybrid farm: combine elements of self-operated and family farm models and are commonly adopted by large-scale integrated livestock enterprises. By applying unified breeding standards, disease prevention protocols and procurement systems across different farm types, this model supports scalable expansion while maintaining operational consistency. It also allows enterprises to balance capacity growth with risk diversification under cyclical market conditions.

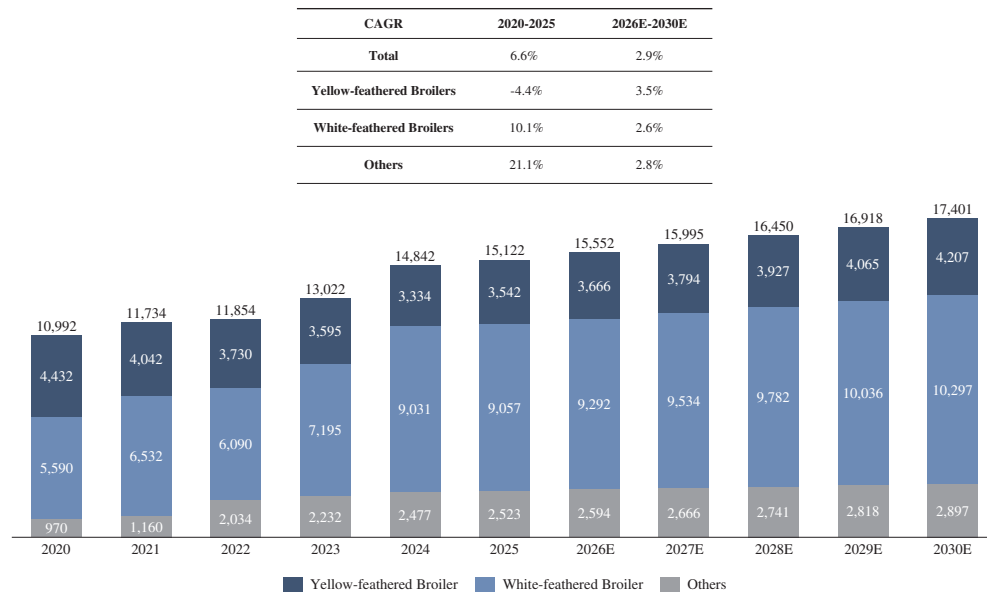
Market Size of China's Broilers Farming Industry

The total sales volume of broilers increased from 10,992 million birds in 2020 to 15,122 million birds in 2025, representing a CAGR of 6.6% during 2020 to 2025. It is projected to reach 17,401 million birds by 2030, corresponding to a CAGR of 3.5% from 2026 to 2030.

Within the overall broiler market, the sales volume of yellow-feathered broilers in China declined from 4,432 million birds in 2020 to 3,542 million birds in 2025, representing a CAGR of -4.4%. The decline was primarily driven by restrictions on live poultry sales, which disrupted traditional fresh poultry channels, as well as rising farming costs and disease control pressures that constrained production expansion. During the period, while large, fast-growing yellow-feathered broilers continued to contract, slow-growing, higher-quality products recorded growth, reflecting a structural shift toward quality-driven production. Looking ahead, supported by the recovery of consumer demand and catering activities, as well as increasing preference for high-quality chicken, production is expected to gradually rebound. The sales volume is projected to reach 4,207 million birds by 2030, with a CAGR of 3.5% from 2026 to 2030.

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Market Size of Broilers, 2020-2030E, by Sales Volume



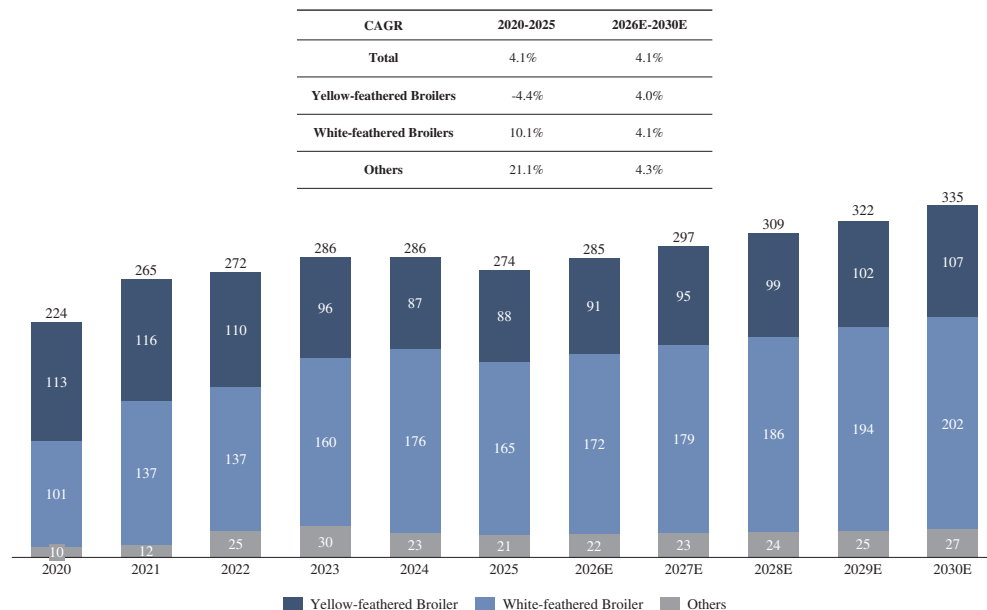
Note: Market size is measured by sales volume in million birds.

Source: China Animal Agriculture Association, Frost & Sullivan

The market size of the broiler industry, in terms of revenue, increased from RMB224 billion in 2020 to RMB274 billion in 2025, representing a CAGR of 4.1% during 2020-2025. It is further projected to reach RMB335 billion by 2030, corresponding to a CAGR of 4.1% from 2026 to 2030.

Within the overall broiler market, the market size of yellow-feathered broilers in China decreased from RMB113 billion in 2020 to RMB88 billion in 2025 at a CAGR of -4.4%, with the industry facing short-term pressure due to factors such as the pandemic and tightening live poultry trade regulations. However, with the recovery of dining-out scenarios and gradual diversification of product sales, the market size is expected to rebound to RMB91 billion in 2026 and further grow to RMB107 billion by 2030, achieving a CAGR of 3.5% from 2026 to 2030.

Market Size of Broilers, 2020-2030E, by Revenue



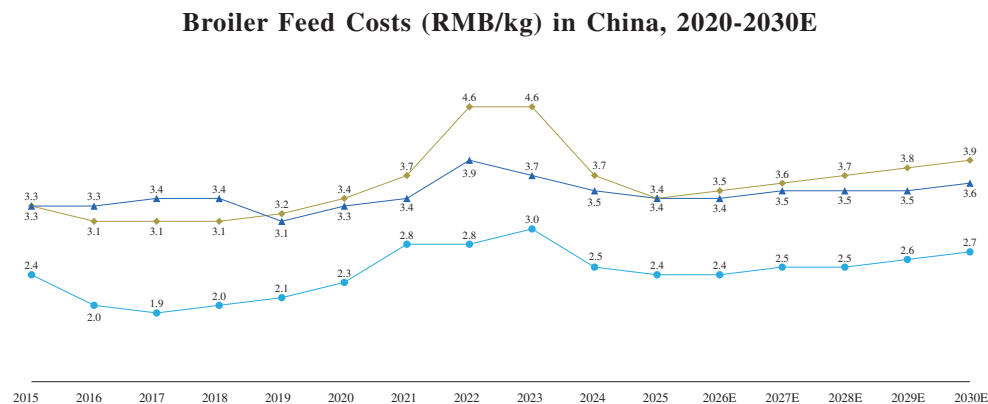
INDUSTRY OVERVIEW

Note: Market size is measured by revenue in RMB billion.

Source: China Animal Agriculture Association, Frost & Sullivan

Broiler Farming and Feed Costs

The cost of raising broilers is closely linked to feed costs, which also influences the willingness of enterprises and farmers to expand their flocks in any given year. Feed constitutes the largest component of yellow-feathered broiler production costs, accounting for over 70%, with corn and soybean meal as the main raw materials. As energy feed, corn makes up approximately 50% to 60% of the total feed formula cost, and its price fluctuations have a direct impact on the overall farming costs, with the remaining costs comprising vaccines, pharmaceuticals, farmer breeding fees, and other administrative expenses. The chart below sets out the historical prices and forecasts of feed related to yellow-feathered broiler farming.



Source: Ministry of Agriculture and Rural Affairs of the People’s Republic of China, Frost & Sullivan

OVERVIEW OF CHINA’S QINGYUAN CHICKEN FARMING INDUSTRY

Qingyuan Chicken, a representative local breed of yellow-feathered broilers, is named after its place of origin — Qingyuan City in Guangdong Province. It is characterized by a long history, a lengthy growth cycle, firm texture, and rich flavor, making it widely used in traditional Chinese cuisine and endowing it with high market acceptance and consumer recognition. As a slow-growing yellow-feathered breed, Qingyuan Chicken typically requires over 120 days to reach market weight, with the appropriately extended farming rearing period contributing to its superior meat quality and fat deposition.

The Qingyuan Chicken industry started early and has now evolved into a fully integrated chain covering breeding, standardized farming, slaughtering and processing, as well as distribution. As a traditional breed with geographical indication attributes, it enjoys a stable consumer base and established brand recognition in southern China, while gradually building a nationwide reputation as a “high-quality chicken breed”. With growing consumer emphasis on poultry quality, Qingyuan Chicken continues to enhance its market distinctiveness among yellow-feathered broilers, positioning itself as a key vehicle for branded development in the high-quality chicken market.

Qingyuan Chickens are typically raised in free-range or floor-based systems under natural lighting or semi-open environments. Leading enterprises promote eco-friendly farming in forested areas to enhance the birds’ activity space and improve meat quality and flavor. The time to market for Qingyuan Chicken is significantly longer than that of fast-growing breeds. This extended rearing farming period contributes to the maturation of muscle fibers and the development of fat deposition, resulting in sensory characteristics such as rich flavor and firm texture. Regarding feed management, the feed formulation for Qingyuan Chickens emphasizes controlled proportions of

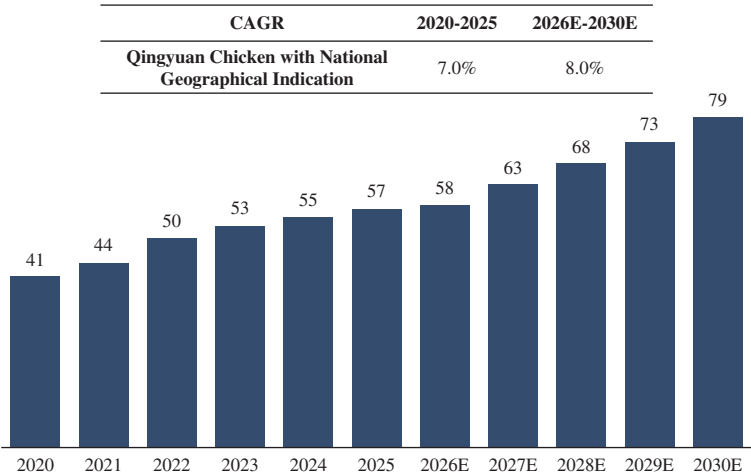
INDUSTRY OVERVIEW

grains and plant-based protein ingredients. Leading enterprises implement targeted nutritional regulation during the later fattening stage to balance growth rate and flavor development. As the breeding system primarily relies on the purebred lineage of Qingyuan Chickens, the industry places high demands on disease eradication and health management. Dedicated hatcheries and chick distribution systems are often established to support these requirements.

Market Size of China’s Qingyuan Chicken with National Geographical Indication

From 2020 to 2025, the sales volume of Qingyuan Chicken in China increased from 41 million birds to 57 million birds, with a CAGR of 7.0%. On one hand, as a high-quality local chicken breed, Qingyuan Chicken has been incorporated into regional industrial planning. Local governments have encouraged leading enterprises to expand standardized farming scale and enhance breeding systems and industrial chain integration through financial subsidies and brand support. On the other hand, continuous improvements in breeding technology and feeding management have enabled farming enterprises to make progress in areas such as chick quality control, farming cycle optimization, and disease prevention, effectively increasing unit productivity and survival rates, thereby supporting the improvement of inventory structure. It is projected that by 2030, the sales volume of Qingyuan Chicken in China will reach 79 million birds, with a CAGR of 8.0% between 2026 and 2030.

Market Size of Qingyuan Chicken with National Geographical Indication in China, by Sales Volume, 2020-2030E



Note: Market size is measured by sales volume in million birds.

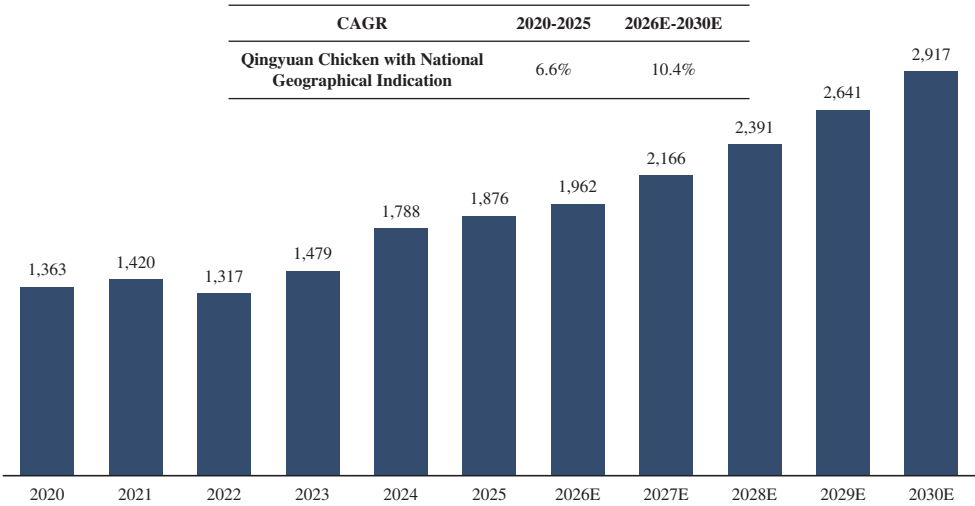
Source: Department of Agriculture and Rural Affairs of Guangdong Province, Expert interview, Frost & Sullivan

The market size of Qingyuan Chicken with National Geographical Indication by revenue grew from RMB1,363 million in 2020 to RMB1,876 million in 2025, with a CAGR of 6.6%. Benefiting from policy support and increased recognition of the Qingyuan Chicken brand, the market size of Qingyuan Chicken with National Geographical Indication is expected to further increase to RMB2,917 million by 2030, with a CAGR of 10.4% between 2026 and 2030. As of 2025, the market size of Qingyuan Chicken with National Geographical Indication accounts for only about 2.1% of China’s yellow-feathered broiler market, indicating that its overall penetration remains relatively low and significant expansion potential still exists in the future. Currently, live chickens account for over 60% of Qingyuan Chicken sales. However, due to the high gross margins brought by the penetration across supermarket and community retail channels, the chilled product line is continually boosting the overall market value. As the cold chain logistics system continues to

INDUSTRY OVERVIEW

improve and e-commerce channels rapidly expand, the trends toward branding and high-quality products in the Qingyuan Chicken with National Geographical Indication market are becoming increasingly evident, establishing it as the fastest-growing niche market in the yellow-feathered chicken category.

Market Size of Qingyuan Chicken with National Geographical Indication in China, by Revenue, 2020-2030E



Note: Market size is measured by revenue in RMB million.

Source: Department of Agriculture and Rural Affairs of Guangdong Province, Expert interview, Frost & Sullivan

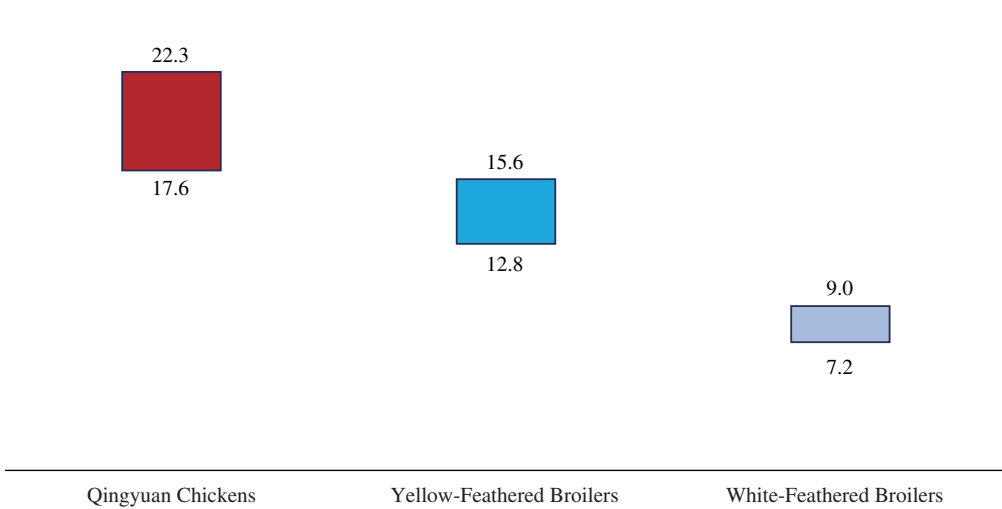
* National Geographical Indication: Certifies agricultural products possessing unique qualities and reputations attributable to specific geographic origins. Only Qingyuan Chickens raised in accordance with designated standards within Qingcheng, Qingxin, Yingde, and Fogang of Qingyuan City are eligible for this certification.

Price Comparison Between Qingyuan Chicken and Other Broilers in China

From 2020 to 2025, the average market price of white-feathered broilers fluctuated between RMB7.2 and RMB9.0 per kilogram. Prices remained relatively low overall, primarily affected by concentrated capacity releases and price sensitivity in terminal channels. During the same period, yellow-feathered broilers maintained relatively stable prices, mostly ranging between RMB12.8 and RMB15.6 per kilogram. The modest volatility largely reflects live-bird market control policies and a gradual shift toward higher slaughter ratios, both of which provided some price support. As a high-quality chicken product, Qingyuan Chicken consistently commanded prices above the industry average. From 2020 to 2025, its average selling price ranged from RMB17.6 to RMB22.3 per kilogram. This demonstrates its stable premium pricing capability in the high-quality meat market. Although subject to market fluctuations, Qingyuan Chicken maintained strong price stability, supported by structural consumer demand.

INDUSTRY OVERVIEW

Average Ex-farm Broiler Price (RMB/kg) in China, 2020-2025



Source: China Animal Agriculture Association, Department of Agriculture and Rural Affairs of Guangdong Province, Frost & Sullivan

Drivers for Qingyuan Chicken Market in China

Policy driver: As a key representative of Qingyuan’s characteristic agriculture, the Qingyuan Chicken industry has received sustained support from the local government in policies, funding and infrastructure. Since 2021, it has been designated as a core project under the “Five Major Ten-Billion-Yuan Agricultural Industries”, with support focusing on breed conservation, standardized farming, brand building and cold chain development.

Technology driver: The industry has seen continuous improvements in breeding systems, farming models and disease control, driving standardization and green development. Advancements in superior breed conservation and localized breeding systems, alongside the adoption of modern farming models such as ecological and intelligent farming, have enhanced efficiency and product consistency.

Market driver: Qingyuan Chicken benefits from strong recognition in catering and premium consumption scenarios due to its flavor and regional branding. Increasing consumer preference for quality and safety continues to support both price and volume growth.

Barriers in China’s Qingyuan Chicken Farming Industry

Genetic Resource Barrier. As a geographical indication product, Qingyuan Chicken’s competitiveness is anchored in its superior genetic resources and pure lineage. Core breeding stock is concentrated among a limited number of enterprises, creating high entry barriers. Companies with breeding and selection capabilities can ensure strain stability and enhance growth performance and disease resistance, establishing upstream advantages.

Technological barriers. Product quality relies on specialized farming techniques and breeding know-how. Leading enterprises typically operate integrated breeding and biosecurity systems, enabling standardized and digitized management across farming stages. In addition, capabilities in slaughtering, processing and cold chain preservation have become increasingly important under tightening food safety and live poultry trading regulations, forming key technical barriers.

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Channel barriers. Qingyuan Chicken is mainly positioned in high-end catering and mid-to-high-end retail channels, where brand trust and supply stability are critical. Leading players build stable sales networks and regional brand recognition through cold chain distribution and long-term customer relationships. Companies with omnichannel capabilities are better positioned to expand market reach and maintain pricing power.

OVERVIEW OF CHINA’S PIG FARMING INDUSTRY

Overview of China’s Pork Consumption

In 2025, China’s pork production reached 59.4 million tonnes, with consumption at 59.1 million tonnes, of which household consumption accounted for 54.2%. Following the impact of African swine fever, which led to capacity contraction and subsequent restocking, pork consumption in China experienced temporary fluctuations but has since returned to a normalized range.

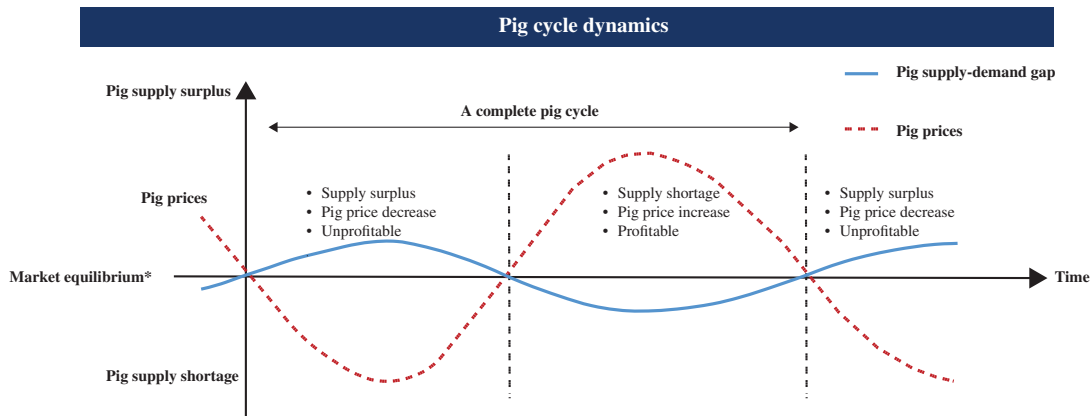
China’s Pork Consumption Distribution

China’s pork consumption demonstrates relatively balanced regional distribution, with primary concentrations in Southwest, East, Central, and South China. In 2025, Southwest China led the nation with approximately 22.0% of total consumption, reflecting its dual dominance in both production and consumption. The East, Central, and South China maintained consumption shares of approximately 20.0%, 17.0% and 15.0% respectively, representing established consumption areas characterized by stable consumption habits and mature distribution networks. By contrast, North, Northeast, and Northwest China recorded comparatively lower consumption shares of approximately 13.0%, 9.0% and 4.0% respectively, primarily attributable to differences in regional dietary cultures and preferences for meat choices.

China’s Pig Cycle

The pig cycle refers to cyclical fluctuations in pig prices driven primarily by supply changes, as pork demand in China remains relatively stable. Supply is affected by factors such as disease outbreaks and capacity cycles. Prior to 2022, a typical cycle lasted four to five years, with high prices driving capacity expansion, followed by oversupply, price declines and subsequent capacity reduction. In recent years, stricter regulations have moderated volatility. In March 2024, policy guidelines set a target of approximately 39 million breedable sows to stabilize production and prices. As a result, price fluctuations have narrowed, and the pig cycle is expected to become more stable going forward.

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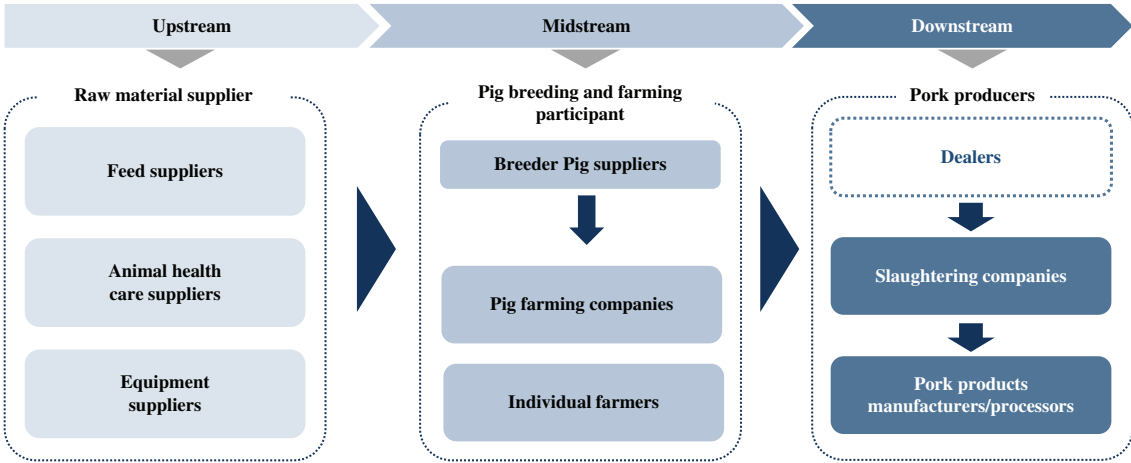


Overview of China’s Pig Farming Industry

One of the most prominent trends in China’s pig farming industry over the past decade has been the shift towards large-scale farming (defined as farming operations with an annual sales volume of over 500 pigs): the penetration rate of large-scale pig farming was only 43.3% in 2015, but it reached over 70% in 2025. Industrialization brings regularity and stability to the pig farming industry, effectively reducing price volatility. As specialized, large-scale management operations gradually replace small pig farms, industry concentration continues to increase, leading to more standardized production processes and more predictable output volumes. This structural transformation smooths out the traditional dramatic price swings in the pig market, thereby stabilizing the market.

Value Chain of China’s Pig Farming Industry

The value chain of the pig farming industry in China mainly includes raw material suppliers, pig farming companies and pork suppliers. Depending on their business models, pig farming companies may play one or more roles along the value chain.



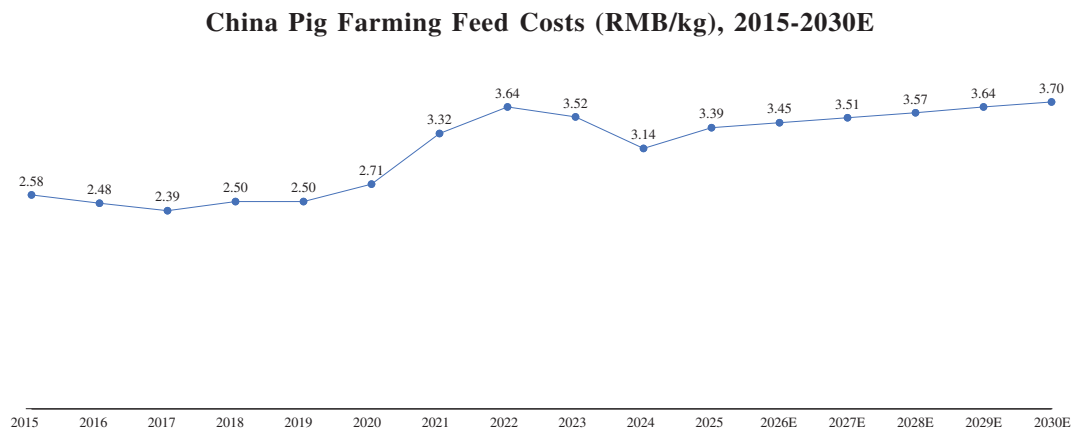
Source: Frost & Sullivan

INDUSTRY OVERVIEW

Mainstream Pig Farming Models and Feed Costs in China

The mainstream pig farming models in China can be broadly divided into the self-operated model and the family farm model. Under the self-operated model, companies establish and operate their own farming bases, enabling full control over breeding, finishing and disease prevention, and supporting standardized biosecurity management and stable product quality. By contrast, under the family farm model, companies cooperate with individual farmers by providing piglets, feed, vaccines and technical support. While this model requires lower capital investment and is easier to scale, it offers less control over farming practices and disease management, which may result in variability in product quality.

The following presents the feed costs for pig farming in China from 2015 to 2025 and forecast for the next five years:



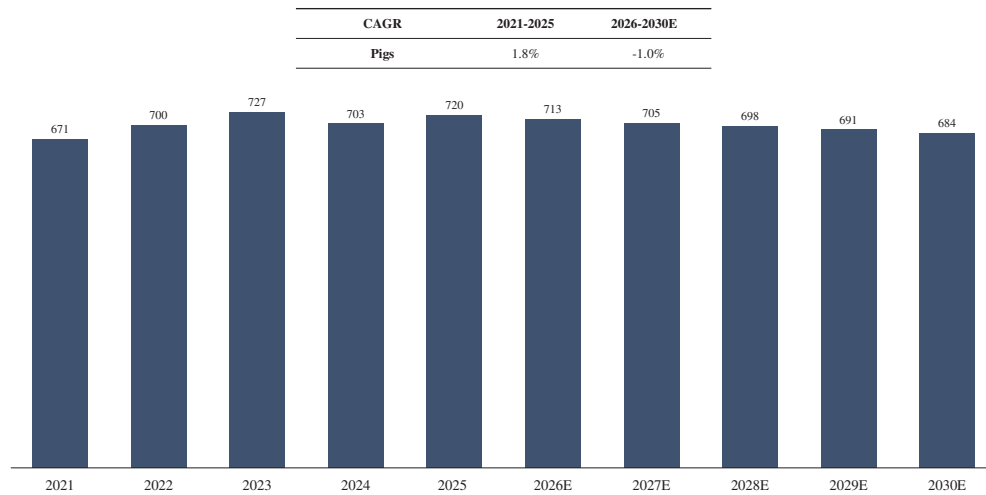
Source: Ministry of Agriculture and Rural Affairs of the People’s Republic of China, Frost & Sullivan

Market Size of China’s Pig Farming

The sales volume of pigs is a core indicator for measuring the supply level of the industry. In 2021, China’s hog sales volume was 671 million heads. With the recovery of production capacity and improved efficiency of large-scale farming, it increased to 720 million heads in 2025, representing a CAGR of 1.8% from 2021 to 2025. This growth was primarily driven by the recovery in the inventory of breeding sows and improvements in production efficiency. Looking ahead, under the backdrop of policy-driven control over the scale of breeding sows, increasing industry concentration and a more prudent pace of enterprise expansion, hog sales volume is expected to gradually return to a more rational level. It is projected to adjust to 684 million heads by 2030, representing a CAGR of -1.0% from 2026 to 2030.

INDUSTRY OVERVIEW

Market Size of China’s Pig Farming, 2021-2030E, by Sales Volume

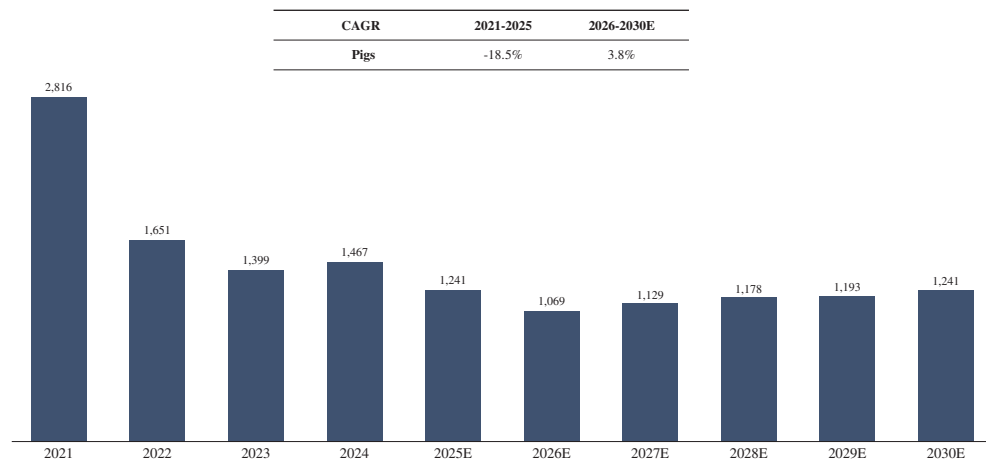


Note: Market size is measured by sales volume in million heads.

Source: Ministry of Agriculture and Rural Affairs of the People’s Republic of China, Frost & Sullivan

The market size of China’s pigs farming industry is highly dependent on fluctuations in hog prices. In 2021, supported by elevated pigs prices, the market size reached RMB2,816 billion. As production capacity recovered and hog prices declined, the market size decreased to RMB1,241 billion in 2025, representing a CAGR of -18.5% from 2021 to 2025. The contraction during this period was primarily driven by price corrections rather than a significant decline in sales volume. Looking ahead, under the backdrop of policy regulation over the inventory of breeding sows and the industry’s transition from expansion to capacity management, overall supply is expected to remain relatively stable. The market size is projected to recover to RMB1,241 billion by 2030, representing a CAGR of 3.8% from 2026 to 2030, reflecting a recovery in market size under expectations of a moderate rebound in pigs prices.

Market Size of China’s Pig Farming, 2021-2030E, by Revenue



Note: Market size is measured by revenue in RMB billion.

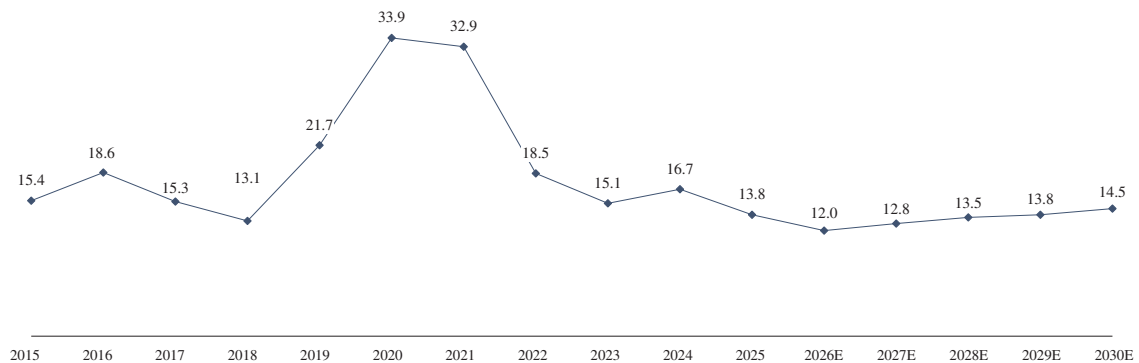
Source: Ministry of Agriculture and Rural Affairs of the People’s Republic of China, National Bureau of Statistics of China, Frost & Sullivan

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Average Pig Prices in China

Over the past decade, the market prices of pigs in China have historically experienced cyclical fluctuations, under the influence of multiple factors including dynamic supply and demand shifts, policy interventions, and volatile feed costs. In 2020, market prices of pigs surged to RMB33.9 per kilogram. However, as China’s pig production capacity rapidly recovered in 2022, market prices of pigs in China declined correspondingly. In 2025, increased pig supply led to a further drop in the average price to RMB13.8 per kilogram. Looking ahead, driven by the trend towards large-scale farming, more disciplined capacity management and the effectiveness of regulation on production capacity, as reflected in the gradual reduction in the inventory of breeding sows and a moderation in pigs output, the supply-demand balance in the pork market is expected to improve, supporting a gradual recovery of pigs prices towards a more rational range.

Average Market Prices (RMB/kg) of Pigs in China, 2015-2030E



Note: Prices are presented in RMB/kg.

Source: Ministry of Agriculture and Rural Affairs of the People’s Republic of China, Frost & Sullivan

* Prior to 2022, the pig price cycle was more pronounced, mainly due to limited penetration of large-scale farming, a lack of effective production regulation policies, and insufficient capacity for flexible supply adjustments and disease management

Drivers of the Pig Farming Industry in China

Industrial integration. Supported by policies encouraging slaughtering capacity to shift closer to farming regions, leading enterprises are increasingly integrating upstream feed and breeding with downstream slaughtering, forming more complete value chains. This enhances cost control, resource allocation and product traceability, driving more coordinated industry development.

Advance sustainable practices. Leading players are strengthening environmental management through technologies such as multi-storey pig houses, optimized feed formulations and waste utilization systems, reducing emissions and environmental impact. As ESG requirements tighten, more producers are expected to advance sustainable practices.

Barrier of China’s Pig Farming Industry

Technological Barrier. Modern pig farming requires capabilities in breeding improvement, disease control, feed formulation and intelligent management. Leading enterprises leverage genetic selection, automated feeding and environmental control to enhance productivity, reduce mortality and ensure product quality, forming strong technological advantages.

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Capital Barrier. Pig farming is highly capital-intensive, with significant investment required for standardized facilities and biosecurity systems. Given long cycles and price volatility, strong cash flow management and risk mitigation capabilities are essential. Leading players benefit from scale and integration, enabling better cost control and resilience.

Genetic Resource Barrier. Core breeding resources underpin industry competitiveness. High-quality breeding pigs determine productivity and efficiency, while genetic improvement requires long-term accumulation. Only a limited number of large enterprises possess independent breeding systems, creating difficult-to-replicate advantages.

Market Competition Analysis

Competitive Landscape of Yellow-Feathered Broiler and Qingyuan Chicken Markets

The concentration level of China’s yellow-feathered broiler industry has continued to rise, with leading enterprises now holding a significant share of the market. In 2025, the combined market share of the top ten enterprises in China’s yellow-feathered broiler industry reached approximately 67.1%. These leading enterprises have established strong market barriers and maintained high operational stability amid cyclical industry fluctuations.

Despite the increasing concentration, the industry remains structurally fragmented, with approximately over 120 large-scale yellow-feathered broiler farming enterprises, alongside a substantial number of small-scale enterprises and individual farmers, resulting in a competitive market. Key barriers to entry include genetic resource, technological and channel barriers. Market participants also face challenges from supply-demand imbalance, substitution from other meats, changing consumption patterns and cost pressure, alongside cyclical price fluctuations.

The Qingyuan Chicken market in China exhibits an exceptionally high level of market concentration. In 2025, the leading company in the industry accounted for approximately 65.3% of the market share, far exceeding its competitors and securing an absolute leadership position. Leveraging advantages in breeding, branding, and full-industry-chain integration, the leading company has built significant market barriers.

We rank sixth by revenue among yellow-feathered broiler enterprises in China.

Ranking of Yellow-Feathered Broiler Enterprises in China, 2025

Rank	Company	Revenue (RMB Billion)	Market share
1	Company A	34.8	39.7%
2	Company B	14.6	16.7%
3	Company C	3.6	4.1%
4	Company D	2.9	3.3%
5	Company E	1.7	1.9%
6	our Group	1.6	1.8%
7	Company F	1.3	1.5%
8	Company G	1.0	1.1%
9	Company H	0.9	1.0%
10	Company I	0.7	0.8%
Total		<u>87.6</u>	<u>100%</u>

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* *Revenue refers to broiler output (including Yellow-Feathered Broiler Chicken for fresh and other products) and excludes chicks*

Notes:

Company A: Founded in 1992, it is a Shenzhen Stock Exchange-listed large-scale farming and animal-husbandry enterprise headquartered in Guangdong Province. Its operations cover pig and poultry farming, feed manufacturing, and food processing, forming a full-chain layout that runs from breeding stock and feed to slaughter and sales.

Company B: Founded in 1997, it is a Shenzhen Stock Exchange-listed agricultural enterprise headquartered in Jiangsu Province. Integrating scientific research, production, and trade, it is an integrated agribusiness with livestock and poultry farming as its core industry.

Company C: Founded in 2003, it is a Shenzhen Stock Exchange-listed headquartered in Hunan province. The company engaged in yellow-feathered broiler breeding, processing and sales, with operations spanning from breeding and farming to processing and distribution through an integrated model.

Company D: Founded in 2014, it is a Hong Kong Stock Exchange-listed company headquartered in Sichuan Province. The company is an integrated farming and animal-husbandry enterprise engaged in feed R&D, pig breeding, and the farming of poultry and market pigs.

Company E: Founded in 2000 and headquartered in the Guangxi Zhuang Autonomous Region, the company focuses on poultry raising, livestock farming, and the production of breeding stock.

Company F: Founded in 2002 and headquartered in the Guangxi Zhuang Autonomous Region, the company mainly focuses on yellow-feathered broilers farming, hatching-egg sales, and the incubation of chicks and ducklings.

Company G: Founded in 2006 and headquartered in the Guangxi Zhuang Autonomous Region, it is a diversified farming and animal-husbandry group that integrates agricultural and animal husbandry research, the sale of livestock and poultry breeding stock, livestock and poultry farming and sales, meat processing, and feed production and sales.

Company H: Founded in 1991 and headquartered in Guangdong Province, it is a large integrated enterprise engaged in poultry farming, feed production, poultry wholesaling, poultry slaughtering, and broiler meat processing.

Company I: Founded in 2006 and headquartered in the Guangxi Zhuang Autonomous Region, the company is an agricultural enterprise primarily engaged in integrated operations encompassing two major sectors of yellow-feathered broilers and live pigs, including scientific breeding, ecological farming, feed processing, organic fertilizer production, slaughtering and deep processing, product development and sales.

We rank first by sales volume among Qingyuan Chicken enterprises in China, accounting for 65.3% of the market share in the Chinese Qingyuan Chicken market.

Ranking of Qingyuan Chicken Enterprises in China, 2025

Rank	Company	Sales Volume (Million Birds)	Market share
1	our Group	37.3	65.3%
2	Company J	5.0	8.8%
3	Company K	2.2	3.9%
Total		57.1	100%

* *Sales volume refers to broiler output (including Qingyuan Chicken for fresh and other products) and excludes chicks*

Notes:

Company J: Founded in 2014 and headquartered in Qingyuan, Guangdong, the company mainly engages in the farming, processing, and sales of yellow-feathered broilers and Qingyuan Chicken.

Company K: Founded in 2017 and headquartered in Qingyuan, Guangdong, the company mainly engages in raising yellow-feathered broilers and Qingyuan Chicken.

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Competitive Landscape of Pig Farming Market

We rank tenth by revenue among pig farming enterprises in Southwest China.

Ranking of Pig Farming Enterprises in Southwest China, 2025

Rank	Company	Revenue (RMB billion)	Market share
1	Company L	13.7	4.6%
2	Company C	13.2	4.4%
3	Company M	7.0	2.3%
4	Company N	6.5	2.2%
5	Company O	5.7	1.9%
6	Company A	4.8	1.6%
7	Company P	4.4	1.5%
8	Company Q	3.3	1.1%
9	Company R	2.9	1.0%
10	our Group	<u>2.7</u>	<u>0.9%</u>
Total		<u>64.3</u>	<u>100%</u>

Notes:

Company L: Founded in 1997, it is a Shenzhen Stock Exchange-listed company headquartered in Sichuan Province. Its core businesses are modern agriculture, animal husbandry, and food industries, and it is one of China’s largest feed manufacturers.

Company M: Founded in 2013, it is a Shanghai Stock Exchange-listed company headquartered in Sichuan Province. The company integrates breeding-stock pigs, feed, and commercial-pig production. This company operates as an agricultural industrialization enterprise, possessing a relatively complete integrated industrial chain within the pig farming sector.

Company N: Founded in 1999 and headquartered in Jiangxi Province, it is a national large-scale agricultural and animal-husbandry group devoted to feed R&D and manufacturing, pig farming, grain trading, and financial services.

Company O: Founded in 1992, it is a Shenzhen and Hongkong Stock Exchange-listed company headquartered in Henan Province. It is an agricultural industrialization enterprise operating one of the largest intensive pig-farming operations in China and is a leading fully integrated “self-breeding, self-expansion, self-raising” pork producer in China.

Company P: Founded in 1999 and is a Shanghai Stock Exchange-listed company based in Yunnan Province. It is an integrated agricultural enterprise engaged in feed production, pig farming, slaughtering and processing, as well as food deep processing.

Company Q: Founded in 1921, it is a listed company headquartered in Bangkok, Thailand, with operations in agriculture and animal husbandry, retail, telecommunications, real estate, and finance.

Company R: Founded in 1992 and headquartered in Sichuan Province, it is a comprehensive enterprise whose core businesses are feed manufacturing and livestock/poultry farming. The company develops, produces, and sells livestock, poultry, and aquafeeds and has extended into farming and agricultural-product processing.

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LAWS AND REGULATIONS RELATING TO COMPANY ESTABLISHMENT AND FOREIGN INVESTMENT ACCESS

The establishment, operation, and management of corporate entities in China are governed by the PRC Company Law, promulgated in December 1993 and last amended in December 2023. The Law also applies to foreign-funded joint stock limited companies.

Investment activities in the PRC by foreign investors are governed by the Regulations on Direction Guide to Foreign Investment (《指導外商投資方向規定》) (promulgated by the State Council in February 2002 and effective from April 2002), the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (hereinafter referred to as the “**Negative List**”) (promulgated by the Ministry of Commerce of the PRC (MOFCOM) and the National Development and Reform Commission (NDRC) in September 2024 and effective from 1 November 2024) and the Catalog of Encouraged Industries for Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (hereinafter referred to as the “**Encouraged Catalog**”) (promulgated by the MOFCOM and the NDRC in December 2025 and effective from February 2026). According to the Regulations on Direction Guide to Foreign Investment, foreign investment projects are classified into four categories: “encouraged foreign investment projects”, “permitted foreign investment projects”, “restricted foreign investment projects” and “prohibited foreign investment projects”. The Encouraged Catalog lists encouraged foreign investment projects, and the Negative List specifies restricted and prohibited foreign investment projects. Foreign investment projects not falling in any of these three categories are regarded as permitted foreign investment projects. The Negative List sets out the restrictive measures in a unified manner, for the access of foreign investments, covering 11 industries, and any field not covered in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

Pursuant to the provisions of the Negative List, investment in the research and development, cultivation, and plantation of rare and unique precious and superior varieties in China, as well as the production of related propagative materials (including valuable genes in planting, animal husbandry, and aquaculture), shall be prohibited; investment in selecting and breeding genetically modified varieties of crops, as well as livestock, poultry, and aquatic breeds, in addition to the production of such genetically modified seeds (seedlings), shall be prohibited. Domestic enterprise engaged in businesses in field prohibited from investment mentioned in the Negative List shall be examined and approved by the relevant competent authorities of the state for issuing shares and going public for trading abroad. Overseas investors shall not participate in the operation and management of the enterprise, and their shareholding percentages shall be governed with reference to the relevant provisions on the management of domestic securities investment by overseas investors.

Pursuant to the Animal Husbandry Law of the PRC (hereinafter referred to as the “Animal Husbandry Law”), adopted by the Standing Committee of the National People’s Congress (hereinafter referred to as the “NPC standing committee”) on December 29, 2005, effective from July 1, 2006, last amended on October 30, 2022, and effective from March 1, 2023, the administrative department for agriculture and rural affairs under the State Council shall formulate a national plan for the protection and utilization of poultry genetic resources based on the distribution of such resources. It shall establish, adjust, and publish the national catalog of protected poultry genetic resources, implementing key protection for precious, rare, and endangered poultry genetic resources originating in China. The Negative List and other Chinese laws do not explicitly state whether breeds included in the national catalog of protected poultry genetic resources qualify as “rare and unique precious and superior varieties in China”. Relevant industry authorities have also not published an official recognition catalog for “rare and unique precious and superior varieties in China”.

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The current regulations require that the shareholding percentage of a single overseas investor and its affiliates shall not exceed 10% of the total number of shares of the company, and the shareholding percentage of all overseas investors and their affiliates in aggregate shall not exceed 30% of the total number of shares of the company.

The Foreign Investment Law of the PRC (promulgated by the National People’s Congress in March 2019 and effective January 1, 2020) unifies the legal system for foreign investment. Foreign investment, as referred to in this Law, includes situations where foreign investors establish foreign-funded enterprises within the territory of China, acquire shares or equities in domestic enterprises, or make investments to initiate new projects. This Law establishes a foreign investment information reporting system that replaces the original approval and filing system. The foreign investment information reporting is subject to the Measures for the Reporting of Foreign Investment Information (jointly formulated by the MOFCOM and the State Administration for Market Regulation (SAMR), and effective from January 1, 2020).

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective from January 18, 2021, which set forth provisions concerning the security review mechanism on foreign investment.

LAWS AND REGULATIONS RELATING TO THE ESTABLISHMENT AND OPERATION OF LIVESTOCK AND POULTRY FARMS

In China, livestock and poultry farms are established and operate primarily under the following laws and regulations: the Animal Husbandry Law of the PRC (《中華人民共和國畜牧法》), which was deliberated and adopted by the Standing Committee of National People’s Congress (hereinafter referred to as the “NPC Standing Committee”) on December 29, 2005, became effective on July 1, 2006, and was last amended on October 30, 2022 with the latest amendment coming into effect on March 1, 2023, and the Animal Epidemic Prevention Law of the PRC (《中華人民共和國動物防疫法》) (hereinafter referred to as the “Animal Epidemic Prevention Law”), which was deliberated and adopted by the NPC Standing Committee on July 3, 1997, became effective on January 1, 1998, and was last amended on January 22, 2021 with the latest amendment coming into effect on May 1, 2021.

Production and Business Operation of Breeding Livestock and Poultry

In accordance with the provisions of the Animal Husbandry Law of the PRC, to engage in the production and business operation of breeding livestock and poultry or in the production of young market livestock and poultry, an entity or individual shall obtain a permit for the production and business operation of breeding livestock and poultry. To apply for the said permit, an applicant shall meet the following conditions: the species for production and business operations is examined and approved or appraised; the applicant has the corresponding technicians and facilities; the applicant satisfies the disease prevention conditions; and the applicant establishes a quality management and breeding record system. It is forbidden to engage in the production or business operation of any breeding livestock and poultry without a permit or in violation of the provisions on permit. Violators shall be subject to administrative penalties, and if the circumstance is severe, the permit or business license shall be revoked.

Animal Epidemic Prevention

General Provisions on Animal Epidemic Prevention

Pursuant to the provisions of the Animal Epidemic Prevention Law, for building of an animal raising farm or isolation place, animal slaughtering and processing house, or a place where animals and animal products are given innocuous treatment, an application shall be submitted to the local

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administrative department for agriculture and rural affairs of the people’s government at or above the country level, and the facilities must meet conditions such as site selection distance, enclosed isolation, sewage treatment, technical staff allocation, and epidemic prevention systems.

Pursuant to the provisions of the Measures for the Examination of Animal Epidemic Prevention Conditions (2022) (《動物防疫條件審查辦法(2022)》) issued by the MARA on September 7, 2022 and effective from December 1, 2022, for building of an animal raising farm or isolation place, animal slaughtering and processing house, or a place where animals and animal products are given innocuous treatment, a request for site selection shall be submitted to the administrative department for agriculture and rural affairs under the people’s government at the country level. For any change to the premises address or business scope after obtaining the Animal Epidemic Prevention Condition Compliance Certificate, the entity shall apply anew for the certificate. If the change of the layout, facilities, equipment and system may lead to the change of animal epidemic prevention conditions, a report shall be submitted to the original certificate issuance organ 30 days in advance. For any change to the name or legal representative (responsible person) of an entity, an application for amendment of the Animal Epidemic Prevention Condition Compliance Certificate shall be filed within 15 days after the change. The certificate holder shall report the animal epidemic prevention conditions and the implementation status of epidemic prevention systems for the preceding year to the administrative department for agriculture and rural affairs under the people’s government at the country level by the end of March each year.

Violation of the aforementioned regulations concerning the Animal Epidemic Prevention Condition Compliance Certificate may result in an order for rectification and administrative penalties, including fines.

Prevention and Control of African Swine Fever and avian influenza

The prevention and control of African Swine Fever and avian influenza are mainly governed by the Animal Epidemic Prevention Law of the PRC (promulgated by the the Standing Committee of National People’s Congress on July 3, 1997, and last amended on January 22, 2021 with the latest amendment coming into effect on May 1, 2021), the Regulations on Handling Major Animal Epidemic Emergencies (《重大動物疫情應急條例》) (issued by the State Council on November 18, 2005 and effective from the same date, and last amended on October 7, 2017 with the latest amendment coming into effect on the same date), the Regulations on the Administration of Slaughtering of Pigs (《生豬屠宰管理條例》) (issued by the State Council on December 19, 1997, effective from January 1, 1998, and last amended on June 25, 2021 with the latest amendment coming into effect on August 1, 2018), the National Plan for Handling Major Animal Epidemic Emergencies (《國家突發重大動物疫情應急預案》) (issued by the State Council on February 27, 2006 and effective from the same date), the Measures for Administration of Animal Quarantine (《動物檢疫管理辦法》) (issued by the former Ministry of Agriculture on May 24, 2002, effective from July 1, 2002, and last amended by the MARA on September 7, 2022 with the latest amendment coming into effect on December 1, 2022) and the Emergency Response Implementation Plan for Highly Pathogenic Avian Influenza (2025 Edition) (《高致病性禽流感疫情應急實施方案(2025年版)》) (issued and implemented by the MARA on June 20, 2025).

The Animal Epidemic Prevention Law classifies animal diseases into three categories. Category I diseases refer to those that “pose a serious threat to humans and animals that require urgent, stringent, and mandatory prevention, control, and eradication measures”. African Swine Fever and highly pathogenic Avian Influenza fall under this category. This Law stipulates that the state implements mandatory immunization against animal diseases that seriously endanger livestock production and human health. It also explicitly provides the measures to be taken against Category I animal diseases such as African Swine Fever and highly pathogenic Avian Influenza, including quarantine, culling, disinfection and harmless disposal, as well as the mandatory culling subsidy policy. The Regulations on Handling Major Animal Epidemic Emergencies and the National Plan for Handling Major Animal Epidemic Emergencies establish an emergency response system based on “local management and unified government leadership”.

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Pursuant to the Opinions of the General Office of the State Council on Strengthening Prevention and Control of African Swine Fever (Guo Ban Fa [2019] No. 31) (《國務院辦公廳關於加強非洲豬瘟防控工作的意見》(國辦發[2019]31號)) issued by the General Office of the State Council on June 22, 2019 and effective from the same date, local people’s governments are responsible for implementing measures to strengthen the prevention and control of African Swine Fever. This document encourages the promotion of standardized large-scale farming of pigs and gradual reduction of the proportion of free-range farming, and urges the implementation of farming management systems such as closed farming and all-in-all-out farming, so as to improve the level of biosecurity protection in pig farming sites (households); provides guidance for pig farming sites (households) to effectively implement measures such as cleaning and disinfection, innocuous treatment, etc. and strictly control the entry and exit of vehicles and personnel to/from the premises; urges pig farming sites (households) to report on epidemics in a strict and standardized manner, handle epidemics properly and prevent the spread of epidemics. It encourages the establishment of standardized production systems and continued efforts to create high-quality and standardized demonstration farms. It calls for the refining of policies for facility agricultural land, ensures effective land supply for the construction of relevant supporting facilities for large-scale pig farming sites (households), and supports pig farming enterprises’ development throughout the whole industry chain in provincial or regional jurisdictions.

The Ministry of Agriculture and Rural Affairs has issued a notice that calls for prevention and control measures by region for the transport of pigs and products, regulation of pig transport and promotion of the shift from “pig transport” to “pork transport”.

The Opinions of the General Office of the State Council on Rectifying and Standardizing the Order of Live Poultry Markets and Strengthening the Prevention and Control of Highly Pathogenic Avian Influenza (promulgated by the General Office of the State Council on November 20, 2006, and effective on the same day) put forward prevention and control requirements in six aspects: (i) strictly regulate the conditions for opening live poultry markets, standardize live poultry business practices, require that the construction of live poultry markets comply with laws, regulations and policies on animal disease prevention, sanitation and construction, prohibit the construction of new live poultry business markets in densely populated cities, and gradually relocate live poultry markets out of densely populated areas of large and medium-sized cities; (ii) strictly regulate market access for live poultry, enhance market supervision, gradually implement a poultry labeling system, and strictly prohibit the sale of live poultry and poultry products without quarantine certificates; (iii) regulate the slaughtering of live poultry in markets, and gradually implement the system of “designated slaughtering of poultry and sale of dressed poultry”; (iv) enhance the sanitation management of live poultry business markets, implement a regular market closure system, and insist on daily disinfection of live poultry business and slaughtering sites; (v) enhance the monitoring of live poultry and practitioners, and implement a regular sampling inspection system; and (vi) improve emergency plans and properly deal with emergencies.

Record Filing of Livestock and Poultry Farms

According to the Animal Husbandry Law of PRC, the farm owner shall report the name and address of the livestock or poultry farm, species of the livestock or poultry as well as the raising scale to the administrative department for agriculture and rural affairs under the people’s government at the county level where the farm is located for archival purposes, so as to obtain the code of livestock or poultry mark. A farm shall have a production site and supporting facilities, stockbreeding and veterinary technicians, meet the disease prevention conditions, have facilities and equipment for resource utilization of manure, and meet any other conditions.

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LAWS AND REGULATIONS ON FEED PRODUCTION AND PROCESSING

Grain Procurement

According to the Administrative Regulation of Grain Circulation (《糧食流通管理條例》) which was issued by the State Council on May 26, 2004, was last amended on February 15, 2021 and came into effect on April 15, 2021, enterprises engaged in grain procurement (hereinafter referred to as the “grain procurement enterprises”) shall file its name, address, responsible person, storage facilities and other information with the grain and reserve administrative department of the people’s government at the county level in the place of procurement for record, and shall promptly update the filing if the filing information changes. All operators engaged in grain procurement, sales, storage and processing, as well as feed and industrial grain enterprises, shall establish grain operation ledgers and report basic data and relevant information on grain procurement, sales, and storage to the local grain and reserve administrative department of the people’s government at the county level. The retention period of the grain operation ledgers shall be not less than three years.

Production of Feed and Feed Additives

The operation of livestock and poultry farms involves the use of veterinary medicines, feed and feed additives, which is governed by the Regulations on Administration of Feed and Feed Additives (《飼料和飼料添加劑管理條例》) (issued by the State Council on May 29, 1999 and effective from the same date, and last amended on March 1, 2017 with the latest amendment coming into effect on the same date, the Regulations on Administration of Veterinary Medicines (《獸藥管理條例》) (issued by the State Council on May 21, 1987, effective from January 1, 1988, and last amended on March 27, 2020 with the latest amendment coming into effect on the same date, and the Catalog of Drug Varieties Prohibited from Use in Feed and Animal Drinking Water (《禁止在飼料和動物飲用水中使用的藥物品種目錄》) (issued by the former Ministry of Agriculture, the former Ministry of Health and the National Medical Products Administration on March 21, 2002 and effective from the same date).

According to the Regulations on Administration of Feed and Feed Additives, enterprises applying to engage in the production of feed and feed additives shall apply to the relevant competent authorities to obtain a feed production licence (飼料生產許可證).

LAWS AND REGULATIONS RELATING TO POULTRY SLAUGHTERING

In accordance with the Administrative Measures for Poultry Operations (《廣東省家禽經營管理辦法》) issued by the People’s Government of Guangdong Province on December 15, 2014 and amended on September 23, 2019, the establishment of a live poultry slaughter plant (house) shall comply with the local government’s plan and the requirements for land use, environmental protection and animal epidemic prevention, and shall be filed with the competent livestock and veterinary department under the people’s government of the city at or above prefecture level for record, which will then publicly announce the details. If a live poultry slaughter plant (house) fails to be filed as required, the competent livestock and veterinary department shall order rectification within a specified period. Failure to make rectification within the specified period shall result in a fine of RMB10,000.

LAWS AND REGULATIONS RELATING TO FOOD PROCESSING INDUSTRY

The food processing industry within China is primarily subject to the following laws and regulations: the Food Safety Law of the PRC (2025 Amendment) (《中華人民共和國食品安全法(2025 修正)》) (hereinafter referred to as the “Food Safety Law (2025 Amendment)”), which was deliberated and adopted by the NPC Standing Committee on February 28, 2009, became effective on June 1, 2009, and was last amended on September 12, 2025 with the latest amendment coming into effect on December 1, 2025), and the Law of the PRC on the Quality and Safety of Agricultural

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Products (2022 Amendment) (《中華人民共和國農產品質量安全法(2022修正)》), which was deliberated and adopted by the NPC Standing Committee on April 29, 2006, became effective on November 1, 2006, and was last amended on September 2, 2022 with the latest amendment coming into effect on January 1, 2023).

Food Production and Food Operation Licensing

According to the Measures for the Administration of Food Production Licensing (2020) (《食品生產許可管理辦法》(2020)) issued by the SAMR on January 2, 2020 and effective from March 1, 2020, those engaged in food production activities within the territory of the PRC shall obtain a food production license according to law. If, within the validity period of the food production license, there are any changes to matters such as the food producer’s name, existing equipment layout and process flow, main production equipment and facilities, or food categories, which require modification of the permitted items as stated on the food production license, the food producer shall submit a change application to the original licensing administration department for market regulation within 10 working days after the change occurs. If the food producer relocates its production site, it shall reapply for a food production license.

According to the Administrative Measures on Food Operation Licensing and Filing (《食品經營許可和備案管理辦法》), which was issued by the SAMR on June 15, 2023 and became effective on December 1, 2023, any person who engages in sales of food and provision of catering services within the territory of the PRC shall obtain a food operation license in accordance with the law. The issue date of the food operation license shall be the date on which the licensing decision is made and the license shall be valid for five years upon its issuance.

Food operators engaging in food operation without obtaining a food operation license shall be subject to the confiscation of any illegal income or any illegally produced or operated food, and the imposition of a fine of up to twenty times the value of the food involved by the food safety supervision and administration department of the government at or above the county level.

Product Quality and Safety

The Product Quality Law of the PRC (《中華人民共和國產品質量法》) (hereinafter referred to as the “**Product Quality Law**”) promulgated by the NPC Standing Committee on February 22, 1993 and last amended on December 29, 2018, is the principal law governing the supervision and administration of product quality. Manufacturers shall bear responsibility for the quality of the products they manufacture. Sellers shall adopt measures to maintain the quality of products for sale.

A manufacturer shall be liable for compensation if its defective product causes damage to human life or property other than the defective product itself (hereinafter referred to as another person’s property).

Where a product defect arises due to the fault of the seller, leading to damage to human life or another person’s property, the seller shall be liable for compensation. Where a defective product causes damage to human life or another person’s property, the victim may claim damage either from the manufacturer or from the seller of such product.

Safety of Agricultural Products

The Law of PRC on Quality and Safety of Agricultural Products (2022 Amendment) (《中華人民共和國農產品質量安全法(2022修正)》) (hereinafter referred to as the “**Agricultural Products Safety Law**”) governs the supervision and administration of the quality and safety of agricultural products, namely plants, animals, microorganisms and other products obtained in the course of agricultural activities. The Agricultural Products Safety Law regulates agricultural products in the

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following aspects to ensure they meet the necessary provisions for safeguarding public health and safety, including: (i) quality and safety standards of agricultural products; (ii) origin of agricultural products; (iii) production of agricultural products; and (iv) packaging and labeling of agricultural products.

According to the Agricultural Products Safety Law, producers of agricultural products shall reasonably use chemical products in order to avoid contaminating production places of agricultural products. Producers of agricultural products shall also ensure that the preservatives, additives and other chemicals used in the process of production, packaging, preservation, storage and transportation of agricultural products shall be in conformity with the relevant compulsory technical specifications set by the state.

Food Safety

Pursuant to the Food Safety Law of the People’s Republic of China (hereinafter referred to as the “**Food Safety Law**”), promulgated by the NPC Standing Committee on February 28, 2009, most recently amended on April 29, 2021 and effective from the same day, and the Regulation on the Implementation of the Food Safety Law of the People’s Republic of China (《中華人民共和國食品安全法實施條例》), promulgated by the State Council on July 20, 2009, most recently revised on October 11, 2019 and effective from December 1, 2019: (1) Any entity engaged in food production, food sales or catering services must obtain the relevant license; no license is required for the sale of edible agricultural products or for the sale of pre-packaged foods only; (2) Food production and business operations shall comply with food-safety standards and a number of additional requirements. Food producers may not purchase or use food raw materials, food additives or food-related products that fail to meet food-safety standards; (3) Food-production enterprises must establish an incoming-inspection record system and an ex-factory inspection record system, ensure the records are truthful, and retain the records and supporting documents for no less than six months after the product’s shelf-life expiry; where no definite shelf-life exists, the retention period shall be no less than two years.

The State maintains a food-recall system. If a food producer discovers that any food it has manufactured fails to meet food-safety standards or there is evidence showing that the food is likely to harm human health, it must: immediately stop production; recall the food that has already been placed on the market; notify the relevant producers, operators and consumers; and keep records of the recall and the notifications. If a food operator discovers that any food it handles falls within the above circumstances, it must: immediately cease trading; notify the relevant producers, operators and consumers; and keep records of the suspension and the notifications.

Violations of the Food Safety Law may result in confiscation of illegal gains and of the food produced or traded illegally, a warning, an order to rectify, and a fine of up to 30 times the value of the offending goods. In serious cases, the authorities may revoke the relevant license and pursue criminal liability.

Work Safety

The Law of the People’s Republic of China on Work Safety (《中華人民共和國安全生產法》) (hereinafter referred to as the “**Work Safety Law**”) — promulgated by the NPC Standing Committee on June 29, 2002 and effective from November 1, 2002, most recently amended on June 10, 2021 and effective from September 1, 2021 — is the principal statute governing the supervision and administration of production safety. Under this law, the State maintains an accident-liability system: production and business operators may carry on their activities only if they satisfy the work safety conditions prescribed by relevant laws, administrative regulations, national standards or industry standards. Any production and business operator that fails to meet these legal requirements is barred from production activities within the PRC. Violations of the Work Safety Law may result in fines, penalties, suspension or cessation of operations, and, in serious cases, criminal liability.

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LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT

Registration of Customs Declaration Entities

According to the Customs Law of the People’s Republic of China (《中華人民共和國海關法》) which was last amended on April 29, 2021 by the NPC Standing Committee and effective from the same date, the General Administration of Customs of the PRC is the State’s entry and exit customs supervision and administration authority. Where a consignee or consignor of import or export goods or a Customs clearing enterprise handles Customs declaration procedures, they shall be file for registration with the Customs office in accordance with law.

Pursuant to the Provisions of the People’s Republic of China on the Record-Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), promulgated by the General Administration of Customs of the PRC on November 19, 2021 and effective from January 1, 2022, where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for registration, it shall obtain the qualification of market entities.

Inspection and Quarantine of Import and Export Grain

Pursuant to the Measures for the Supervision and Administration of Inspection and Quarantine of Import and Export Grain (《進出境糧食檢驗檢疫監督管理辦法》), most recently revised and implemented by the General Administration of Customs of the PRC on November 23, 2018, the General Administration of Customs applies an “access-and-quarantine” system to grain entering the country. Import grain must enter only through ports designated by the General Administration of Customs and is subject to a quarantine-licensing system. Before signing a trade contract, the consignor of the incoming grain must obtain the “People’s Republic of China Import Animal and Plant Quarantine License” (hereinafter referred to as the “Quarantine License”). Grain for which no Quarantine License has been obtained may not be imported. Customs exercises quarantine supervision over import grain; such grain must be processed or used at designated premises that meet the conditions for prevention, control and treatment. Unless effective pest-control or processing treatment has been carried out, import grain may not be placed directly on the market. Where import grain has not undergone the required quarantine-approval formalities or has not been handled in accordance with the quarantine-approval requirements, it may be imposed a fine of up to RMB5,000.

Registration of Export Food Production Enterprises

Under the Measures for the Administration of Import and Export Food Safety of the People’s Republic of China (《中華人民共和國進出口食品安全管理辦法》), promulgated by the General Administration of Customs of the PRC on April 12, 2021 and effective from January 1, 2022, export food production enterprises are subject to a mandatory registration requirement. Failure to comply with the relevant regulations may expose export food producers and operators to a range of penalties, including warnings, fines or even criminal liability.

Registration of Poultry Farms Supplying Chilled and Frozen Poultry Meat to Hong Kong and Macao

Under the Measures for the Administration of Import and Export Food Safety of the People’s Republic of China, export food raw-material farms (including crop farms and animal farms) must register with the customs office at their location. Pursuant to the Announcement on the Publication of the Catalog of Raw Material Varieties Subject to Registration Administration for Export Food (《關於公佈實施備案管理出口食品原料品種目錄的公告》), poultry meat is included in the list of export food raw materials that must be registered.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

General Provisions on Environmental Protection

The primary environmental protection laws and regulations applicable to us include the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》) (2014 Revision) (latest revised by the NPC Standing Committee on April 24, 2014, and effective from January 1, 2015), the Air Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國大氣污染防治法》) (2018 Amendment) (latest amended by the NPC Standing Committee on October 26, 2018 and effective from the same date), the Water Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國水污染防治法》) (2017 Amendment) (latest amended by the NPC Standing Committee on June 27, 2017, and effective from January 1, 2018), the Noise Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國噪聲污染防治法》) (promulgated by the NPC Standing Committee on December 24, 2021, and effective from June 5, 2022), and the Solid Waste Pollution Prevention and Control Law of the People’s Republic of China (《中華人民共和國固體廢物污染環境防治法》) (2020 Revision) (latest revised by the NPC Standing Committee on April 29, 2020, and effective from September 1, 2020). These laws and regulations stipulate requirements for the prevention, control, and supervision of air pollution, water pollution, noise pollution, and solid waste pollution, aiming to protect and improve the environment, safeguard public health, and promote sustainable economic and social development.

Environmental Protection for Construction Projects

Pursuant to the Environmental Impact Assessment Law of the People’s Republic of China (《中華人民共和國環境影響評價法》) (promulgated by the NPC Standing Committee on October 28, 2002, effective from September 1, 2003, and last amended on December 29, 2018), the State implements categorized administration for environmental impact assessments of construction projects based on the extent of their environmental impact. Project developers shall prepare an environmental impact assessment report, an environmental impact assessment form, or complete an environmental impact registration form in accordance with the Categorized Management List for Environmental Impact Assessment of Construction Projects (《建設項目環境影響評價分類管理名錄》) issued by the Ministry of Ecology and Environment on November 30, 2020, and effective from January 1, 2021.

According to the Categorized Management List for Environmental Impact Assessment of Construction Projects, livestock and poultry farms and breeding zones shall prepare an environmental impact assessment report or complete an environmental impact registration form. Specifically, (1) an environmental impact assessment report shall be prepared for Large-scale livestock and poultry farming with an annual slaughter volume of 5,000 pigs or more (or equivalent scale for other livestock types converted to pig farming)/Large-scale livestock and poultry farming with a stocking volume of 2,500 pigs or more (or equivalent scale for other livestock types converted to pig farming) and without slaughter output; Large-scale livestock and poultry farming located in environmentally sensitive areas (referring to national parks, nature reserves, scenic areas, world cultural and natural heritage sites, marine special protection areas, drinking water source protection zones; areas primarily designated for residential, medical, cultural, educational, scientific research, or administrative functions, as well as cultural relic protection units); (2) An environmental impact registration form shall be completed for livestock and poultry farms and breeding zones of other scales (excluding those below the large-scale threshold).

For pig farming projects, according to the Notice on Further Improving the Environmental Impact Assessment Management for Large-Scale Pig Farming (《關於進一步做好當前生豬規模養殖環境評管理相關工作的通知》) (Huan Ban Huan Ping Han [2019] No. 872) (issued by the General Office of the Ministry of Ecology and Environment and the General Office of the Ministry of Agriculture and Rural Affairs on November 29, 2019, and effective from the same date), over 96% of pig farming projects (those with an annual slaughter volume of fewer than 5,000 pigs) are

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required to complete an online environmental impact registration form and are exempt from the environmental impact assessment approval process. For pig farming projects below the specified scale and large-scale pig farming projects without wastewater discharge outlets, requirements for obtaining a pollutant discharge permit and total pollutant volume control indicators shall not be imposed. New, modified, or expanded pig farming projects must simultaneously construct supporting facilities for the resource utilization of manure and farmland sufficient to absorb the manure produced — i.e., land area matching the scale of the farm — must be secured. Where resource utilization of manure is not feasible, clear pollution treatment measures must be defined, and discharge must meet standards in accordance with national and local regulations.

Under the Interim Measures for the Acceptance of Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) (issued by the former Ministry of Environmental Protection on November 20, 2017 and effective from the same date), the project developer is responsible for environmental-protection acceptance when the project is completed. It must organize acceptance of all supporting environmental-protection facilities, prepare an acceptance report, disclose the relevant information, and accept public supervision.

Discharge Permits and Waste Disposal

Under the Regulations on the Prevention and Control of Pollution from Livestock and Poultry Intensive Farming (《畜禽規模養殖污染防治條例》) (promulgated by the State Council on November 11, 2013 and effective from January 1, 2014), any newly built, renovated or expanded livestock or poultry farm or farming zone must conform to the livestock development plan and the pollution-prevention plan for livestock and poultry farming, satisfy animal-disease-control requirements, and undergo an environmental-impact assessment.

The Environmental Protection Law of the People’s Republic of China, last revised by the NPC Standing Committee on April 24, 2014, and effective from January 1, 2015, stipulates that the site selection, construction, and management of livestock and poultry farms, breeding zones, and designated slaughtering enterprises shall comply with relevant laws and regulations. Entities and individuals engaged in livestock and poultry breeding and slaughtering shall take measures to scientifically dispose of waste such as animal manure, carcasses, and wastewater to prevent environmental pollution.

The Water Pollution Prevention and Control Law of the People’s Republic of China (2017 Amendment), amended on June 27, 2017, and effective from January 1, 2018, requires livestock and poultry farms and breeding zones to ensure the proper operation of comprehensive utilization or harmless treatment facilities for animal manure and wastewater, guarantee that discharged wastewater meets standards, and prevent water environment pollution. County and township-level people’s governments in areas with intensive decentralized livestock and poultry breeding shall organize household-based collection and centralized treatment and utilization of animal manure and wastewater.

The Air Pollution Prevention and Control Law of the People’s Republic of China (2018 Amendment), last amended on October 26, 2018, and effective from the same date, requires livestock and poultry farms and breeding zones to promptly collect, store, transport, and conduct harmless treatment of wastewater, animal manure, and carcasses to prevent the emission of odorous gases.

The Pollutant Discharge Permit Management Measures (《排污許可管理辦法》), issued by the Ministry of Ecology and Environment on April 1, 2024, and effective from July 1, 2024, stipulate that enterprises, institutions, and other producers/operators subject to pollutant discharge permit management pursuant to legal provisions shall apply for and obtain a pollutant discharge permit in accordance with the law, and discharge pollutants in compliance with the permit’s requirements. Those who have not obtained a pollutant discharge permit are prohibited from discharging pollutants.

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The Categorized Management List for Pollutant Discharge Permits of Stationary Pollution Sources (《固定污染源排污許可分類管理名錄》) (2019 Edition), issued by the Ministry of Ecology and Environment on December 20, 2019, and effective from the same date, stipulates that pollutant discharge units with minimal pollutant generation, discharge volume, and environmental impact shall be subject to discharge registration management. Discharge units under registration management are not required to apply for a pollutant discharge permit but shall complete a discharge registration form on the National Pollutant Discharge Permit Management Information Platform. Large-scale livestock and poultry farms or breeding zones that have no wastewater discharge outlets, as well as smaller-scale farms or breeding zones that do have wastewater discharge outlets, are subject to registration-only management: operators need only fill out a discharge-registration form on the National Pollutant Discharge Permit Management Information Platform.

The Regulations on the Management of Pollutant Discharge Permits (《排污許可管理條例》), issued by the State Council on January 24, 2021, further strengthen the management of pollutant discharges. The validity period of a pollutant discharge permit is five years, and discharge units must apply for permit renewal 60 days before the expiration of the current permit.

LAWS AND REGULATIONS RELATING TO LAND USE

Under the Land Administration Law of the People’s Republic of China (《中華人民共和國土地管理法》) (promulgated by the NPC Standing Committee on June 25, 1986 and effective from January 1, 1987, most recently amended on August 26, 2019 and effective from January 1, 2020), state land is classified as agricultural land, construction land or unused land. Land in urban districts is owned by the state; land in rural areas and urban suburbs is, except for land that is state-owned under law, collectively owned by the farmers. Land collectively owned by farmers and lawfully vested in a village collective is operated and managed by the village collective economic organization or the villagers’ committee.

Use of State-owned Land

Pursuant to the Land Administration Law of the People’s Republic of China, the Regulation on the Implementation of the Land Administration Law of the People’s Republic of China (《中華人民共和國土地管理法實施條例》) (most recently revised by the State Council on July 2, 2021 and effective from September 1, 2021) and the Interim Regulation on the Grant and Transfer of Urban State-owned Land-use Rights of the People’s Republic of China (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》) (promulgated by the State Council on May 19, 1990 and effective from the same date, most recently revised on November 29, 2020 and effective from the same date), the state implements a paid-use system for state-owned land, except where state-owned land-use rights are allocated within the scope permitted by law. The main forms of paid use for state-owned land are: grant, lease, or contribution/equity subscription of state-owned land-use rights. Grants may be effected by agreement, tender or auction, and the grant of land-use rights requires the execution of a land-use-right grant contract and the payment of a grant premium.

Collective Land

Contracting of Collective Land

Under the Rural Land Contracting Law of the People’s Republic of China (《中華人民共和國農村土地承包法》) (promulgated by the NPC Standing Committee on August 29, 2002 and effective from January 1, 2003, most recently amended on December 29, 2018 and effective from January 1, 2019) and the Organic Law of the Villagers Committees of the People’s Republic of China (《中華人民共和國村民委員會組織法》) (adopted by the NPC Standing Committee on November 4, 1998 and effective from the same day, most recently amended on December 29, 2018 and effective from the same day), the state operates a rural land-contracting management system.

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Rural land is contracted out primarily through household-based contracting within the rural collective economic organization. Rural land such as barren hills, gullies, mounds or beaches that is unsuitable for household contracting may be contracted out by tender, auction or open negotiation. The State encourages large-scale, standardized livestock and poultry farming on abandoned land and on unused barren hills, gullies, mounds or beaches. Land used for livestock and poultry farming is treated as agricultural land, and the land for production facilities and for necessary ancillary facilities such as pollution prevention and control is determined in accordance with the relevant State regulations.

Where a contract-granting party intends to contract rural land to an entity or individual outside the collective economic organization, prior approval must be obtained from at least two-thirds of the members present at a villagers’ meeting of the collective organization or from at least two-thirds of the villagers’ representatives, and the arrangement must be reported to the township (town) people’s government for approval.

A written contract shall be concluded between the contract-granting party and the contractor. The term of a contract for cultivated land is 30 years; for grassland it is 30 to 50 years; and for forest land it is 30 to 70 years.

Transfer of Land Management Rights

Under the Rural Land Contracting Law of the People’s Republic of China, a contractor may, at its discretion and in accordance with law, transfer the land-management right to another party by lease (sub-contract), capital contribution or any other method, provided that the transfer is reported to the contract-granting party for record. The transfer of land-management rights must comply with the following principles: (1) It must be lawful, voluntary and compensatory; no organization or individual may compel or obstruct the transfer; (2) The nature of land ownership and the agricultural use of the land must not be altered, and the overall agricultural production capacity and the agricultural ecological environment must not be damaged; (3) The transfer period may not exceed the remaining term of the original contract; (4) The transferee must possess the ability or qualifications to engage in agricultural operation; (5) Under equal conditions, members of the collective economic organization enjoy a right of first refusal.

Under the Measures for the Administration of the Transfer of Rural Land Management Rights (《農村土地經營權流轉管理辦法》) (issued by the Ministry of Agriculture and Rural Affairs on January 26, 2021 and effective from March 1, 2021), a contractor who transfers land-management rights must sign a written transfer contract with the transferee on the basis of mutual agreement, and the contract shall be filed with the contract-granting party and the land contract administration department of the township (town) people’s government. Upon expiry of the transfer term, the transferee has a right of first refusal to renew on the same conditions. The transferee is prohibited from altering the agricultural use of the land.

The transferee must be an organization or individual possessing the ability or qualifications to engage in agricultural operation. In any of the following circumstances the contractor may unilaterally terminate the land-management right transfer contract; if the contractor does not do so, the contract-granting party may terminate the contract: (1) the agricultural use of the land is altered without authorization; (2) the land is left fallow or abandoned for two consecutive years or more; (3) the land is seriously damaged or the ecological environment of the land is seriously destroyed; and (4) any other material breach of contract occurs.

Management of Facility Agricultural Land

According to the Notice of the Ministry of Natural Resources and the Ministry of Agriculture and Rural Affairs on Issues concerning the Management of Facility Agricultural Land (《自然資源部、農業農村部關於設施農業用地管理有關問題的通知》) (Zi Ran Zi Gui [2019] No. 4) (issued by the Ministry of Natural Resources and the Ministry of Agriculture and Rural Affairs on December

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17, 2019, and effective from the same day, with a validity period of five years), facility agricultural land includes land for facilities directly used for crop cultivation and livestock breeding and aquaculture in agricultural production. Land for livestock breeding and aquaculture facilities includes land for breeding production and directly related facilities for manure treatment, inspection and quarantine, etc. It does not include land for slaughterhouses and meat processing plants, etc. Facility agricultural land shall be filed with the township government by the rural collective economic organization or the operator. The township government shall regularly compile the information and submit it to the county-level competent authority for natural resources. If the demarcation of permanent basic farmland is involved, the approval of the county-level competent authority for natural resources shall be obtained before construction commences.

According to the Notice of the General Office of the Ministry of Natural Resources on Issues Related to the Guarantee of Land for Pig Breeding (《自然資源部辦公廳關於保障生豬養殖用地有關問題的通知》) (Zi Ran Zi Dian Fa [2019] No. 39) (issued by the Ministry of Natural Resources on September 4, 2019, and effective from the same day), land for pig farming shall be managed as agricultural land as a type of facility agricultural land and does not require approval procedures for construction land. Land for production facilities such as pigpens, internal farm passages, and green buffer zones will be sized according to the scale of farming. Regarding the increase of the scale of land for ancillary facilities, the upper limit of 15 acre has been abolished to ensure the facility land needs for waste treatment for pig farming production.

Forest Rights and Forest Land Use

According to the Forest Law of the People’s Republic of China (《中華人民共和國森林法》), as most recently revised by the NPC Standing Committee on December 28, 2019, and effective from on July 1, 2020, and the Implementing Regulations of the Forest Law of the People’s Republic of China (《中華人民共和國森林法實施條例》), as most recently revised by the State Council on and effective from March 19, 2018, the ownership of and the right to use forest land, as well as the forests and trees on that land, shall be uniformly registered and documented by the real estate registration authority, and certificates shall be issued. Anyone who violates the provisions of the Law and infringes upon the legitimate rights and interests of the owners or users of forests, trees, or forest land shall bear liability for infringement in accordance with the law.

According to the Notice of the General Office of the National Forestry and Grassland Administration on Issues concerning the Use of Forest Land for Pig Farming (Ban Zi Zi [2019] No. 163), for the use of land suitable for afforestation in the forest land protection and utilization plan for pig farming, farming enterprises (households) may sign lease contracts with rural collective economic organizations, forest land contractors, or operating units. A report shall be made for filing with the county-level competent authority for forestry and grassland. This portion of land suitable for afforestation will be used without changing its forest land use purpose and will not occupy forest land quotas. After the farming enterprise (household) ceases its pig farming activities, it shall promptly restore the conditions for forestry production.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

The NPC Standing Committee amended the Patent Law of the People’s Republic of China (《中華人民共和國專利法》) (hereinafter referred to as the “**Patent Law**”) on October 17, 2020, which came into effect on June 1, 2021. According to the current Patent Law, after the patent right is granted for an invention or a utility model, unless otherwise provided for in the Patent Law, no unit or individual may exploit the patent without permission of the patentee, i.e., it or he may not, for production or business purposes, manufacture, use, offer to sell, sell, or import the patented products, use the patented method, or use, offer to sell, sell or import the products that are developed directly through the use of the patented method.

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Trademark

According to the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》) (hereinafter referred to as the “**Trademark Law**”), amended by the NPC Standing Committee on April 23, 2019 and effective from November 1, 2019, the period of validity of a registered trademark shall be 10 years, counted from the date of approval of the registration. The trademark registrants shall enjoy the exclusive right to use the trademarks.

Copyright

According to the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》) promulgated by the NPC Standing Committee on September 7, 1990, most recently amended on November 11, 2020, and effective from June 1, 2021, and the Regulations for the Implementation of the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法實施條例》), announced by the State Council on August 2, 2002, most recently revised on January 30, 2013, and effective from March 1, 2013, works of Chinese citizens, legal entities or other organizations, whether published or not, shall enjoy copyright.

Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), promulgated by the Ministry of Industry and Information Technology on August 24, 2017, and effective from November 1, 2017, the Ministry of Industry and Information Technology is responsible for supervising and managing domain name services in China. Each provincial telecommunications administration shall implement supervision and management of domain name services within its administrative region. In principle, the domain name registration follows the rule of “first come, first served”.

LAWS AND REGULATIONS RELATING TO LABOR, SOCIAL SECURITY AND HOUSING PROVIDENT FUND

Labor Relations

According to the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》) effective from January 1, 1995, amended on and effective from December 29, 2018, and the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》) amended on December 28, 2012, and effective from July 1, 2013, a labor contract shall be concluded when a labor relationship is established between an employer and a laborer. A labor contract shall be in written form. After reaching an agreement through negotiation, a labor contract shall be concluded (which may be fixed-term labor contracts, open-ended labor contracts and labor contracts that expire upon completion of given jobs). The wages paid shall not be lower than the local minimum wage standard.

Social Security

According to the Social Insurance Law of the People’s Republic of China (《中華人民共和國社會保險法》) promulgated by the NPC Standing Committee on October 28, 2010, effective from July 1, 2011, and most recently amended on December 29, 2018, enterprises and institutions in China shall provide their employees with benefit plans, including basic old-age insurance, unemployment insurance, maternity insurance, work injury insurance, and basic medical insurance. An employer shall, within 30 days from the date of establishment of the entity, proceed to the local social insurance agency to apply for social insurance registration. An employer shall, within 30 days after taking on labor, proceed to the social insurance agency to apply for social insurance registrations on behalf of the employees. Any employer violating the aforementioned regulations shall be ordered to make corrections within a specified period; should the employer fail to make corrections within the prescribed period, the employer and its directly responsible person shall be

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financed. When an employer fails to pay social insurance contributions on time and in full, the social insurance contributions collecting agency shall place an order with the employer demanding full payment within a prescribed period, and an overdue payment fine at the rate of 5 per 10,000 shall be levied as of the date of indebtedness. When the payment is not made at the expiry of the prescribed period, a fine above the overdue amount but less than its triple shall be demanded by the authoritative administrative department. Concurrently, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) (promulgated by the State Council on January 22, 1999, effective from the same day, and most recently revised on March 24, 2019) stipulate further details regarding social security.

On July 31, 2025, the Supreme People’s Court issued the Interpretation (II) of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (“Interpretation (II)”), which came into effect on September 1, 2025. Article 19 of Interpretation (II) stipulates that: any agreement between an employer and an employee, or any undertaking by an employee, to waive mandatory social insurance contributions is considered by the People’s Court to be invalid and void. If an employer fails to make the social insurance contributions required by law, the employee may terminate the labor contract under Article 38(3) of the PRC Labor Contract Law and seek economic compensation paid by the employer, and the People’s Court is expected to uphold that claim according to law. In case of any circumstances stipulated in the preceding paragraph, if the employer, upon retrospective payment of social insurance contributions according to law, requests the employee to return the social insurance premiums already paid as compensation, the People’s Court is expected to uphold that claim according to law.

Housing Provident Fund

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, and amended on March 24, 2002 and March 24, 2019, employers shall contribute to the housing provident fund for their employees. If an employer fails to register for housing provident fund contributions or fails to set up housing provident fund accounts for its employees, the housing provident fund management center shall order them to do so within a specified period. Failure to comply within the deadline will result in a fine ranging from RMB10,000 to RMB50,000. Employers shall contribute to the housing provident fund on time and in full, and shall not be overdue or underpay. The contribution ratio for both employees and employers to the housing provident fund shall not be less than 5% of the employee’s average monthly wage from the previous year. If an employer is overdue or underpays the housing provident fund contributions, the housing provident fund management center shall order them to pay within a specified period. If payment is still not made overdue, the competent administrative authority may apply to the people’s court for compulsory enforcement.

REGULATIONS RELATING TO FOREIGN EXCHANGE AND DIVIDEND DISTRIBUTION

Foreign Exchange Control

The Regulations of the People’s Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) promulgated by the State Council of the PRC in January 1996 and amended in January 1997 and August 2008 established the regulatory framework for foreign exchange administration of China. According to the Regulations of the People’s Republic of China on Foreign Exchange Administration, payments for current account items (such as trade in goods, services, income, and current transfers) in foreign currencies do not require prior approval from the State Administration of Foreign Exchange of the People’s Republic of China (hereinafter referred to as “SAFE”), as long as certain procedural requirements are met. Conversely, if RMB is converted into foreign currencies and remitted out of China under capital accounts, such as repayment of foreign currency-denominated loans, or if foreign currencies are remitted into China under capital

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accounts, such as provision of additional capital or a foreign currency loan provided by a foreign entity to a Chinese entity, such transactions shall be subject to approval from or registration with the appropriate governing authorities.

The Provisions on Foreign Exchange Administration over Direct Investment Made by Foreign Investors in China (《外國投資者境內直接投資外匯管理規定》) promulgated by the SAFE in May 2013 and amended in October 2018 and December 2019 specify to manage foreign exchange for direct investments by foreign investors through registration, and banks process businesses related to domestic direct investments based on information provided by the SAFE.

According to the Notice on Reforming the Management Method for Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) promulgated by the SAFE in March 2015 and revised in December 2019 and March 2023, and the Circular of the SAFE on the Policies for Reforming and Standardizing Management of Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated and implemented by the SAFE on June 9, 2016, and revised in December 2023, discretionary settlement of foreign exchange receipts under the capital account means that if foreign exchange receipts under the capital account including foreign exchange capital, external debt and funds recovered from overseas listing could be for discretionary settlement according to relevant policies, settlement can be handled with a bank based on the real needs of domestic institutions. The proportion of discretionary settlement of foreign exchange receipts of domestic institutions under the capital account is temporarily 100% at present. The SAFE may adjust the aforesaid proportion in due time based on the BOP situations. The Notice of the State Administration of Foreign Exchange on Further Deepening Reforms and Facilitating Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) promulgated and implemented by the SAFE on December 4, 2023 further facilitates the payment and use of funds raised from overseas listings by foreign-invested enterprises. The asset realization accounts under the capital account shall be changed into settlement accounts under the capital account. The foreign exchange funds raised by domestic enterprises from overseas listings may be directly remitted to the settlement accounts under the capital account. The funds in the settlement accounts under the capital account can be settled and used independently.

Pursuant to the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Management of Funds of Domestic Enterprises Involved in Overseas Listings (issued on December 24, 2025 and implemented on April 1, 2026), the People’s Bank of China, the State Administration of Foreign Exchange, and their branches supervise, manage and inspect the business registration, account opening and use, cross-border receipts and payments, and fund remittances of domestic enterprises involved in overseas listings. Funds raised by domestic enterprises through overseas listings should, in principle, be promptly repatriated to China. Where the said funds are retained overseas for overseas direct investment, overseas securities investment, overseas lending, or any other business activities, approval or filing documents from the competent business authority should be obtained prior to the completion of the overseas listing and issue or over-allotment, and relevant cross-border fund management regulations should be complied with.

Dividend Distribution

According to the Company Law, when a company distributes the annual after-tax profits, it shall allocate 10% of its profits to its statutory common reserve fund. When the accumulated amount of the company’s statutory reserve fund reaches 50% or more of the company’s registered capital, no further allocation is required. Where the statutory common reserve fund is insufficient to make up the company’s losses of the previous year, the company shall apply its annual profits to make up its losses before allocating such profits, in accordance with the provisions of the preceding paragraph, to the statutory common reserve fund. After making its allocation to the statutory common reserve fund from the company’s after-tax profits, the company may, upon resolution made by the shareholders’ meeting, make allocations to the discretionary common

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reserve fund from its after-tax profits. After a company makes up its losses and makes allocations to the common reserve fund, a joint stock limited company shall distribute the remaining profits to its shareholders according to the proportion of the shares held by each shareholder, unless otherwise stipulated by the articles of association.

The Circular on Further Advancing Foreign Exchange Administration Reform to Enhance Authenticity and Compliance Reviews (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) issued by the SAFE in January 2017 sets forth certain capital control measures regarding the export of profits from domestic entities to overseas entities, including the following provisions: (1) In handling outward remittances of profits in the amount equivalent to USD50,000 (exclusive), banks shall review the profit distribution resolution of the board of directors, the original tax return filing form, and audited financial statements that are related to this outward remittance of the profits; and (2) The domestic institution shall make up for the losses incurred in previous years before remitting the profits overseas. In addition, when going through ODI registration and outward remittance procedures, a domestic institution shall explain the sources and use arrangements of the funds, and provide the resolutions of the board of directors, contracts and other authenticity evidencing materials.

REGULATIONS RELATING TO INFORMATION SECURITY AND DATA PROTECTION

Personal Information Protection

According to the Civil Code, a natural person’s personal information is protected by law. Any organization or individual that needs to access other’s personal information may only do so in accordance with law and guarantee the safety of such information, and may not illegally collect, use, process, or transmit other’s personal information, or illegally trade, provide, or publicize such information. Moreover, the processing of personal information shall be in compliance with the principles of lawfulness, justification, and within a necessary limit.

The Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》) (hereinafter referred to as “**Personal Information Protection Law**”), promulgated by the NPC Standing Committee on August 20, 2021, by the Standing Committee of the National People’s Congress and effective from November 1, 2021, stipulates that the processing of personal information shall have a clear and reasonable purpose and shall be limited to the minimum scope necessary to achieve the purpose of processing, and adopt means that have the minimum impact on personal rights and interests. The processing of personal information irrelevant to the purpose of processing is prohibited.

Information Security and Review

On June 10, 2021, the NPC Standing Committee promulgated the Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》) (hereinafter referred to as the “**Data Security Law**”), which came into effect on September 1, 2021. The Data Security Law sets out the regulatory framework for data security supervision and the responsibilities of relevant administrative authorities. It stipulates that the central national security leadership authority shall establish a national data security coordination mechanism, which shall coordinate the formulation of catalogs of important data by relevant departments and adopt special measures to ensure the security of such important data. In addition, the Data Security Law prescribes the data security and privacy protection obligations that organizations and individuals engaged in data processing activities must undertake. It introduces a classified and graded data protection system based on the importance of data to economic and social development and the degree of harm that may be caused to national security, public interests, or the lawful rights and interests of individuals or organizations in the event of data being tampered with, damaged, leaked, or illegally obtained or used. The Data Security Law also provides that data processing activities which may affect national security shall be subject to national security review, and that certain data and information shall be

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subject to export control. For the purposes of the Data Security Law, “data” refers to any record of information in electronic or other forms. Data processing includes the collection, storage, use, processing, transmission, provision, and disclosure of data, among others.

On November 7, 2016, the NPC Standing Committee promulgated the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網路安全法》) (hereinafter referred to as the “**Cybersecurity Law**”), which came into effect on June 1, 2017. Pursuant to the Cybersecurity Law, network operators engaged in business and service activities shall fulfill their obligations to ensure cybersecurity. Those who construct, operate networks, or provide services through networks shall, in accordance with laws, administrative regulations, and mandatory national standards, adopt technical and other necessary measures to safeguard cybersecurity, ensure the stable operation of networks, effectively respond to cybersecurity incidents, prevent cybercrimes, and maintain the integrity, confidentiality, and availability of network data. Network operators shall not collect personal information irrelevant to the services they provide, nor shall they collect or use personal information in violation of laws or agreements with users. The critical information infrastructure operators shall store within the territory of China any personal information and important data collected or generated within China. Where it is truly necessary, due to business needs, to provide such information and data overseas, a security assessment shall be conducted in accordance with the measures formulated jointly by the national cybersecurity authority and relevant departments of the State Council. Where critical information infrastructure operators procure network products and services that may affect national security, such procurement shall undergo a national security review organized by the national cybersecurity authority in conjunction with relevant departments of the State Council.

On July 30, 2021, the State Council of the People’s Republic of China promulgated the Regulation on Protecting the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which came into effect on September 1, 2021. According to this regulation, “critical information infrastructure” refers to important network facilities and information systems in key sectors such as public communications and information services, as well as other network facilities and information systems which, if damaged, rendered inoperative, or subject to data leakage, may seriously endanger national security, the national economy and people’s livelihood, or the public interest.

On December 28, 2021, the Cyberspace Administration of China (hereinafter referred to as the “CAC”), together with 12 other administrative authorities, jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which came into effect on February 15, 2022. Pursuant to the Measures for Cybersecurity Review, critical information infrastructure operators that procure network products and services which affect or may affect national security after being put into use shall apply for a cybersecurity review. In addition, network platform operators that hold personal information of more than one million users must apply for a cybersecurity review before listing abroad. If the competent authorities deem that a network operator’s products, services, or data processing activities affect or may affect national security, such authorities may also initiate a cybersecurity review against the operator.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》), which came into effect on September 1, 2022. Pursuant to the Measures for the Security Assessment of Outbound Data Transfer, to provide data abroad under any of the following circumstances, a data processor shall apply to the competent authority for the security assessment of the outbound data transfer: (1) the data processor provides important data abroad; (2) the critical information infrastructure operator or the data processor that has processed the personal information of over one million people provides personal information abroad; (3) the data processor that has provided the personal information of over 100,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the previous year provides personal information abroad; (4) any other circumstance where an application for the security assessment of outbound data transfer is required by the CAC.

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According to the Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》) promulgated and effective on March 22, 2024 by the CAC, where data has not been identified or publicly announced as important data by relevant Chinese authorities or regions, data processors are not required to declare such data as important data for the purpose of security assessment of outbound data transfer. In addition, a data processor providing data overseas shall apply to the national cyberspace administration for the security assessment of the outbound data transfer through the local provincial cyberspace administration if any of the following conditions are met: (i) the critical information infrastructure operator provides personal information or important data abroad or (ii) the data processor other than the critical information infrastructure operator provides important data abroad, or has provided the personal information (excluding sensitive personal information) of over 1,000,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the current year. Where there is any inconsistency between the Provisions on Promoting and Regulating Cross-border Data Flow and the Measures for Outbound Data Transfer (《數據出境辦法》) promulgated on February 22, 2023 or the Measures on Standard Contracts for the Cross-Border Transfer of Personal Information, the Provisions on Promoting and Regulating Cross-border Data Flow shall prevail.

In September 2024, the State Council promulgated the Regulation on Network Data Security Management (《網路數據安全管理條例》), which shall take effect on January 1, 2025. The Regulations on the Administration of Cyber Data Security (《網路數據安全管理條例》) are not only the first administrative regulation specifically addressing cybersecurity and data protection at the administrative regulation level but also serve as an integrated implementation regulation of the compliance requirements set forth under the Cybersecurity Law, the Data Security Law, and the Personal Information Protection Law. The Regulations on the Administration of Cyber Data Security introduce several key obligations, including the requirement that network data processors shall, before processing any personal information, specify the purpose and means of such processing as well as the types of personal information involved. The regulation also clarifies the definition of important data, outlines the responsibilities of important data processors, establishes broader contractual requirements for data sharing among data processors, and introduces new exemptions with respect to the regulatory obligations on outbound data transfers.

LAWS AND REGULATIONS RELATING TO MAJOR TAXES AND TAX RATES APPLICABLE WITHIN THE PRC

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》) promulgated by the NPC on March 16, 2007 and most recently amended and effective on December 29, 2018 by the NPC Standing Committee, and the Regulation on the Implementation of the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, most recently amended on December 6, 2024 and effective on January 20, 2025, enterprises are classified as resident enterprises and non-resident enterprises. Resident enterprises of China are required to pay enterprise income tax at a rate of 25%. Income derived by enterprises from the rearing of livestock and poultry and from the primary processing of agricultural products may be exempted from enterprise income tax.

Value-Added Tax (VAT)

Pursuant to the Value-Added Tax Law of the People’s Republic of China (《中華人民共和國增值稅法》) (promulgated by the Standing Committee of National People’s Congress on December 25, 2024 and effective on January 1, 2026), the Company, as a general VAT taxpayer, is subject to VAT rates of 13%, 9%, 6%, or 0%, depending on the nature of its business. Sales of self-produced agricultural products by agricultural producers are exempt from VAT.

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According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Exemption of VAT on Feed Products (《財政部、國家稅務總局關於飼料產品免徵增值稅問題的通知》) (promulgated by the MOF and STA on July 12, 2001 and implemented on August 1, 2001), single bulk feed, mixed feed, compound feed, compound premix feed, and concentrated feed products are exempt from VAT.

Urban Maintenance and Construction Tax

Pursuant to the Urban Maintenance and Construction Tax Law of the People’s Republic of China (《中華人民共和國城市維護建設稅法》), promulgated by the NPC Standing Committee on August 11, 2020 and effective on September 1, 2021, entities and individuals within the territory of the People’s Republic of China that pay value-added tax or consumption tax are taxpayers of the urban maintenance and construction tax and shall pay such tax in accordance with the law. The taxable base shall be adjusted by deducting the VAT amount refunded from the retained tax credit at the end of the period, as prescribed. The applicable tax rate is 7% for taxpayers located in urban districts, 5% for those located in county towns or towns, and 1% for those located outside urban districts, county towns, or towns.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

Overseas Offering and Listing of Securities by Domestic Enterprises

On February 17, 2023, the CSRC promulgated the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (hereinafter referred to as the “**Trial Measures**”) and five supporting guidelines, which came into effect on March 31, 2023 (hereinafter referred to as the “**Implementation Date**”).

The Trial Measures comprehensively improve and reform the regulatory framework for the overseas offering and listing of securities by domestic enterprises in China by adopting a filing-based regulatory regime, and regulate both direct and indirect overseas offering and listing of securities by domestic enterprises. The Trial Measures provide that overseas offering and listing shall not be permitted under any of the following circumstances: (i) where such offering and listing are explicitly prohibited by laws, administrative regulations, or relevant provisions of the State; (ii) where the overseas offering and listing may endanger national security, as determined upon lawful review by the relevant authorities of the State Council; (iii) where the domestic enterprise or its controlling shareholder or actual controller has, within the last three years, committed criminal offences such as embezzlement, bribery, misappropriation of property, or disruption of the socialist market economic order; (iv) where the domestic enterprise is under investigation in accordance with the law for suspected criminal offences or major violations and no conclusive opinion has yet been issued; or (v) where there exists any material dispute over the ownership of equity held by the controlling shareholder or by shareholders under the control of the controlling shareholder or actual controller.

Pursuant to the Trial Measures, a domestic enterprise intending to conduct a direct or indirect overseas offering and listing of securities shall complete the filing procedures and submit relevant data to the CSRC within three working days after submitting the application documents to the overseas regulatory authorities. Furthermore, according to the Trial Measures, after an issuer has completed its overseas offering and listing, if it issues additional securities on the same overseas market, or conducts an offering and listing on another overseas market, it shall also complete the filing procedures with the CSRC.

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Full Circulation of H Shares

“Full circulation” refers to the listing and circulation on the Stock Exchange of non-listed domestic shares of H-share listed companies. This includes non-listed domestic shares held by domestic shareholders prior to overseas listing, non-listed domestic shares newly issued within the PRC after overseas listing, and non-listed shares held by foreign shareholders. On November 14, 2019, the CSRC promulgated the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (hereinafter referred to as the “**Full Circulation Guidelines**”), which were revised and implemented on August 10, 2023.

Pursuant to the Full Circulation Guidelines, subject to compliance with applicable laws, regulations, and policy requirements relating to state-owned asset administration, foreign investment, and industry supervision, shareholders of domestic unlisted shares may, through mutual negotiation, independently determine the number and proportion of shares to apply for circulation, and authorize the relevant H-share company to submit the filing application to the CSRC. A domestic joint stock limited company that has not yet been listed may, when applying for an initial public offering and overseas listing, concurrently file for “full circulation” with the CSRC. Upon approval of the full circulation application by the CSRC, the H-share company shall submit a report on the relevant circumstances to the CSRC within 15 days after the completion of the re-registration of the relevant shares with China Securities Depository and Clearing Corporation Limited (“CSDC”).

On December 31, 2019, CSDC and the Shenzhen Stock Exchange (hereinafter referred to as the “SZSE”) jointly promulgated the Implementation Rules for the “Full Circulation” Business of H Shares (《H股“全流通”業務實施細則》) (hereinafter referred to as the “**Implementation Rules**”). The Implementation Rules apply to the cross-border re-registration, custody and maintenance of holding records, transaction entrustment and instruction transmission, clearing and settlement, management of settlement participants, and nominee holding services, among other related businesses involved in the full circulation of H shares.

Confidentiality and Archives Administration

On February 24, 2023, the CSRC, MOF, the National Administration of State Secrets Protection, and the National Archives Administration jointly issued the revised Provisions on Strengthening Confidentiality and Archives Administration in Relation to Overseas Issuance and Listing of Securities by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (hereinafter referred to as the “**Provisions on Archives Administration**”), which came into effect on March 31, 2023. According to the Provisions on Archives Administration, domestic enterprises shall establish and continuously improve their confidentiality and archives administration systems. Where a domestic enterprise intends to disclose any document or material containing state secrets, work secrets of government agencies, or data which, if disclosed, may jeopardize national security or public interests, it shall follow the relevant government approval procedures. Upon obtaining government authorization, the domestic enterprise (as one party) shall enter into a confidentiality agreement with the securities companies and securities service institutions that receive such information (as the other party), setting out their confidentiality obligations. When providing such information to the engaged securities companies and securities service institutions, the domestic enterprise shall also issue a written statement confirming its compliance with the relevant regulatory requirements and procedures.

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When providing accounting records or copies thereof to securities companies, securities service institutions, foreign regulatory authorities, or other entities and individuals, domestic enterprises must complete the relevant procedures in accordance with applicable national regulations. Any violation of the aforementioned regulations may subject the domestic enterprise to regulatory penalties under the Guarding State Secrets Law of the People’s Republic of China (《中華人民共和國保守國家秘密法》) and the Archives Law of the People’s Republic of China (《中華人民共和國檔案法》), and, where applicable, may even give rise to criminal liability.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to 2003. Mr. Xiao and Dr. Zhang our founders, recognized that agriculture is fundamental to people’s livelihoods and enjoys expansive development prospects. Therefore, by virtue of their previous extensive experiences in the food and poultry industries, Mr. Xiao and Dr. Zhang founded Guangdong Tinoos Foods Co., Ltd., the predecessor of us. In August 2020, Guangdong Tinoos Foods Co., Ltd. was converted into a joint stock limited company and renamed as Guangdong Tinoos Foods Group Co., Ltd. It was renamed as Guangdong Tinoos Group Co., Limited in September 2025.

OUR BUSINESS DEVELOPMENT MILESTONES

The following is the summary of the key business development milestones of the Group:

Year	Event
2003	We were incorporated in Qingyuan City, Guangdong Province
2012	Chongqing Riquan was incorporated in Chongqing and commenced pig breeding and sales business
2019	Our Qingyuan Chicken and other native chickens business was reorganized and merged with Chongqing Riquan’s pig business
2020	We were converted into a joint stock limited company
2022	We were approved to participate in the construction of the National Modern Agricultural Industrial Park (Qingyuan Chicken) project. In the same year, we were included in the “List of Leading Competitive Matrix Enterprises within the National Livestock and Poultry Breeding Industry Matrix” by the Ministry of Agriculture and Rural Affairs
2024	The Changshun Tiannong Green-eggshell Chicken Conservation Farm was approved for the designation of “National-Level Changshun Green-eggshell Chicken Conservation Farm”

MAJOR SUBSIDIARIES OF THE COMPANY

Details of our major subsidiaries (including subsidiaries that have made significant contributions to our results of operations during the Track Record Period) are set out below:

No.	Name of company	Date of incorporation	Place of registration	Equity interest attributable to us	Principal business activities
1. . . .	Yingde Tinoos Foods Co., Ltd. (英德天農食品有限公司)	January 18, 2008	PRC	100%	Poultry farming and sales
2. . . .	Chongqing Riquan Agriculture and Animal Husbandry Co., Ltd. (重慶日泉農牧有限公司)	June 21, 2012	PRC	100%	Pigs farming and sales
3. . . .	Guangdong Tinoos Ecological Foods Co., Ltd. (廣東天農生態食品有限公司)	December 10, 2014	PRC	100%	Poultry food research and development, processing and sales
4	Changshun Tinoos Green Shell Laying Hen Industrial Co. Ltd. (長順天農綠殼蛋雞實業有限公司)	December 23, 2015	PRC	100%	Poultry farming and sales

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

No.	Name of company	Date of incorporation	Place of registration	Equity interest attributable to us	Principal business activities
5. . . .	Guizhou Riquan Agriculture and Animal Husbandry Co., Ltd. (貴州日泉農牧有限公司)	May 3, 2016	PRC	100%	Pigs farming and sales
6. . . .	Guizhou Meitan Riquan Agriculture and Animal Husbandry Co., Ltd. (貴州湄潭日泉農牧有限公司)	June 28, 2016	PRC	100%	Pigs farming and sales
7. . . .	Guizhou Tongzi Riquan Agriculture and Animal Husbandry Co., Ltd. (貴州桐梓日泉農牧有限公司)	January 30, 2019	PRC	86.96%	Pigs farming and sales
8. . . .	Guangdong Tinoos Poultry Breeding Co., Ltd. (廣東天農家禽育種有限公司)	March 12, 2019	PRC	100%	Poultry breeding and superior breeding
9. . . .	Fogang Tinoos Animal Husbandry Co., Ltd. (佛岡天農牧業有限公司)	July 2, 2019	PRC	100%	Pigs farming and sales
10. . . .	Nanfeng Tinoos Foods Co. Ltd. (南豐天農食品有限公司)	March 3, 2020	PRC	100%	Pigs farming and sales
11. . . .	Jiajiang Tinoos Foods Co., Ltd. (夾江天農食品有限公司)	May 26, 2020	PRC	100%	Pigs farming and sales
12. . . .	Changning Tinoos Foods Co., Ltd. (常寧天農食品有限公司)	June 28, 2020	PRC	100%	Pigs farming and sales
13. . . .	Chongqing Riquan Ecological Technology Group Co., Ltd. (重慶日泉生態科技集團有限公司)	July 24, 2025	PRC	100%	Pigs farming and sales

DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF THE COMPANY

The following sets forth the principal development and major shareholding changes of the Group. For details about each round of Pre-[REDACTED] Investments, please refer to “—Pre-[REDACTED] Investments” in this section.

Establishment and Early Development of the Company

Our predecessor was Guangdong Tinoos Foods Co., Ltd. (廣東天農食品有限公司) (“**Tinoos Limited**”), which was established as a limited liability company on March 7, 2003. Tinoos Limited was jointly funded and established by its largest shareholder, Mr. Xiao, who held 25% equity interest in Tinoos Limited at the time of establishment, along with seven other shareholders, with an initial registered capital of RMB10.00 million.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On September 18, 2004, Tinoos Limited approved certain equity transfers among the then shareholders of Tinoos Limited and a capital increase, resulting in an increase of the registered capital from RMB10.00 million to RMB33.09 million, with the additional capital contributed in cash by multiple new and existing shareholders, including Dr. Zhang. On November 15, 2004, the industrial and commercial registration for the aforesaid equity transfers and capital increase has been completed.

Following the aforementioned equity transfers among the then existing shareholders of Tinoos Limited and capital increase, the shareholding structure of Tinnos Limited was as follows:

Name of shareholder	Registered capital	Percentage of registered capital holding
	(RMB)	(%)
Dr. Zhang	7,230,000	21.85
Zhang Yong (張永)	4,510,000	13.63
Mr. Xiao	3,000,000	9.07
Zhang Dali (張大立)	2,050,000	6.20
Zhang Zhengquan (張正權)	2,000,000	6.04
Lin Yifang (林一芳)	2,000,000	6.04
Liang Jinling (梁錦玲)	2,000,000	6.04
Other shareholders holding below 5% of the total registered capital	10,300,000	31.13
Total	33,090,000	100.00

Capital Increase in July 2007

On July 15, 2007, the registered capital of Tinoos Limited increased from RMB33.09 million to RMB53.09 million. The additional registered capital of RMB20.00 million was subscribed by Dr. Zhang, Chen Yuxing (陳豫興), Chen Xinzhaohao (陳新釗), Chen Xinyu (陳新宇), Dong Yongqiang (董勇強), and Yin Decun (尹德存) in the amounts of RMB17.70 million, RMB0.50 million, RMB0.10 million, RMB0.10 million, RMB1.10 million, and RMB0.50 million, respectively. Tinoos Limited received a total of RMB20.00 million in additional registered capital, comprising RMB13.96 million in cash contributions and RMB6.04 million transferred from capital reserves.

Capital Increase and Introduction of IDG in July 2007

On July 15, 2007, the registered capital of Tinoos Limited was increased from RMB53.09 million to RMB68.33 million. The additional registered capital of RMB15.24 million was fully subscribed by IDG at a consideration of RMB40.00 million, and the relevant governmental approvals and industrial and commercial registration procedures were completed in November 2007 and January 2008, respectively.

Zhongshan Lianyidong Capital Increase in November 2008

On November 18, 2008, Zhongshan Lianyidong (or its designated affiliate or institution) subscribed RMB12.00 million in the registered capital of Tinoos Limited for a consideration of RMB40.00 million. On July 30, 2009, the industrial and commercial registration for the aforesaid capital increase has been completed.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Exit of IDG and Zhongshan Lianyidong in September 2015

On July 20, 2015, Zhongshan Lianyidong, a then shareholder of Tinoos Limited, transferred its capital contribution of RMB16,603,411 in Tinoos Limited’s registered capital at a consideration of RMB62.00 million, and IDG, a then shareholder of Tinoos Limited, transferred its capital contribution of RMB16,603,437 in Tinoos Limited’s registered capital at a consideration of RMB62.00 million to Dr. Zhang, respectively. The industrial and commercial registration for the aforesaid equity transfer has been completed in September 2015.

Following the aforementioned equity transfer among the then existing shareholders of Tinnos Limited, the shareholding structure of Tinnos Limited was as follows:

Name of shareholder	Registered capital	Percentage of registered capital holding (%)
Dr. Zhang	55,216,637	68.74
Tianfu Investment	6,769,105	8.43
Zhang Yuanhua (張遠華)	4,962,631	6.18
Other shareholders holding below 5% of the total registered capital	13,382,361	16.65
Total	80,330,734	100.00

Capital Reduction in March 2016

On March 30, 2016, the registered capital of Tinoos Limited was reduced from RMB80.33 million to RMB47.12 million. Following the completion of this capital reduction, Dr. Zhang’s capital contribution in Tinoos Limited was reduced from RMB55.22 million to RMB22.01 million, with Tinoos Limited paying Dr. Zhang a corresponding consideration of RMB124.98 million. The capital contributions of other shareholders of Tinoos Limited remained unchanged, and their proportions after the capital reduction were recalculated based on each shareholder’s contribution to the registered capital of RMB47.12 million after the capital reduction. On April 20, 2016, the industrial and commercial registration for the aforesaid capital reduction has been completed.

Following the aforementioned capital reduction, the shareholding structure of Tinnos Limited was as follows:

Name of shareholder	Registered capital	Percentage of registered capital holding (%)
Dr. Zhang	22,009,789	46.71
Tianfu Investment	6,769,105	14.36
Zhang Yuanhua (張遠華)	4,962,631	10.53
Other shareholders holding below 5% of the total registered capital	13,382,361	28.40
Total	47,123,886	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Transfer of Retained Profits into Registered Capital in May 2018

On May 13, 2018, Tinoos Limited transferred retained profits to all shareholders to increase its registered capital by RMB11.78 million. After Tinoos Limited withheld and paid income tax of RMB2.36 million for all shareholders, the total increase in registered capital was RMB9.42 million, bringing the total registered capital to RMB56.55 million. On May 15, 2018, the industrial and commercial registration for the aforesaid capital increase has been completed.

Acquisition of Chongqing Riquan in August 2019

On August 20, 2019, Tinoos Limited’s registered capital increased from RMB56.55 million to RMB76.39 million. The newly added registered capital of RMB19.84 million was subscribed by shareholders of Chongqing Riquan, namely Mr. Xiao, Zhu Xiaodong (朱曉冬), Jiang Dianshuang (姜殿雙), Li Yuxiang (李豫湘), Lai Lixin (賴立新), Chongqing Ronghui, Zhao Guoquan (趙國權), Bai Zhaoyong (白朝勇), Huang Youyi (黃祐誼), Zhang Jing (張靜), Xiao Wenbin (肖文彬) and Ou Weiye (歐偉業), through their 57.8% equity interest in Chongqing Riquan, corresponding to an estimated value of RMB161.33 million. The amount of RMB141.49 million by which the above equity value exceeded the newly subscribed registered capital of Tinoos Limited of RMB19.84 million, was credited into capital reserve. On September 12, 2019, the industrial and commercial registration for the aforesaid capital increase has been completed.

Capital Increase in December 2019

On December 21, 2019, Tinoos Limited’s registered capital increased from RMB76.39 million to RMB79.05 million. The newly added registered capital of RMB2.66 million was subscribed by Fengtian Investment for RMB2.06 million of the registered capital at a price of RMB36.65 million, and Mr. Du Xutao subscribed for RMB0.60 million of the registered capital at a price of RMB5.34 million. The part of the monetary contribution from the above shareholders that exceeds the newly added registered capital shall be credited to the capital reserve. On December 30, 2019, the industrial and commercial registration for the aforesaid capital increase has been completed.

Conversion of Tinoos Limited into a Joint Stock Limited Company in August 2020

As of the date prior to Tinoos Limited’s conversion into a joint limited company, the registered capital of Tinoos Limited was RMB79.05 million.

On July 17, 2020, our then shareholders resolved to approve the conversion of Tinoos Limited into a joint stock limited company, with the converted joint stock limited company to be named as “Guangdong Tinoos Foods Group Co., Ltd. (廣東天農食品集團股份有限公司)”. All shareholders of Tinoos Limited jointly initiated the establishment of the joint stock limited company as promoters and agreed to convert our audited net assets of Tinoos Limited of RMB594.55 million as of April 30, 2020 into 158,098,218 shares of the share capital of the joint stock limited company, with a par value of RMB1 each. Our registered capital was RMB158.10 million, with the excess of the audited net assets of RMB436.45 million over our registered capital being credited to the capital reserve of the joint stock limited company. Each promoter held a corresponding number of our shares in proportion to their capital contribution in Tinoos Limited. Upon completion of such conversion on August 12, 2020, the registered capital was RMB158,098,218.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Capital Increase in September 2020 and Introduction of Guangdong Guangken and Bixiang Science and Technology

On September 16, 2020, we convened the first extraordinary general meeting for 2020 to approve, among others, the issuance of 17,025,962 Shares by the Company to Shanghai Qingquan Investment, Tianjin Shunxin, Guangdong Guangken, Tianjin Jingping, Bixiang Science and Technology, and Luo Mengfeng (羅孟鋒) at a subscription price of RMB16.45 per Share. Shanghai Qingquan Investment subscribed for 3,040,350 Shares, Tianjin Shunxin for 486,456 Shares, Guangdong Guangken for 9,121,051 Shares, Tianjin Jingping for 729,685 Shares, Bixiang Science and Technology for 3,040,350 Shares, and Luo Mengfeng for 608,070 Shares.

We received subscription proceeds of RMB280.00 million in total from this share issuance, of which RMB17.03 million was credited to share capital and the remaining RMB262.97 million was recognized as capital reserve. Following the completion of the issuance, our total number of issued Shares increased to 175,124,180 Shares. On September 21, 2020, the industrial and commercial registration for the aforesaid capital increase has been completed.

Conversion of Capital Reserve into Share Capital in September 2020

On September 24, 2020, the share capital was increased by RMB242.88 million through the transfer of capital reserve to share capital, utilising the capital reserve arising from the share premium contributed by Shanghai Qingquan Investment, Tianjin Shunxin, Guangdong Guangken, Tianjin Jingping, Bixiang Science and Technology and Luo Mengfeng (羅孟鋒). Each shareholder increased its share capital in proportion to its existing shareholding, which remained unchanged after the transfer. Upon completion, the total number of issued Shares increased to 418,000,000. The relevant industrial and commercial registration in respect of the capital increase has been completed on the same date.

Capital Reduction in May 2025

On May 28, 2025, we resolved to repurchase and cancel an aggregate of 39,187,501 Shares for capital reduction at a total consideration of RMB377.05 million, comprising 7,256,944 Shares held by Bixiang Science and Technology, 29,027,777 Shares held by Guangdong Guangken, 1,741,669 Shares held by Tianjin Jingping and 1,161,111 Shares held by Tianjin Shunxin. Upon completion of the share repurchase and cancellation, the aforementioned shareholders ceased to hold any Shares, and the total number of issued Shares was reduced from 418,000,000 to 378,812,499. The industrial and commercial registration in respect of the capital reduction has been completed on May 29, 2025.

Following the aforementioned capital reduction, the shareholding structure of the Company was as follows:

Name of shareholder	Numbers of Shares	Percentage of shareholding in the total issued share capital (%)
Dr. Zhang	129,508,618	34.19
Mr. Xiao	40,060,224	10.58
Zhang Yuanhua (張遠華)	29,001,313	7.66
Other shareholders holding below 5% of the total registered capital	180,242,344	47.58
Total	378,812,499	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Capital Increase in August 2025 and Introduction of Guizhou Zhongken

On August 31, 2025, Guizhou Zhongken entered into the share purchase agreement with the Company and all existing shareholders, pursuant to which Guizhou Zhongken invested RMB200.00 million to subscribe for RMB14.03 million in newly increased registered capital, with the remaining RMB185.97 million credited as capital reserve. As a result, the total number of issued Shares increased from 378,812,499 to 392,842,592. The industrial and commercial registration for the capital increase has been completed on September 10, 2025.

Following these multiple significant equity changes, as well as various other rounds of equity transfers, capital increases, capital reductions and share inheritance, the total share capital of issued Shares was 392,842,592 Shares as of the Latest Practicable Date.

Previous PRC Listing Plan

In November 2020, we entered into a counseling agreement with a qualified counseling institution (the “**First Attempt Counseling Institution**”) in connection with the proposed A-share Listing of our Company on the Shenzhen Stock Exchange (“**Proposed A-Share Listing**”) and completed the counseling registration with the Guangdong Office of the CSRC on November 10, 2020. In May 2022, upon mutual agreement between us and the First Attempt Counseling Institution, the counseling agreement was terminated.

Following the termination of the above counseling agreement, in November 2022, we entered into a counseling agreement with another qualified counseling institution (the “**Second Attempt Counseling Institution**”) to continue the counseling work in respect of our proposed initial public offering of Renminbi ordinary shares (A-shares) and listing, and completed the counseling filing registration with the Guangdong Office of the CSRC on December 2022. In consideration of the reasons as set out in “— Reasons for our [REDACTED] on the Stock Exchange” below, we decided to focus on our resources on the [REDACTED] on the Stock Exchange and did not proceed with the Proposed A-Share Listing. In June 2025, upon mutual agreement between us and the Second Attempt Counseling Institution, the counseling agreement was terminated.

As of the Latest Practicable Date, we have not submitted any listing application to any stock exchange in the PRC or the CSRC.

We confirm that, as of the Latest Practicable Date, in respect of the PRC listing plan, (i) we have not received any inquiries or comments from the Guangdong Office of the CSRC or any other relevant PRC regulatory authorities; (ii) there are no outstanding or unresolved matters in this regard; (iii) there are no material differences in opinion between us and the professional parties involved in the PRC listing plan; and (iv) we are not aware of any material adverse impact of the PRC listing plan on our [REDACTED], nor any other material matters that should be brought to the attention of the Stock Exchange. The Sole Sponsor concurs that there were no other matters related to the proposed PRC listing plan which should be brought to the attention of the Stock Exchange.

Major Acquisitions, Disposals and Mergers

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers required to be disclosed under Rule 4.05A of the Listing Rules.

Set out below is the details of our acquisition we consider material to our Company during the Track Record Period.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Acquisition of shares of Guizhou Tongzi Riquan Agriculture and Animal Husbandry Co., Ltd.

On January 8, 2025, convened a shareholders’ meeting at which all shareholders of Guizhou Tongzi Riquan Agriculture and Animal Husbandry Co., Ltd. (“**Tongzi Riquan**”), one of our principal subsidiaries, unanimously approved the following equity transfers:

- (1) Guizhou Jiushenglong Agriculture and Animal Husbandry Development Co., Ltd. (貴州久盛隆農牧發展有限公司) transferred its 6.52% equity interest in Tongzi Riquan (corresponding to registered capital of RMB15.00 million) to us for RMB22.17 million;
- (2) Liannan Tongzhan Agricultural Investment Consulting Center (Limited Partnership) (連南桐展農業投資諮詢中心(有限合夥)) transferred its 1.44% equity interest in Tongzi Riquan (corresponding to registered capital of RMB3.30 million) to us for RMB5.05 million;
- (3) Liannan Tonghui Agricultural Investment Consulting Center (Limited Partnership) (連南桐匯農業投資諮詢中心(有限合夥)) transferred its 2.59% equity interest in Tongzi Riquan (corresponding to registered capital of RMB5.96 million) to us for RMB9.12 million;
- (4) Liannan Tonghe Agriculture and Animal Husbandry Technology Center (Limited Partnership) (連南桐合農牧技術中心(有限合夥)) (collectively referred to as the “**Share Transferors**”, together with Guizhou Jiushenglong Agriculture and Animal Husbandry Development Co., Ltd., Liannan Tongzhan Agricultural Investment Consulting Center (Limited Partnership), and Liannan Tonghui Agricultural Investment Consulting Center (Limited Partnership)) transferred its 2.97% equity interest in Tongzi Riquan (corresponding to registered capital of RMB6.84 million) to us for RMB10.16 million.

The consideration for the acquisition was determined among us and Share Transferors and negotiated on an arm’s length basis, and has taken into account the principal amount of the Share Transferors’ investment in Tongzi Riquan plus a rate of return on investment of 10% (tax inclusive). The interest calculation period commenced from the date of the Share Transferors’ capital injection into Tongzi Riquan until December 31, 2024.

Upon completion of the above equity transfers, our shareholding in Tongzi Riquan increased from 73.44% to 86.96%. On January 26, 2025, the industrial and commercial registration for the above equity transfers of Tongzi Riquan has been completed. Through this acquisition, we further consolidated our control over Tongzi Riquan, which is helpful in optimizing the Group’s business structure and enhancing overall operational efficiency.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

Overview

We have received several rounds of Pre-[REDACTED] Investments since its establishment, the principal terms of which are summarized below:

Round of Pre-[REDACTED] Investment Specific arrangement ⁽¹⁾	First round ⁽²⁾	Second round ⁽³⁾	Third round ⁽⁴⁾	Fourth round ⁽⁵⁾	Fifth round ⁽⁶⁾	Sixth round ⁽⁷⁾	Seventh round ⁽⁸⁾	Eighth round ⁽⁹⁾
Agreement date ⁽¹⁰⁾	September 2004	July 2007	July 2007	November 2008	August 2019	December 2019	September 2020	August 2025
Approximate amount of the consideration paid	RMB23.09 million	RMB20.00 million	RMB40.00 million	RMB40.00 million	RMB161.33 million	RMB41.99 million	RMB280.00 million	RMB200.00 million
Pre-money valuation	RMB10.00 million	RMB33.09 million	RMB139.37 million	RMB227.68 million	RMB459.90 million	RMB1,231.30 million	RMB2,600.00 million	RMB5,400.04 million
Post-money valuation ⁽¹¹⁾	RMB33.09 million	RMB53.09 million	RMB179.37 million	RMB267.68 million	RMB621.23 million	RMB1,273.29 million	RMB2,880.00 million	RMB5,600.04 million
Consideration payment date	October 27, 2004	August 15, 2007	January 4, 2008	January 20, 2009	September 6, 2019	December 30, 2019	September 23, 2020	September 10, 2025
Adjusted cost per share ⁽¹²⁾⁽¹³⁾	RMB0.17	RMB0.17	RMB0.46	RMB0.58	RMB1.70	RMB3.31 ⁽¹⁴⁾	RMB6.89	RMB14.26
(Discount)/premium relative to the mid-point of [REDACTED] range	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

- As of the Latest Practicable Date, except as provided in note (9) below, the Pre-[REDACTED] Investors do not have any subsisting special rights, such as rights in our Company to nominate directors, information rights, anti-dilution provisions, or performance compensation clauses.
- The investors in the first round of financing were Dr. Zhang, Mr. Xiao, Zhang Yong (張永), Zhang Dali (張大立), Liang Jinling (梁錦玲), Zhang Xinhua (張新華), Zhang Yuanhua (張遠華), Zhou Ping (周萍), Liang Ruifen (梁瑞芬), Chen Zhiyong (陳智勇), Su Yu (蘇禹), Chen Yuxing (陳豫興), He Wenjun (何文軍), Wu Peng (吳鵬), Gu Zhong (顧眾), Fan Liping (范利萍), Yu Zhaoli (於兆利), Chen Xinzhaoh (陳新釗), Chen Xinyu (陳新宇), Wu Juewen (吳覺文), Sun Weizhong (孫維眾), Wang Tian (王恬), Ye Libo (葉立波), Wei Wen (魏文), Hong Zuopeng (洪作鵬), and Liang Zisen (梁梓森). Except for Dr. Zhang, Mr. Xiao, Zhang Yong, Zhang Dali, Zhang Xinhua, and Zhang Yuanhua, all other investors in the first round of financing are Independent Third Parties. Zhang Yong is the vice president of our Company. Zhang Xinhua was a director of our Company at the time of the investment but does not hold any position within our Group as at the Latest Practicable Date.
- The investors in the second round of financing were Dr. Zhang, Chen Yuxing (陳豫興), Chen Xinzhaoh (陳新釗), Chen Xinyu (陳新宇), Dong Yongqiang (董勇強) and Yin Decun (尹德存). Except for Dr. Zhang, all other investors in the second round of financing are Independent Third Parties.
- The investor in the third round of financing was IDG, an Independent Third Party. In September 2015, IDG transferred all its equity interest in us to Dr. Zhang. As of the Latest Practicable Date, IDG is not a shareholder of us and does not have any subsisting special rights in us.
- The investor in the fourth round of financing was Zhongshan Lianyidong, an Independent Third Party. In September 2015, Zhongshan Lianyidong transferred all its equity interest in us to Dr. Zhang. As of the Latest Practicable Date, Zhongshan Lianyidong is not a shareholder of us and does not have any subsisting special rights in us.
- The investors in the fifth round of financing were Mr. Xiao, Zhu Xiaodong (朱曉冬), Jiang Dianshuang (姜殿雙), Li Yuxiang (李豫湘), Lai Lixin (賴立新), Chongqing Ronghui, Zhao Guoquan (趙國權), Bai Chaoyong (白朝勇), Huang Youyi (黃祐誼), Zhang Jing (張靜), Xiao Wenbin (肖文彬) and Ou Weiye (歐偉業). Except for Mr. Xiao and Chongqing Ronghui, all other investors in the fifth round of financing are Independent Third Parties.
- The investors in the sixth round of financing were Fengtian Investment and Du Xutao (杜旭濤). Mr. Xiao acted as the executive partner of Fengtian Investment. As of the Latest Practicable Date, save for Dr. Zhang, who held 30.63% of the partnership interest in Fengtian Investment, no other limited partner held 30% or more of the partnership interest in Fengtian Investment.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (8) The investors in the seventh round of financing were Shanghai Qingquan Investment, Tianjin Shunxin, Guangdong Guangken, Tianjin Jingping, Bixiang Science and Technology, and Luo Mengfeng (羅孟鋒). Pursuant to the agreements among the Company, the Controlling Shareholders, and the pre-[REDACTED] Investors of this round, the relevant pre-[REDACTED] investors were granted the right to require the Company or the Controlling Shareholders to redeem all or part of shares of the Company held by them 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, and any breach of contractual terms or misconducts committed by the Company or the Controlling Shareholders (the “Redemption Rights”). The redemption price shall equal to the amount of the aggregate of each investor’s subscription price plus a compound interest of 12% per annum for the period from the payment date of the subscription price up to the redemption date. In December 2022, pursuant to the supplementary agreement signed between the Company and the relevant investors, the Redemption Rights were terminated.

In March 2021, Shanghai Qingquan Investment transferred all its shares in us to Guangdong Guangken. Pursuant to the relevant share transfer agreement, Shanghai Qingquan Investment agreed to transfer 7,256,944 shares (representing approximately 1.7361% of the total share capital) to Guangdong Guangken at a consideration equal to its original investment amount of RMB50 million plus an annualized return of 8%. In May 2025, we repurchased and canceled all the Shares held by Tianjin Shunxin, Guangdong Guangken, Tianjin Jingping, and Bixiang Science and Technology. The consideration of the share repurchase was determined after arm’s length negotiations among us, Bixiang Science and Technology, Guangdong Guangken and Tianjin Jingping, taking into account their respective investment principal amounts in us and the interest income calculated at a rate of return on investment agreed among the parties through negotiation. Specifically, the agreed rate of return was 12% per annum for Guangdong Guangken, and 8% to 9% per annum for Tianjin Shunxin, Tianjin Jingping and Bixiang Science and Technology. As of the Latest Practicable Date, Shanghai Qingquan Investment, Tianjin Shunxin, Guangdong Guangken, Tianjin Jingping and Bixiang Science and Technology are not Shareholders, and such entities do not have any subsisting special rights in us. Luo Mengfeng (羅孟鋒) is an Independent Third Party.

- (9) The investor in the eighth round of financing was Guizhou Zhongken. On August 31, 2025, Guizhou Zhongken entered into the Capital Increase Agreement with us and all our Shareholders. Guizhou Zhongken has been granted certain special rights, including but not limited to, pre-emptive subscription rights, anti-dilution right will be automatically terminated on the date when we formally submit the first submission of the [REDACTED] to the Stock Exchange. The aforementioned special rights will automatically resume immediately under the following circumstances: (a) the date on which the [REDACTED] review agency issues a notice of non-acceptance, (b) the date on which we apply to withdraw our [REDACTED] application materials, or (c) the date on which the [REDACTED] review agency issues a decision of non-acceptance or non-approval; and such automatically resumed rights or arrangements will be deemed to have never been terminated, invalidated or waived.
- (10) Such date refers to the date of the relevant investment agreement, or subscription agreement. Save for the first and second rounds of the Pre-[REDACTED] Investments, in respect of which no written agreements were entered into, the agreement dates disclosed represent the dates of the resolutions passed by the shareholders of Tinoos Limited approving the respective Pre-[REDACTED] Investments.
- (11) Post-investment valuation equals our valuation immediately after each round of investment.
- (12) Prior to our conversion into a joint stock limited company on June 19, 2020, we did not have any shares. The cost per share prior to the conversion was calculated with reference to the investment consideration and the corresponding amount of subscribed registered capital.
- (13) We converted undistributed profits into capital on May 15, 2018. Guangdong Tinoos Foods Co., Ltd. converted into a joint stock limited company on August 12, 2020, and converted capital reserve into capital on September 24, 2020. For details, please refer to the section headed “— Development and Major Shareholding Changes of Our Company”. Due to the dilutive effect of the aforementioned transfer of retained profit to capital, conversion into a joint stock limited company and conversion of capital reserves into capital on our per-share value, the cost per share of each round of Pre-[REDACTED] investment will be adjusted accordingly.
- (14) In this round of financing, the cost per share varies among investors. This figure represents the average cost per share for this round of financing.

Information Relating to Our Pre-[REDACTED] Investors

Set out below are the details of our Pre-[REDACTED] Investors.

IDG

IDG-Accel China Investment II Limited was a private company limited by shares incorporated in Hong Kong on June 15, 2007 and was dissolved by deregistration on February 15, 2019.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Wanman Investment

Guangzhou Wanman Agricultural Investment Partnership (Limited Partnership) (廣州市完滿農業投資合夥企業(有限合夥)), previously known as Qingyuan Wanman Agricultural Investment Partnership (Limited Partnership) (清遠市完滿農業投資合夥企業(有限合夥)), is a limited partnership established in the PRC on June 17, 2024. Its executive partner is Hu Jiahe (胡嘉和), an Independent Third Party. Save for Wu Qiyuan (吳啟源), an Independent Third Party who holds approximately 59.5% of the partnership interest in Wanman Investment, no other limited partner holds 30% or more of the partnership interest in Wanman Investment.

Zhongshan Lianyidong

Zhongshan Lianyidong Investment Co., Ltd. (中山市聯宜動投資有限公司) was a limited liability company established in the PRC on December 29, 2008 and was dissolved by deregistration on January 12, 2016. It was owned as to 34.54% and 24.38% by Zhongshan Liandong Technology Development Co., Ltd. (中山市聯動技術發展有限公司) (“**Liandong Technology**”) and Zhongshan Liandong Asset Management Co., Ltd. (中山市聯動資產管理有限公司) (“**Liandong Asset**”), respectively. Liandong Technology was owned as to 35.27% by Gan Yuan (甘源) and no other shareholder held 30% or more of the equity interest in Liandong Technology. Liandong Asset was owned as to 36.44% and 32.08% by He Weijian (何偉堅) and Gan Yuan (甘源), respectively, and no other shareholder held 30% or more of the equity interest in Liandong Asset.

Chongqing Ronghui

Chongqing Ronghui Agricultural and Animal Husbandry Technology Partnership (Limited Partnership) (重慶榮匯農牧技術合夥企業(有限合夥)), formerly known as Chongqing Tianhui Agriculture and Animal Husbandry Technology Partnership (Limited Partnership) (重慶天匯農牧技術合夥企業(有限合夥)), is a limited partnership established in the PRC on April 21, 2017. Its executive partner is Mr. Xiao and no limited partner holds 30% or more of the partnership interest in Chongqing Ronghui.

Fengtian Investment

Qingyuan Fengtian Agricultural Investment Center (Limited Partnership) (清遠市鳳天農業投資中心(有限合夥)), formerly known as Qingyuan Fengzhonghuang Agricultural Investment Management Center (Limited Partnership) (清遠市鳳中皇農業投資管理中心有限合夥), is a limited partnership established in the PRC on March 14, 2017. It is owned as to 30.63% by Dr. Zhang and 13.38% by Mr. Xiao who is also its executive partner. Save for Dr. Zhang, no other limited partner holds 30% or more of the partnership interest in Fengtian Investment.

Shanghai Qingquan Investment

Shanghai Qingquan Investment Management Co., Ltd. (上海清泉投資管理有限公司) is a limited liability company established in the PRC on February 7, 2013 and is wholly owned by Kangdi Feed Additives (Beijing) Co., Ltd. (康地飼料添加劑(北京)有限公司), which is in turn wholly owned by Continental Capital Limited, a limited liability company incorporated in Bermuda.

Tianjin Shunxin

Tianjin Shunxin No.1 Enterprise Management Consulting Partnership (Limited Partnership) (天津市順心壹號企業管理諮詢合夥企業(有限合夥)) is a limited partnership established in the PRC on September 15, 2020. Its executive partner is Zhang Jiayu (張佳昱), an Independent Third Party. Save for Zhu Jinqian (朱錦前), an Independent Third Party who holds approximately 37.5% of the partnership interest in Tianjin Shunxin, no other limited partner holds 30% or more of the partnership interest in Tianjin Shunxin.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Guangdong Guangken

Guangdong Guangken Taizheng Agricultural Supply-side Equity Investment Fund Partnership (Limited Partnership) (廣東廣墾太證農業供給側股權投資基金合夥企業(有限合夥)) is a limited partnership established in the PRC on April 29, 2019. Its executive partner is Guangdong Guangken Taizheng Private Equity Investment Fund Management Co., Ltd. (廣東廣墾太證私募股權投資基金管理有限公司), which is owned as to 60% by Ganzhou Jingping Investment Management Center (Limited Partnership) (贛州京平投資管理中心(有限合夥)), whose executive partner is Zhu Rong (朱蓉), and whose limited partners, Zhu Rong (朱蓉) and Wan Shile (萬詩樂), both Independent Third Parties, hold approximately 60% and 40% of the partnership interest, respectively.

Guangdong Guangken is owned as to 50% by Guangdong Provincial State Farms Group Corporation (廣東省農墾集團公司), which is in turn wholly owned by Ministry of Agriculture and Rural Affairs of the PRC, and as to 33.33% by Guangdong Provincial Agricultural Supply-Side Structural Reform Fund Partnership (Limited Partnership) (廣東省農業供給側結構性改革基金合夥企業(有限合夥)), which is in turn owned as 99.99% by Guangdong Hengjian Investment Holding Co., Ltd. (廣東恒健投資控股有限公司), a wholly state-owned company under the State-owned Assets Supervision and Administration Commission of Guangdong Provincial People's Government.

Tianjin Jingping

Tianjin Jingping Tiannong Enterprise Management Consulting Center (Limited Partnership) (天津市京平天農企業管理諮詢中心(有限合夥)) is a limited partnership established in the PRC on September 15, 2020. Its executive partner is Lei Dan (雷丹), an Independent Third Party. Save for Li Yuyun (李煜雲), an Independent Third Party who holds approximately 66.67% of the partnership interest in Tianjin Jingping, no other limited partner holds 30% or more of the partnership interest in Tianjin Jingping.

Bixiang Science and Technology

Guangdong Bixiang Science and Technology Development Co., Ltd. (廣東碧鄉科技發展有限公司), formerly known as Yingde Bixiang Agricultural Development Co., Limited (英德市碧鄉農業發展股份有限公司), is a limited liability company established in the PRC on December 5, 2017 and is owned as to 97.09% by The Guangdong Guoqiang Charity Foundation (廣東省國強公益基金會), a non-public fundraising foundation initiated and established on October 14, 2013.

Guizhou Zhongken

Guizhou Zhongken Equity Investment Fund Partnership (Limited Partnership) (貴州中墾股權投資基金合夥企業(有限合夥)) is a limited partnership established in the PRC on September 30, 2021 and a private equity investment fund registered with the Asset Management Association of China. Its executive partner is Zhaoken Capital Management (Beijing) Co., Ltd. (招墾資本管理(北京)有限公司) (“Zhaoken Capital”), which is indirectly wholly owned by the State Council of the PRC and holds approximately 1% of the partnership interest in Guizhou Zhongken.

Guizhou Modern Agricultural and Rural Development Equity Investment Fund Partnership (Limited Partnership) (貴州省農業農村現代化發展股權投資基金合夥企業(有限合夥)) (“Guizhou Agricultural Fund”) and China Agricultural Reclamation Industry Development Fund (Limited Partnership) (中國農墾產業發展基金(有限合夥)) (“China Agricultural Development Fund”) hold 60% and 39% of the partnership interest in Guizhou Zhongken, respectively. The executive partner of Guizhou Agricultural Fund is Guizhou Guixin Ruihe Venture Capital Management Co., Ltd. (貴州省貴鑫瑞和創業投資管理有限責任公司), and its ultimate beneficial owner is the Guizhou Provincial Department of Finance (貴州省財政廳). The executive partner of China Agricultural Development Fund is Zhaoken Capital.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Private Individual Investors

Liang Jinling, Zhang Xinhua, Zhou Ping, Liang Ruifen, Chen Zhiyong, Su Yu, Chen Yuxing, He Wenjun, Wu Peng, Gu Zhong, Fan Liping, Yu Zhaoli, Chen Xinzhaohao, Chen Xinyu, Wu Juewen, Sun Weizhong, Wang Tian, Ye Libo, Wei Wen, Hong Zuopeng, and Liang Zisen, Dong Yongqiang and Yin Decun are private individual investors who participated in the first and/or second rounds of the Pre-[REDACTED] Investments at an early stage of the development of our Group.

Zhu Xiaodong, Jiang Dianshuang, Li Yuxiang, Lai Lixin, Zhao Guoquan, Bai Chaoyong, Huang Youyi, Zhang Jing, Xiao Wenbin and Ou Weiye are private individual investors who participated in our fifth round of Pre-[REDACTED] Investment in connection with the acquisition of Chongqing Riquan. All of them were the then existing shareholders of Chongqing Riquan.

Luo Mengfeng is a private individual investor who participated in our seventh round of Pre-[REDACTED] Investment.

Use of Proceeds from Pre-[REDACTED] Investments

We utilized the proceeds from the Pre-[REDACTED] Investments for our day-to-day business development and operations, acquisitions of fixed assets, and purchases of equipment. As of the Latest Practicable Date, except that the capital contribution of RMB200.00 million to us by Guizhou Zhongken, corresponding to its subscription for 14,030,093 issued Shares in August 2025, has been fully utilized, we have also fully utilized the aforementioned proceeds from all rounds of Pre-[REDACTED] Investments. Certain Pre-[REDACTED] Investments involved transfers among relevant shareholders, from which we did not receive any investment proceeds.

Strategic Benefits Brought by Pre-[REDACTED] Investors

At the time of the Pre-[REDACTED] Investments, our Directors believed that we could benefit from the additional capital provided by the Pre-[REDACTED] Investors. The Directors also believed that the commitment of the Pre-[REDACTED] Investors would benefit us, as their investment signified confidence in and recognition of the Group’s performance, management, and prospects.

Basis of Consideration Paid

The consideration for each round of the Pre-[REDACTED] Investments was determined after arm’s length negotiations between our Company or the relevant Shareholders and the relevant Pre-[REDACTED] Investors, with reference to the timing of the relevant investment and the illiquidity of our Shares, as our Company was a private company at the relevant time. In assessing the consideration for each round of the Pre-[REDACTED] Investments, the parties also took into account, where relevant, the then stage of development of our Group, its historical financial performance, results of operations and financial position, business prospects, growth potential and development strategy, as well as the prevailing market conditions and industry outlook at the time of the relevant investment. For certain rounds, the consideration further reflected specific commercial considerations applicable to the relevant investment, including the expected contribution of the relevant business or asset to our Group and the anticipated synergies from its integration with our existing operations. In respect of the latest round of the Pre-[REDACTED] Investments, the consideration also reflected the improvement in our Group’s business fundamentals and the then prevailing market sentiment.

Lock-up

Pursuant to the PRC Company Law and the undertakings made by each of the Pre-[REDACTED] Investors, the shares held by them shall not be transferred within one year from the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Compliance with the Guide

Based on the documents relating to the Pre-[REDACTED] Investments provided by us, the Sole Sponsor has confirmed that the Pre-[REDACTED] Investments complied with Chapter 4.2 of the Guide.

REASONS FOR OUR [REDACTED] ON THE STOCK EXCHANGE

We seek to be [REDACTED] on the Stock Exchange in order to provide further funding for our business development and expansion, build a leading meat product brand and consumption ecosystem, and better attract overseas [REDACTED] and talents. For more details, please refer to “Business – Strategy” and “Future Plans and Use of [REDACTED]”.

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and external advisors, Qingyuan Quanwang, Qingyuan Quanxing and Qingyuan Quanfa were established in the PRC as our employee shareholding platforms. As of the date of this document, 112 existing employees of our Group and 5 external advisors of the Company (all of whom are Independent Third Parties of the Company) hold partnership interests in one or more than one of these Employee Shareholding Platforms as limited partners. Apart from Mr. Xiao and Dr. Zhang serving as executive partners of Qingyuan Quanfa and Qingyuan Quanxing respectively and our Supervisor, Ms. Chen Yanping serving as a limited partner of Qingyuan Quanwang, none of our Directors, Supervisors and senior management personnel hold partnership interests as partners in any of these platforms.

(1) Qingyuan Quanwang

Qingyuan Quanwang was established as a limited partnership under the laws of the PRC on January 23, 2025. Ms. Wu Xiaojun (吳小菊) is the executive partner of Qingyuan Quanwang and is responsible for the management of Qingyuan Quanwang. In addition, Ms. Wu Xiaojun is also a senior manager of the finance department of our Company and has been appointed as the executive partner of Qingyuan Quanwang upon its establishment to comply with PRC limited partnership regulations requiring a qualified professional to serve in such capacity. As of the Latest Practicable Date, Qingyuan Quanwang had 45 partners, and directly held approximately 0.44% of our equity interest. Set out below are the particulars of, and the spread of, the partnership interests held by the partners of Qingyuan Quanwang.

Percentage of partnership interests held	Number of partners	Percentage of total partners
Below 5%	40	88.9%
5% to 10%	2	4.4%
10% to 20%	3	6.7%
Above 20%	—	—
Total	45	100.0%

(2) Qingyuan Quanxing

Qingyuan Quanxing was established as a limited partnership under the laws of the PRC on February 25, 2025. Dr. Zhang is the executive partner of Qingyuan Quanxing and is responsible for the management of Qingyuan Quanxing. As of the Latest Practicable Date, Qingyuan Quanxing had 34 partners (including three of our external advisors), and directly held approximately 0.27% of our equity interest. Set out below are the particulars of, and the spread of, the partnership interests held by the partners of Qingyuan Quanxing.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Percentage of partnership interests held	Number of partners	Percentage of total partners
Below 5%	30	88.2%
5% to 10%	2	5.9%
10% to 20%	2	5.9%
Above 20%	—	—
Total	34	100.0%

(3) Qingyuan Quanfa

Qingyuan Quanfa was established as a limited partnership under the laws of the PRC on March 20, 2025. Mr. Xiao is the executive partner of Qingyuan Quanfa and is responsible for the management of Qingyuan Quanfa. As of the Latest Practicable Date, Qingyuan Quanfa had 38 partners (including two of our external advisors), and directly held approximately 0.37% of our equity interest. Set out below are the particulars of, and the spread of, the partnership interests held by the partners of Qingyuan Quanfa.

Percentage of partnership interests held	Number of partners	Percentage of total partners
Below 5%	35	92.2%
5% to 10%	1	2.6%
10% to 20%	1	2.6%
Above 20%	1	2.6%
Total	38	100.0%

Ms. Wu Xiaojun, Dr. Zhang and Mr. Xiao, being the executive partner of the respective Employee Shareholding Platforms, are responsible for their respective management, and control the voting rights attached to the Shares held by the Employee Shareholding Platforms at their discretion, whereas limited partners of the relevant Employee Shareholding Platforms (being the selected participants under the Employee Share Scheme) are not entitled to any of our voting rights through the relevant Employee Shareholding Platforms. For further details of our Employee Shareholding Platforms, see “D. Employee Share Scheme” in Appendix VI to this document.

EMPLOYEE SHARE SCHEME

We have adopted the Employee Share Scheme, the purpose of which is to recognize the contribution to our Group by our employees. For details of the Employee Share Scheme, see “D. Employee Share Scheme” in Appendix VI to this document. Save as disclosed above and in the paragraph headed “D. Employee Share Scheme” in Appendix VI to this document, as of the Latest Practicable Date, our Group does not have any outstanding share options, warrants, convertible debt securities or other convertible instruments, or similar rights convertible into our Shares.

Capitalization

Set out below is a summary of capitalization of our Company (a) as of the Latest Practicable Date and (b) immediately upon completion of the [REDACTED] and the Conversion of our Domestic Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] and the Conversion of Domestic Unlisted Shares into H Shares (assuming no exercise of the [REDACTED])		
	Number of Shares	Percentage of shareholding in the total issued share capital	Number of Shares	Description of Shares	Percentage of shareholding in the total issued share capital
<i>Controlling Shareholders</i>					
Dr. Zhang	129,508,618	32.97%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Xiao	40,060,224	10.20%	[REDACTED]	[REDACTED]	[REDACTED]
Fengtian Investment	16,987,967	4.32%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Tianju Investment	12,125,000	3.09%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Chongqing Ronghui	4,164,677	1.06%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Qingyuan Quanfa	1,466,800	0.37%	[REDACTED]	[REDACTED]	[REDACTED]
Qingyuan Quanxing	1,078,700	0.27%	[REDACTED]	[REDACTED]	[REDACTED]
<i>Other Pre-[REDACTED] Investors</i>					
Zhang Yuanhua (張遠華)	29,001,313	7.38%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Zhu Xiaodong (朱曉冬)	14,333,216	3.65%	[REDACTED]	[REDACTED]	[REDACTED]
Zhang Yong (張永)	14,184,794	3.61%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Guizhou Zhongken	14,030,093	3.57%	[REDACTED]	[REDACTED]	[REDACTED]
Zhang Dali (張大立)	11,457,462	2.92%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Liang Jinling (梁錦玲)	10,594,177	2.70%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Jiang Dianshuang (姜殿雙) . . .	10,000,000	2.55%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Guangzhou Wanman Agricultural Investment Partnership (Limited Partnership) (廣州市完滿農業投資合夥企 業(有限合夥))	9,500,000	2.42%	[REDACTED]	[REDACTED]	[REDACTED]
Li Yuxiang (李豫湘)	7,334,055	1.87%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Zhu Wenhui (朱文慧)	5,194,166	1.32%	[REDACTED]	[REDACTED]	[REDACTED]
Lai Lixin (賴立新)	5,001,146	1.27%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Zou Zhanli (鄒佔利)	4,890,579	1.24%	[REDACTED]	[REDACTED]	[REDACTED]
Liang Ruifen (梁瑞芬)	4,616,341	1.18%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Wu Peng (吳鵬)	4,423,992	1.13%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Deng Xuqing (鄧旭清)	4,328,478	1.10%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Liu Yaotian (劉耀天)	4,137,667	1.05%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Niu Chunhua (牛春華)	3,846,950	0.98%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]
Du Xutao (杜旭濤)	2,864,253	0.73%	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] and the Conversion of Domestic Unlisted Shares into H Shares (assuming no exercise of the [REDACTED])		
	Number of Shares	Percentage of shareholding in the total issued share capital	Number of Shares	Description of Shares	Percentage of shareholding in the total issued share capital
Bai Chaoyong (白朝勇)	2,360,456	0.60%	[REDACTED]	[REDACTED]	[REDACTED]
Yin Decun (尹德存)	2,242,772	0.57%	[REDACTED]	[REDACTED]	[REDACTED]
Su Yu (蘇禹)	2,163,910	0.55%	[REDACTED]	[REDACTED]	[REDACTED]
Chen Wenfeng (陳文峰)	2,138,576	0.54%	[REDACTED]	[REDACTED]	[REDACTED]
Tang Qiufang (唐秋芳)	1,923,480	0.49%	[REDACTED]	[REDACTED]	[REDACTED]
Qingyuan Quanyang	1,740,300	0.44%	[REDACTED]	[REDACTED]	[REDACTED]
Huang Youyi (黃祐誼)	1,635,345	0.42%	[REDACTED]	[REDACTED]	[REDACTED]
Zhang Zhengquan (張正權) . .	1,546,129	0.39%	[REDACTED]	[REDACTED]	[REDACTED]
Luo Mengfeng (羅孟鋒)	1,451,389	0.37%	[REDACTED]	[REDACTED]	[REDACTED]
Zhang Jing (張靜)	1,417,299	0.36%	[REDACTED]	[REDACTED]	[REDACTED]
Yuan Shu (袁澍)	1,361,026	0.35%	[REDACTED]	[REDACTED]	[REDACTED]
Xiao Wenbin (肖文彬)	1,199,253	0.31%	[REDACTED]	[REDACTED]	[REDACTED]
Ou Weiye (歐偉業)	1,199,253	0.31%	[REDACTED]	[REDACTED]	[REDACTED]
Sun Jianguo (孫建國)	1,154,089	0.29%	[REDACTED]	[REDACTED]	[REDACTED]
Chen Xinyu (陳新宇)	1,072,338	0.27%	[REDACTED]	[REDACTED]	[REDACTED]
Chen Xinzhaoh (陳新釗)	1,072,338	0.27%	[REDACTED]	[REDACTED]	[REDACTED]
Wei Zhuangli (韋壯立)	778,138	0.20%	[REDACTED]	[REDACTED]	[REDACTED]
Wang Man (汪曼)	545,565	0.14%	[REDACTED]	[REDACTED]	[REDACTED]
Fan Xiao (範筱)	381,356	0.10%	[REDACTED]	[REDACTED]	[REDACTED]
Huang Hanhua (黃漢華)	328,912	0.08%	[REDACTED]	[REDACTED]	[REDACTED]
Other public Shareholders . . .	—	—	[REDACTED]	[REDACTED]	[REDACTED]
Total	392,842,592	100.00%	[REDACTED]		100.00%

PUBLIC FLOAT AND FREE FLOAT

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Shares held by our core connected persons, representing [REDACTED]% of the issued share capital of our Company, will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED]. Details of share capital of the Company that will not be regarded as public float are set out below:

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (a) Mr. Xiao, Dr. Zhang, Fengtian Investment, Tianju Investment, Chongqing Ronghui, Qingyuan Quanfa and Qingyuan Quanxing, being a group of our Controlling Shareholders, are core connected persons of our Company, and will hold approximately [REDACTED]% in aggregate of the total issued Shares;
- (b) Mr. Zhang Yuanhua, being our non-executive Director, is a core connected person of our Company, and will hold approximately [REDACTED]% of the total issued Shares;
- (c) Mr. Zhang Dali, being our executive Director, is a core connected person of our Company, and will hold approximately [REDACTED]% of the total issued Shares;
- (d) Mr. Deng Xuqing, being our executive Director, is a core connected person of our Company, and will hold approximately [REDACTED]% of the total issued Shares;
- (e) Qingyuan Quanwang, whose managing partner is the spouse of Mr. Zhang Dali, is a core connected person of our Company, and will hold approximately [REDACTED]% of the total issued Shares;
- (f) Mr. Xiao Wenbin, being an executive director of our subsidiary, is a core connected person of our Company, and will hold approximately [REDACTED]% of the total issued Shares;
- (g) Mr. Wei Zhuangli, being our Supervisor, is a core connected person of our Company, and will hold approximately [REDACTED]% of the total issued Shares.
- (h) Ms. Fan Xiao, being a supervisor of our subsidiary, is a core connected person of our Company, and will hold approximately [REDACTED]% of the total issued Shares; and
- (i) Mr. Huang Hanhua, being a representative of the managing partner of our subsidiary, is a core connected person of our Company, and will hold approximately [REDACTED]% of the total issued Shares.

Public Float

Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected market value at the time of [REDACTED] of our H Shares does not exceed HK\$6 billion, at least 25% of the total number of H Shares must at the time of the [REDACTED] be held by the public. With respect to the indicative [REDACTED] of [REDACTED], [REDACTED] and [REDACTED] per [REDACTED] (being the low end, mid-point and the upper-end, respectively), the expected [REDACTED] of our H Shares would not exceed HK\$6 billion. After all the [REDACTED] are [REDACTED] (assuming that the [REDACTED] is not exercised), the number of H Shares (including H Shares that are converted from Domestic Unlisted Shares) held by the public at the time of the [REDACTED] would be [REDACTED] H Shares (representing approximately [REDACTED]% of our total number of issued H Shares), which will be regarded as public float and will satisfy the requirement under Rule 19A.13A(1) of the Listing Rules.

Free Float

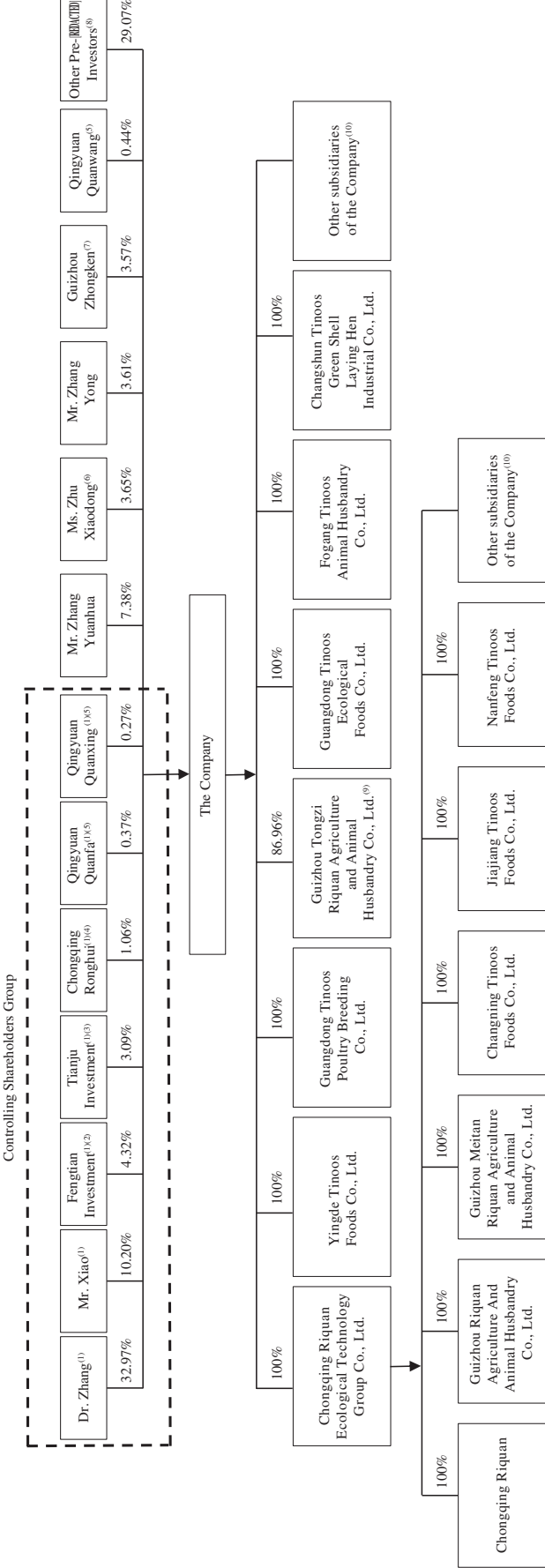
Pursuant to Rule 19A.13C(1) of the Listing Rules, there must be sufficient H shares where an applicant is a PRC issuer with no other listed shares at the time of listing, held by the public and available for trading upon listing. This would normally mean that the portion of the H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (1) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK\$50 million; or (2) have an expected market value at the time of [REDACTED] of not less than HK\$600 million. We are expected to satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately before the Completion of the [REDACTED]

The following chart depicts a simplified shareholding and corporate structure of our Group immediately before the completion of the [REDACTED], assuming that no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to completion of the [REDACTED]:



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

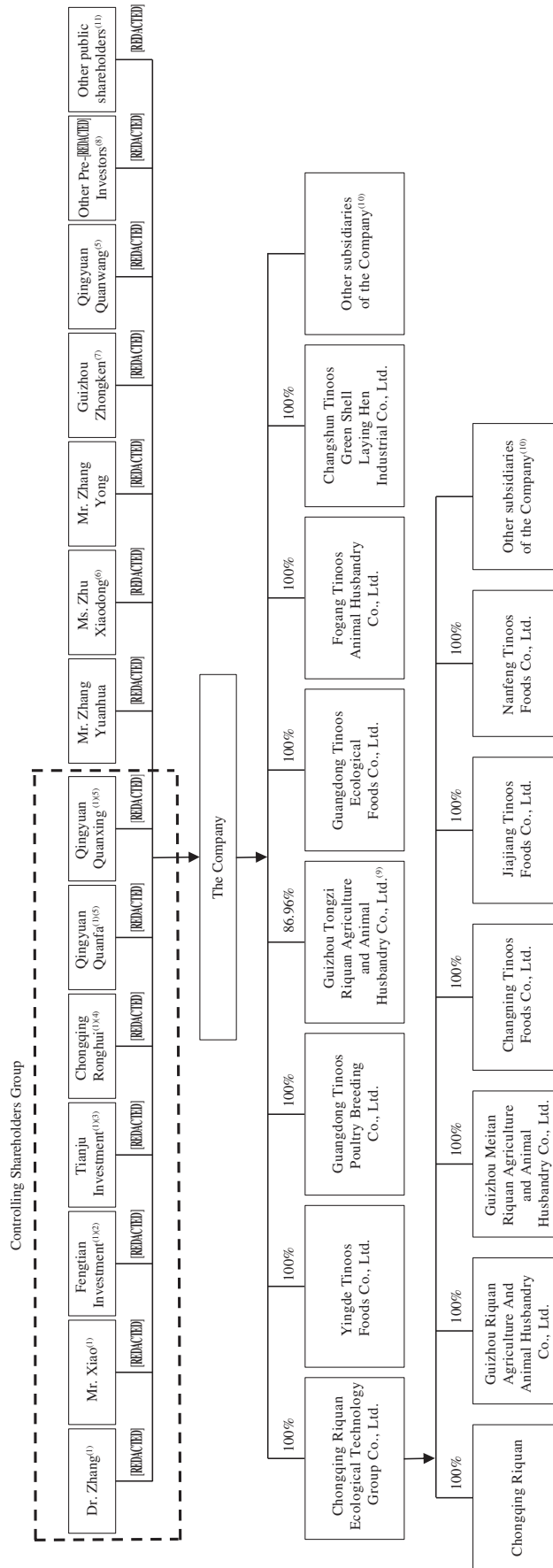
Notes:

- (1) As of the Latest Practicable Date, Dr. Zhang, Mr. Xiao, Fengtian Investment, Tianju Investment, Chongqing Ronghui, Qingyuan Quanfa and Qingyuan Quanxing together holding 52.28% of our equity interest, are a group of our Controlling Shareholders. For details, please refer to “Relationship with Our Controlling Shareholders” in this document.
- (2) Fengtian Investment, a limited partnership established and registered in the PRC, of which Mr. Xiao is the executive partner. As of the Latest Practicable Date, apart from Dr. Zhang holding a 30.63% partnership interest in Fengtian Investment, no other partner holds a partnership interest of 30% or more in Fengtian Investment. To the best of our knowledge, Fengtian Investment has a total of 37 natural person partners, seven of which are Independent Third Parties, while the remaining 30 natural person partners hold positions at us.
- (3) Tianju Investment, a limited partnership established and registered in the PRC, of which Dr. Zhang is the executive partner. As of the Latest Practicable Date, apart from Dr. Zhang holding a 48.01% partnership interest in Tianju Investment, no other partner holds a partnership interest of 30% or more in Tianju Investment. To the best of our knowledge, Tianju Investment has a total of 14 natural person partners, five of which are Independent Third Parties, while the remaining nine natural person partners hold positions at the Group.
- (4) Chongqing Ronghui, a limited partnership established and registered in the PRC, of which Mr. Xiao is the executive partner. As of the Latest Practicable Date, no other partner holds a partnership interest of 30% or more in Chongqing Ronghui. To the best of our knowledge, Chongqing Ronghui has a total of 16 natural person partners, ten of which are Independent Third Parties, while the remaining six natural person partners hold positions at the Group.
- (5) Qingyuan Quanfa, Qingyuan Quanxing and Qingyuan Quanwang are our Employee Shareholding Platforms, of which Mr. Xiao, Dr. Zhang and Ms. Wu Xiaojun are the executive partners, respectively. For details, please see “–Employee Shareholding Platforms”.
- (6) The Company has noticed an asset preservation announcement dated September 26, 2025 issued by the Guangzhou Baiyun District People’s Court (the “**People’s Court**”), pursuant to which, 10,048,710 Shares (the “**Relevant Shares**”) held by Ms. Zhu Xiaodong (“**Ms. Zhu**”) have been ordered to be preserved by the People’s Court as security for certain personal guarantee obligations of Ms. Zhu to a creditor (the “**Guarantee Obligations**”). The Guarantee Obligations are personal to Ms. Zhu and were negotiated solely between Ms. Zhu and the relevant creditor without any involvement of the Company.
- (7) Guizhou Zhongken is a private equity investment fund registered with the Asset Management Association of China. Its executive partner is Zhaoken Capital Management (Beijing) Co., Ltd. (招壘資本管理(北京)有限公司) (“**Zhaoken Capital**”), which holds approximately 1% of the partnership equity in Guizhou Zhongken. Zhaoken Capital is indirectly wholly-owned by the State Council of the People’s Republic of China. The limited partners of Guizhou Zhongken include Guizhou Modern Agricultural and Rural Development Equity Investment Fund Partnership (Limited Partnership) (貴州省農業農村現代化發展股權投資基金合夥企業(有限合夥)) (“**Guizhou Agricultural Fund**”) and China Agricultural Reclamation Industry Development Fund (Limited Partnership) (中國農墾產業發展基金(有限合夥)) (“**China Agricultural Development Fund**”), which hold 60% and 39% of the partnership interests, respectively. The executive partner of Guizhou Agricultural Fund is Guizhou Guixin Ruihe Venture Capital Management Co., Ltd. (貴州省貴鑫瑞和創業投資管理有限責任公司), and its ultimate beneficial owner is the Guizhou Provincial Department of Finance (貴州省財政廳). The executive partner of China Agricultural Development Fund is Zhaoken Capital.
- (8) Consisting of 34 other pre-[REDACTED] investors. As of the Latest Practicable Date, each shareholder holds less than 5.0% of our equity interests. For details, please see above “–Capitalization”.
- (9) Guizhou Tongzi Riquan Agriculture and Animal Husbandry Co., Ltd. is a limited company registered and established in the PRC, in which we directly hold 86.96% of equity interests, with the remaining 13.04% of equity interests held by Guizhou Agricultural Fund. For further details of Guizhou Agricultural Fund, see Note 6 above.
- (10) Save as disclosed above, as of the Latest Practicable Date, the Group still owned 34 subsidiaries established in the PRC. Details of our non-wholly owned subsidiaries are set out below:
 - (i) Liannan Tongzhan Agricultural Investment Consulting Center (Limited Partnership) (“**Liannan Tongzhan**”): As of the Latest Practicable Date, Liannan Tongzhan, a limited partnership established and registered in the PRC, of which Yingde Tinoos Foods Co., Ltd. (“**Yingde Tinoos**”) is the executive partner. Apart from Yingde Tinoos holding 32.42% partnership interests in Liannan Tongzhan, no other partner holds a partnership interest of 30% or more in Liannan Tongzhan. Liannan Tongzhan is in the process of de-registration. As of the Latest Practicable Date, it had completed its tax de-registration procedures and it is expected to complete its business de-registration procedures at the end of 2025.
 - (ii) Liannan Tonghui Agricultural Investment Consulting Center (Limited Partnership) (“**Liannan Tonghui**”): As of the Latest Practicable Date, Liannan Tonghui, a limited partnership established and registered in the PRC, of which Yingde Tinoos is the executive partner. Apart from Yingde Tinoos holding 41.28% partnership interests in Liannan Tonghui, no other partner holds a partnership interest of 30% or more in Liannan Tonghui. Liannan Tonghui is in the process of de-registration. As of the Latest Practicable Date, it had completed its tax de-registration procedures and it is expected to complete its business de-registration procedures at the end of 2025.
 - (iii) Liannan Tonghe Agriculture and Animal Husbandry Technology Center (Limited Partnership) (“**Liannan Tonghe**”): As of the Latest Practicable Date, Liannan Tonghe, a limited partnership established and registered in the PRC, of which Yingde Tinoos is the executive partner. Apart from Yingde Tinoos holding 44.01% partnership interests in Liannan Tonghe, no other partner holds a partnership interest of 30% or more in Liannan Tonghe. Liannan Tonghe is in the process of de-registration. As of the Latest Practicable Date, it had completed its tax de-registration procedures and it is expected to complete its business de-registration procedures at the end of 2025.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholding and Corporate Structure upon the Completion of the [REDACTED]

The following chart depicts a simplified shareholding and corporate structure of our Group upon the completion of the [REDACTED], assuming that the [REDACTED] is not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the completion of the [REDACTED]:



Note: For Notes (1) to (10), please refer to “— Shareholding and Corporate Structure Immediately before the Completion of the [REDACTED]” above in this section.

Note (11): Such Shares will be included in the public float upon [REDACTED]. Please refer to “— Public Float and Free Float” in this section.

BUSINESS

OVERVIEW

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

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

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

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

Our Products

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

Qingyuan Chicken and Other Native Chickens

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

BUSINESS

Pigs

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

Fresh and Other Products

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

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

Our full-industry-chain business model

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

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

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

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

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

BUSINESS

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

Our Market Strategy

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

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

Our Growth Opportunities

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

STRENGTHS

Established Breeding Stock and Multiplication System

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

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

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

BUSINESS

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

A Brand-driven Holistic Go-to-market Approach

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

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

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

Full-Industry-Chain Business Model Driving Consistent Product Quality

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

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

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

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

BUSINESS

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

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

Core Markets Enables Logistics Efficiency and Product Freshness

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

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

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

Farming Models Driving Efficiency, Market Penetration, and Scalable Growth

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

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

BUSINESS

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

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

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

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

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

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

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

STRATEGY

Build a Leading Meat Product Brand

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

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

Launch Causal Dining Restaurants

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

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

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

Expand Sales Network and Upgrade Supply Chain

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

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

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

BUSINESS

Enhance Production and R&D Capabilities

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

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

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

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

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

Attract Talents and Optimize Human Resources

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

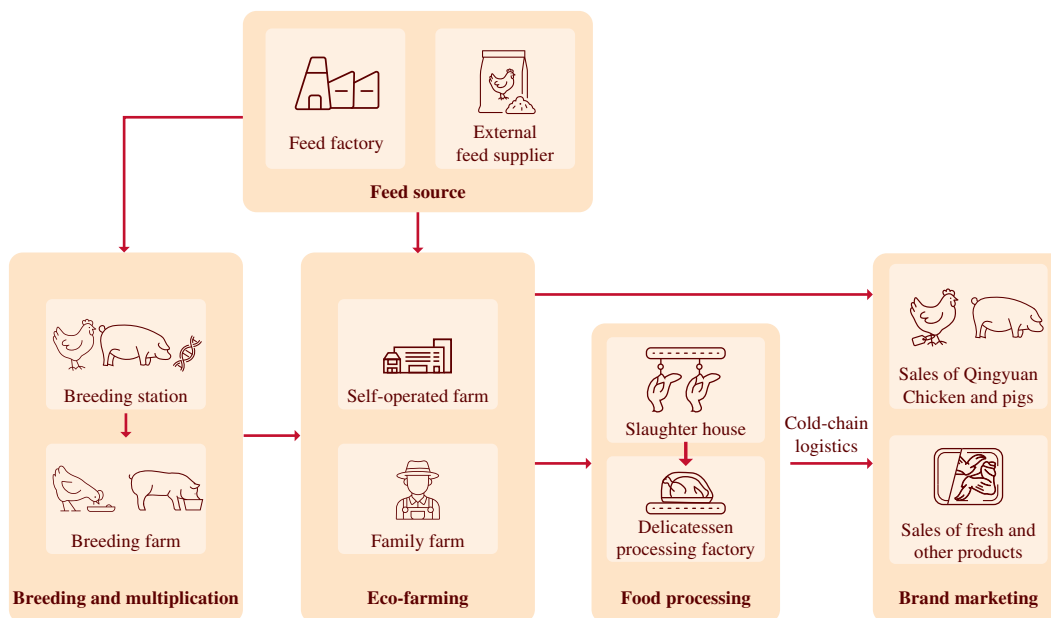
Seek Strategic Alliances, Joint Ventures, or Other Acquisition Opportunities

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

BUSINESS

OUR BUSINESS MODEL AND PRODUCTS

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



Qingyuan Chicken and other native chickens

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

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

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

BUSINESS

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



Qingyuan Chicken



Chick



**Qingyuan Chicken
Ecological Farming**

Pigs

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

Pictures of our pigs are as follows:



Market Hogs



Pig Breeder



Market Piglets

Fresh and other products

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

BUSINESS

The following diagram illustrates our fresh and other products portfolio:



Key Metrics

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

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

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

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

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

Notes:

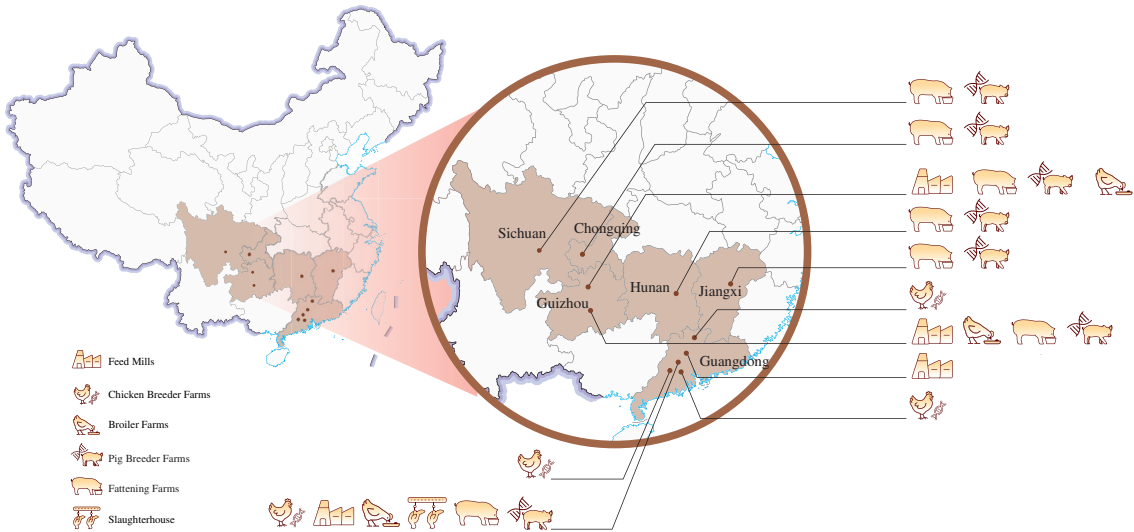
- (1) Average selling price per heads or birds represents the revenue for the year divided by the sales volumes in heads or birds of the product category for the respective year.
- (2) For illustrative purpose, it only uses the main product (commercial broiler, excluding day-old chicks) to represent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

PRODUCTION

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

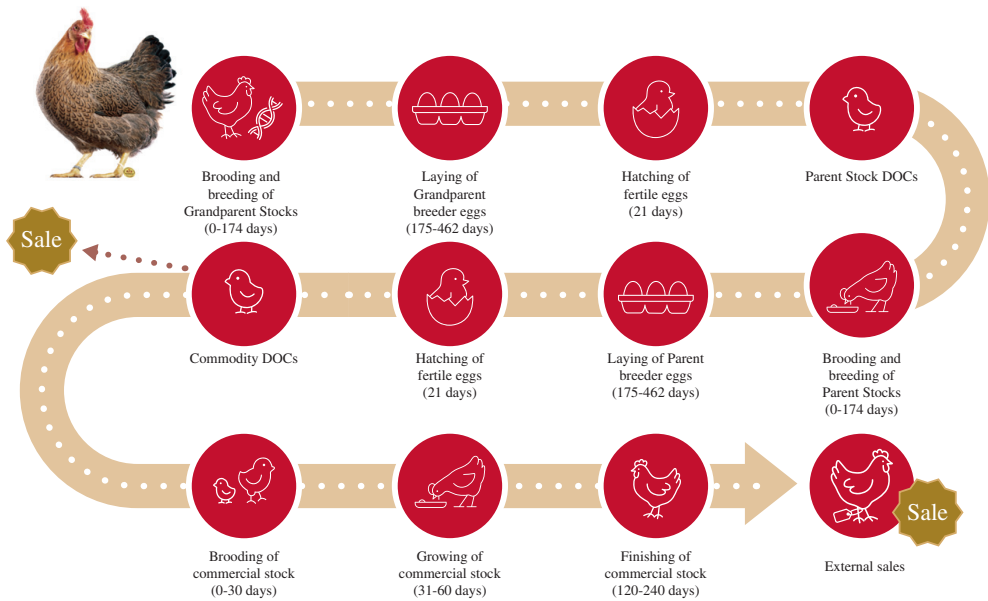
BUSINESS

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



Qingyuan Chicken and Other Native Chickens Production

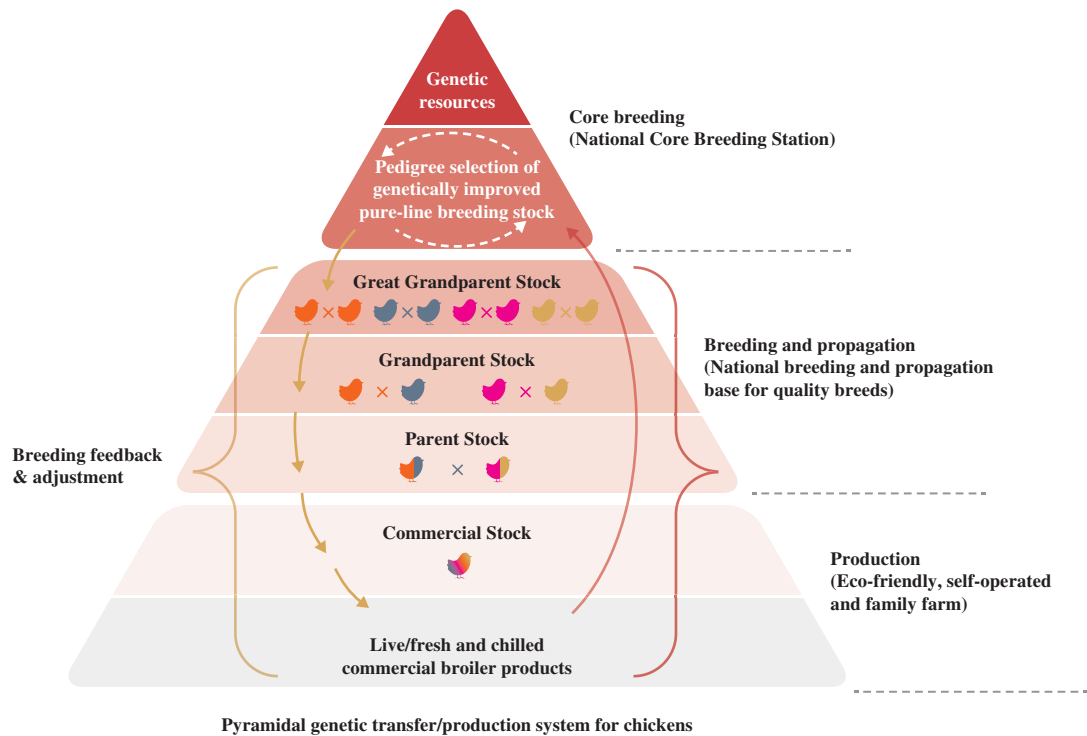
The following diagram illustrates our production process, with approximate time required for certain key stages, from chicken breeders, chicks to broilers:



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Qingyuan Chicken and Other Native Chickens Breeding

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



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

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

Qingyuan Chicken breeder farms

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

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

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

Notes:

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

Chicken breeders rearing and fertile egg hatching

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

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

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

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

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Broiler farming

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

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

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

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

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

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

BUSINESS

Relationship with farm owners

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

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

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

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

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

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

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

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

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

BUSINESS

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

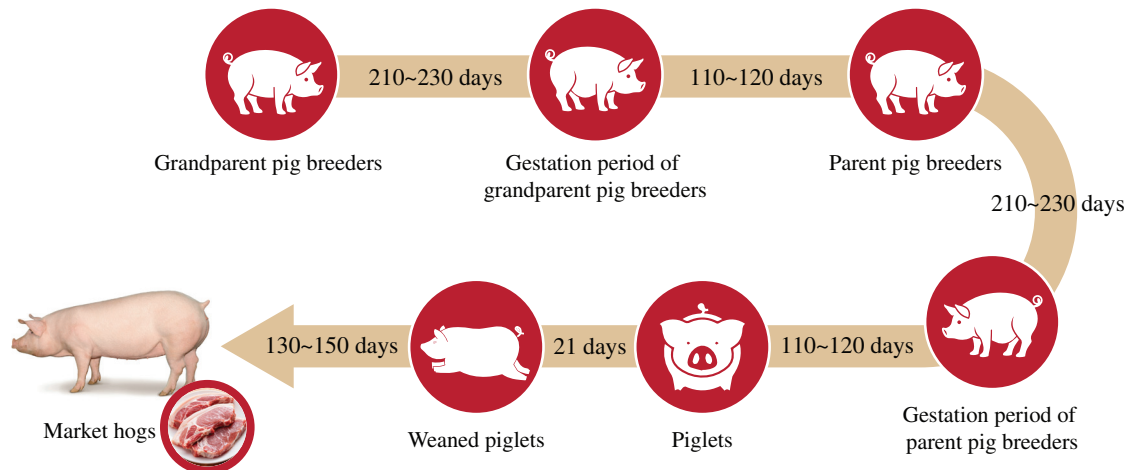
Selection, training and supervision of farm owners

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

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

Pig Production

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



Pig Breeding

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

Effective pig breeder production system

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

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

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

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

Pig farming

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

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

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

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

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

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

Notes:

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

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

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

Notes:

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

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

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

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

Relationship with farm owners

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

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

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

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

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

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

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

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

Selection, training and supervision of farm owners

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

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

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

Feed Management and Control

Feed Technology

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

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Feed Production

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

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

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

Notes:

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

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

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

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

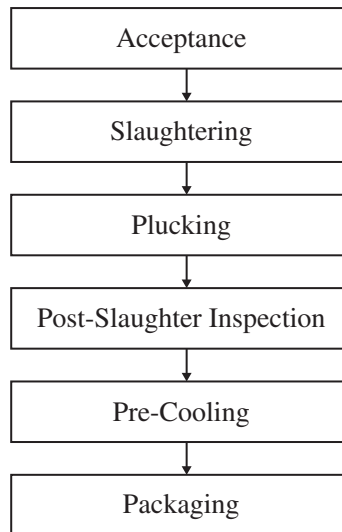
Production of fresh and other products

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

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Production of fresh products

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



Notes:

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

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

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

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

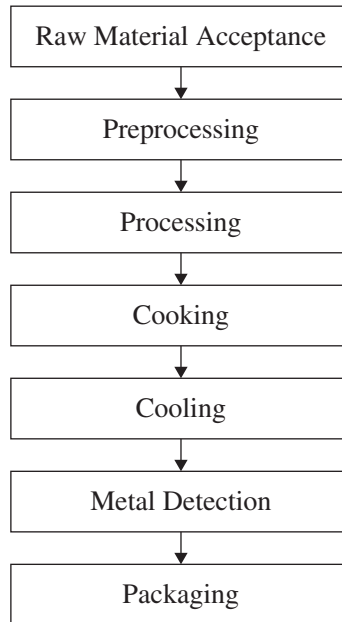
Notes:

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

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Production of processed meat products

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



Note:

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

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

Asset Disposal and Genetic Resource Supply Arrangements with Our Controlling Shareholder

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

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

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

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RESEARCH AND DEVELOPMENT

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

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

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

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

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

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

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SALES

Our go-to-market approach

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

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

Structure of Sales Team

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

Our Customers

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

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

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

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Notes:

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

Distributor Customers

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Direct Sales Customers

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

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Supermarket Chains

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

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

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

Catering and Food Processing Enterprises

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

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

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

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E-commerce Platforms

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

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

Slaughtering plants and other farming enterprises

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

Return Policy

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

Major Customers

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

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

For the year ended December 31, 2023

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

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Notes:

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

For the year ended December 31, 2024

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

Notes:

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

For the year ended December 31, 2025

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

Notes:

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

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Pricing

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

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

Third-party Payment

Background of Third-Party Payment Arrangements

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

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

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

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

Reasons for Third-Party Payment Arrangements

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

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

LOGISTICS AND TRANSPORTATION

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

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

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

SEASONALITY

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

SUPPLIERS, RAW MATERIAL AND INVENTORY

Raw material procurement

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

Feed and feed ingredients procurement

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

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

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

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

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

Procurement of veterinary medicines and vaccines

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

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

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

Major Suppliers

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

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

For the year ended December 31, 2023

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

Notes:

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

For the year ended December 31, 2024

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

Notes:

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

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

For the year ended December 31, 2025

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

Notes:

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

Price Fluctuation Management

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

Qingyuan Chicken and Other Native Chickens

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

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Pig

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

Feed

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

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

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

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

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

Inventory

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

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

QUALITY CONTROL AND FOOD SAFETY

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

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

Quality Control of Raw Material Procurement

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

Quality Control of Feed Production

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

Quality Control of Chicken Breeding

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

Quality Control of Chicken Production

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

Biosecurity Measures

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

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

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

Disease Cleansing

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

Medicine Residue Monitoring

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

Quality Control of Pig Production

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

Biosecurity Measures

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

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

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

Disease Cleansing

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

Quality Control in Slaughtering and Food Processing

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

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

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EMPLOYEES

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

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

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

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

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

INTELLECTUAL PROPERTY

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

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ENVIRONMENT, SOCIAL AND CORPORATE GOVERNANCE

Overview

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

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

Governance

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

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

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

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

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

ESG-related Risk Identification and Assessment

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

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

Strategies Addressing ESG-Related Risks

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

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

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

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

Environment

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

Environmental and Energy Management Goals

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

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

Water Resource and Waste Management

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

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

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

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

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

Monitoring Indicators

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

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

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

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

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

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

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

Environmental impacts and mitigation measures

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

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

Social Responsibility

Employment and Care

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

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

Employee Benefits and Welfare

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

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

Animal Welfare and Use of Veterinary Drugs

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

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

Occupational Health and Safety

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

Development and Training

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

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

Anti-Corruption and Anti-Bribery

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

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

Supply Chain Management

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

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

LICENSES AND PERMITS

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

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

Note:

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

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

COMPETITION

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

MAJOR AWARDS AND RECOGNITION

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

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

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

RISK MANAGEMENT

Operational Risk Management

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

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

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

Investment Risk Management

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

INTERNAL CONTROL

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

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

INSURANCE

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

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

IMPACT OF DISEASE AND EPIDEMIC

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

Impact of African Swine Fever

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

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

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

Impact of Avian Influenza

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

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Impact of the COVID-19 Outbreak

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

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

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

PROPERTIES

We occupy certain properties in connection with our business operation. As of December 31, 2025, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. Accordingly, we are not required by Rule 5.01A of the Listing Rules to include in this Document any valuation report. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

Owned Properties

Owned Land and Buildings

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

Certain self-owned properties pending ownership certificates

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

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

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

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

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

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

Defective procedures in certain contracted/leased land transfers

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

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

Leased Properties

Leased lands

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

Leased farms

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

Other properties

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

Certain leased properties pending ownership certificates

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

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

Certain leased properties pending lease registration filing

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

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

LEGAL PROCEEDINGS AND COMPLIANCE

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

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

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

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

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

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

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

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

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

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

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

OVERVIEW

Our Board currently consists of nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors are elected and appointed by our Shareholders and serve a term of three years and are eligible for re-election upon expiry of their term of office pursuant to our Articles of Association. Our Board is responsible for the management and operation of our business and has general authority over the management and operation of our business, including determining our business strategies and investment plans, implementing resolutions passed at general meetings and exercising such other powers, functions and duties as conferred by our Articles of Association. The Board is also responsible for formulating and reviewing our policies and practices regarding corporate governance, risk management, internal controls and compliance with legal and regulatory requirements.

We also established a Supervisory Committee that is responsible for supervising the performance of the Board and senior management, its financial operations, internal control and risk management. The Supervisory Committee consists of three Supervisors, including an employee representative Supervisor. A Supervisor serves a term of three years and may serve consecutive terms if re-elected.

The senior management currently consists of eight members who are responsible for our day-to-day management and operations.

DIRECTORS

The following table sets forth the principal information about our Directors as of the Latest Practicable Date:

Name	Age	Position	Main Responsibilities	Time of joining our Group	Date of first appointment as Director	Relationship with other Directors, Supervisors and senior management
Mr. Xiao Wenqing (肖文清)	63	Executive Director and chairperson of the Board	Responsible for overseeing strategic planning, business development and management of our Group	April 2003	July 2020	Spouse of Dr. Zhang, father of Mr. Zhang Pengfei and the uncle of Mr. Zhang Dali and Mr. Zhang Yong
Dr. Zhang Zhengfen (張正芬)	63	Executive Director, vice chairperson of the Board and the president	Responsible for overseeing strategic planning, business development and management of our Group	December 2004	July 2020	Spouse of Mr. Xiao, mother of Mr. Zhang Pengfei and the aunt of Mr. Zhang Dali and Mr. Zhang Yong

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position	Main Responsibilities	Time of joining our Group	Date of first appointment as Director	Relationship with other Directors, Supervisors and senior management
Mr. Zhang Dali (張大立).	56	Executive Director and vice president	Responsible for business and daily operation of the Group	August 2004	July 2020	Brother of Mr. Zhang Yong, the nephew of Mr. Xiao and Dr. Zhang, and the cousin of Mr. Zhang Pengfei
Mr. Deng Xuqing (鄧旭清).	53	Executive Director and vice president	Responsible for business and daily operation of the Group	June 2004	July 2020	None
Mr. Zhang Pengfei . . .	38	Executive Director	Responsible for digital construction, supply chain management and risk management of the Group	May 2023	June 2025	Son of Mr. Xiao and Dr. Zhang, cousin of Mr. Zhang Yong and Mr. Zhang Dali
Mr. Zhang Yuanhua (張遠華)	60	Non-executive Director	Responsible for overseeing the affairs of the Board and providing strategic advice on the business operations of the Group	March 2003	July 2020	None
Mr. Luo Xugang (羅緒剛).	63	Independent non-executive Director	Responsible for providing independent opinion and judgment to the Board	November 2022	November 2022	None
Mr. Gong Kaisong (龔凱頌)	60	Independent non-executive Director	Responsible for providing independent opinion and judgment to the Board	September 2020	September 2020	None
Ms. Gao Wen (高雯). . .	45	Independent non-executive Director	Responsible for providing independent opinion and judgment to the Board	September 2020	September 2020	None

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Xiao Wenqing (肖文清), aged 63, is one of the founder of our Company, executive Director and the chairperson of the Board, primarily responsible for overall strategic planning, business development and management of our Group.

Mr. Xiao founded our Group in March 2003 and has served as the chairperson of our Company from March 2003 to July 2012, and from August 2019 to the present, and overseeing the overall operation management of our Group and our Company. Prior to founding our Group, he was a lecturer at Sichuan College of Animal Husbandry and Veterinary Medicine (四川畜牧獸醫學院) (now known as Southwest University (西南大學)) in the PRC from July 1983 to February 1992. He served as deputy general manager of the feed division of Guangdong Wens Foodstuff Group Co., Ltd. (廣東溫氏食品集團有限公司) (currently known as Wens Foodstuff Group Co., Ltd. (溫氏食品集團股份有限公司)) from February 1993 to February 2000. He served as deputy general manager of Donlinks Group Co. Ltd. (東凌集團有限公司) from March 2000 to February 2003. He served as chairperson of the board and general manager of Chongqing Riquan from June 2012 to August 2019.

Mr. Xiao was recognized as an Outstanding Builder of Socialism with Chinese Characteristics in Guangdong Province, an Outstanding Private Entrepreneur in the Socialist New Countryside of Guangdong Province, and an Outstanding Entrepreneur in Guangdong Province.

Mr. Xiao graduated from Sichuan College of Animal Husbandry and Veterinary Medicine (四川畜牧獸醫學院) (now known as Southwest University (西南大學)) in the PRC and obtained a bachelor's degree in July 1983, and obtained an Executive Master of Business Administration (EMBA) degree from Renmin University of China (中國人民大學) in July 2002.

Mr. Xiao's former name was Yin Pingan (尹平安).

Dr. Zhang Zhengfen (張正芬), aged 63, is one of the founder of our Company, executive Director and vice chairperson of the Board and the president of our Company, primarily responsible for overseeing the overall strategic planning, business development, and management of our Group.

Dr. Zhang joined our Group in December 2024, and has served as the president of our Company since December 2005. She served as the chairperson of our Company from March 2012 to July 2020, and has served as vice chairperson of the Board since July 2020. Dr. Zhang is mainly responsible for overall strategic planning, business development, and management of our Group.

Prior to joining our Group, Dr. Zhang was a lecturer of Fujian Yang-En College (福建仰恩學院) (now known as Yang-En University in Fujian (福建仰恩大學)) in the PRC from March 1991 to November 1993, a lecturer of Foshan University of Science and Technology (中國佛山科技學院) (now known as Foshan University (佛山大學)) in the PRC from December 1993 to December 1994, a technology director of the technology center of Guangdong Wens Foodstuff Group Co., Ltd. (廣東溫氏食品集團有限公司) (now known as Wens Foodstuff Group Co., Ltd. (溫氏食品集團股份有限公司)) from December 1994 to December 2004.

Dr. Zhang is the vice president of the China Poultry Industry Association (中國畜牧業協會禽業分會) and the president of the Qingyuan Women Entrepreneurs Association (清遠市女企業家協會). She served as a representative to the 13th National People's Congress of Guangdong Province and was awarded the title of National Outstanding Entrepreneur (全國創業優秀個人) by the State Council, the “Spark Technology Disseminator” (“星火科技二傳手”) by the Ministry of Science and Technology, the National March 8th Red-Banner Pacesetter (全國三八紅旗手), the Exemplary Figure in China's Poverty Reduction (中國扶貧開發典型人物), Guangdong Provincial Model Worker (廣東省勞動模範) awarded by the Guangdong Provincial Government, and Guangdong

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Provincial Outstanding Youth Expert (廣東省傑出青年崗位能手). Dr. Zhang also obtained the professional qualifications of a senior livestock breeder and a senior engineer in December 1998 and May 2023 respectively. She is also an expert receiving special allowances from the State Council.

Dr. Zhang graduated from Sichuan College of Animal Husbandry and Veterinary Medicine (四川畜牧獸醫學院) (now known as Southwest University (西南大學)) in the PRC and obtained a bachelor's degree in July 1984, obtained a master's degree from Beijing Agricultural University (北京農業大學) (now known as China Agricultural University (中國農業大學)) in the PRC in July 1987, and obtained a doctorate degree from University of Victoria in Switzerland in July 2008.

Mr. Zhang Dali (張大立), aged 56, is an executive Director and vice president of our Company, primarily responsible for business and daily operations of the Group.

Mr. Zhang Dali joined our Group in July 2004, and served as assistant to chairperson of the Board from July 2004 to August 2007 and vice president of the Company from August 2007 to the present.

Prior to joining our Group, he served as a manager of Taicang Guangdong Wen's Poultry Co. Ltd. (太倉廣東溫氏家禽有限公司), mainly responsible for businesses related to broiler sales from March 1997 to June 2004.

Mr. Zhang Dali graduated from Hangzhou Business College (中國杭州商學院) (now known as Zhejiang Gongshang University (浙江工商大學)) in the PRC with a college diploma in June 1995 and obtained the certificate of completion of the advanced seminar in agricultural business administration from Tsinghua University (清華大學) in the PRC in April 2007.

Mr. Deng Xuqing (鄧旭清), aged 53, is an executive Director and vice president of our Company, primarily responsible for business and daily operations of the Group.

Mr. Deng joined our Group in May 2003. He served as the manager of service center of Yingde Tinoos Foods Co., Ltd., a subsidiary of our Group, from May 2003 to December 2005, the general manager of Yingde Tinoos Foods Co., Ltd. from January 2006 to December 2015, and has served as the vice president of our Company from January 2015 to the present.

Prior to joining our Group, he served as deputy director of the scientific research base of Guangdong Wens Foodstuff Group Co., Ltd. (廣東溫氏食品集團有限公司) (now known as Wens Foodstuff Group Co., Ltd. (溫氏食品集團股份有限公司)) from May 1996 to May 2003.

Mr. Deng graduated from Foshan University of Science and Technology (佛山科學技術學院) (now known as Foshan University (佛山大學)) in the PRC with a college diploma in animal nutrition and feed processing in June 1996 and obtained a bachelor's degree in animal husbandry and veterinary medicine from Foshan University of Science and Technology (佛山科學技術學院) (now known as Foshan University (佛山大學)) in the PRC in June 2004. Since 2020, Mr. Deng has served as a industry tutor for master's students of animal husbandry at Foshan University (佛山大學).

Mr. Zhang Pengfei, aged 38, is an executive Director, primarily responsible for digital construction, supply chain management and risk management of the Group.

Mr. Zhang Pengfei joined our Group in May 2023. He served as the assistant to the chairperson of the Board from May 2023 to present, and has been our executive Director since June 2025.

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Prior to joining our Group, Mr. Zhang Pengfei worked at various overseas financial institutions since August 2014, including as an analyst at Toronto-Dominion Bank in Canada, a senior quantitative analyst at CRISIL, a subsidiary of Standard & Poor’s in the United States, a trader at BFAM Partners, a hedge fund, and an analyst at Balyasny Asset Management, a hedge fund.

Mr. Zhang Pengfei obtained a bachelor of science degree from the University of Toronto, Canada in June 2013, a master of statistics degree from the University of Toronto, Canada in November 2014, and a master of financial engineering degree from the Haas School of Business of the University of California, Berkeley, USA in May 2019.

Mr. Zhang Pengfei’s former name was Zhang Gaoyuan (張高源).

Non-executive Director

Mr. Zhang Yuanhua (張遠華), aged 60, is a non-executive Director, primarily responsible for overseeing the affairs of the Board and providing strategic advice on the business operations of the Group.

Mr. Zhang Yuanhua was appointed as an Director of our company from March 2003 to March 2017 and since July 2020, but does not participate in the daily management of the Company. He was also appointed as a Supervisor of our Company from March 2017 to July 2020.

Prior to joining our Group, he served as the chairperson of Zhuhai Free Trade Zone Huatianlong Logistics Co., Ltd. (珠海保稅區華天隆物流有限公司) since January 2000 and served as chairperson of Zhuhai Huatianlong Economic and Trade Co., Ltd. (珠海市華天隆經貿有限公司) since August 2003.

Mr. Zhang obtained his master’s degree in business administration from Macau University of Science and Technology in August 2001.

Independent Non-executive Directors

Mr. Luo Xugang (羅緒剛), aged 63, was appointed on November 12, 2022 as an independent Director and has been redesignated as independent non-executive Director on October 10, 2025, primarily responsible to provide independent opinions and judgments to the Board of Directors.

Mr. Luo successively held the positions of assistant research fellow, associate research fellow and research fellow at the Beijing Institute of Animal Husbandry and Veterinary Medicine (北京畜牧獸醫研究所) (formerly known as the Institute of Animal Science, Chinese Academy of Agricultural Sciences (中國農業科學院畜牧研究所)) from September 1989 to November 2019, and served as a researcher at Yangzhou University since June 2019.

Mr. Luo served as a doctoral supervisor from June 1997 and was appointed as an outstanding talent in the first-level position of the animal nutrition and feed science field at the Chinese Academy of Agricultural Sciences (中國農業科學院) in July 2002. He was an expert receiving special allowances from the State Council from February 2009 and served as a second-level researcher from November 2009.

He obtained a bachelor’s degree in Agriculture from Sichuan College of Animal Husbandry and Veterinary Medicine (四川畜牧獸醫學院) (now known as Southwest University (西南大學)) in April 1983 and a master’s degree in Agriculture from Beijing Agricultural University (北京農業大學) (now known as China Agricultural University (中國農業大學)) in September 1986. He obtained a doctorate degree in Agriculture from Chinese Academy of Agricultural Sciences (中國農業科學院) in September 1989.

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Mr. Luo formerly held positions in the following entities, all of which were dissolved by revocation of registration in accordance with applicable laws and regulations:

Entity name	Place of incorporation	Principal business immediately before cessation	Role	Reason for revocation	Revocation date
Beijing Oasis Kerui Mineral Nutrition Technology Co., Ltd. (北京綠洲科瑞礦物營養技術有限公司)	PRC	Distribution of animal nutrition mineral elements and additives	Supervisor	Ceased operations due to the supplier's discontinuation of supply.	October 22, 2008
Beijing Keshi Rui'er Mineral Element Technology Co., Ltd. (北京科實瑞爾礦物元素科技有限公司)	PRC	Distribution of animal nutrition mineral elements and additives	Director	Ceased operations due to the supplier's discontinuation of supply.	December 30, 2008
Beijing Zhongmu Xinshi Technology Co., Ltd. (北京中牧信實科技有限 公司)	PRC	Distribution of animal nutrition mineral elements and additives	Director	Ceased operations due to the supplier's discontinuation of supply.	February 13, 2008

Mr. Luo has confirmed that: (i) each entity was solvent at the time of revocation; (ii) he committed no misconduct that caused the revocation; and (iii) he is not aware of any pending or potential claims that have been or will be brought against him.

Mr. Gong Kaisong (龔凱頌), aged 60, was appointed on September 16, 2020 as an independent Director and has been redesignated as independent non-executive Director on October 10, 2025, primarily responsible to provide independent opinions and judgments to the Board of Directors.

Mr. Gong served as a teaching assistant at Sun Yat-sen University (中山大學) in the PRC from September 1994 to November 1995, and as a lecturer at Sun Yat-sen University (中山大學) in the PRC from December 1995 to May 2000. He has been an associate professor in accounting at Sun Yat-sen University (中山大學) in the PRC since June 2000.

Mr. Gong obtained a bachelor's degree in Mechanical Industry Management Engineering from Wuhan Institute of Technology (武漢工學院) (now known as Wuhan University of Technology (武漢理工大學)) in the PRC in July 1988, a master's degree in Accounting from Hunan College of Finance and Economics (湖南財經學院) (now known as Hunan University of Finance and Economics (湖南財政經濟學院)) in the PRC in June 1994, and a doctorate degree from Sun Yat-sen University (中山大學) in the PRC in December 2006. Mr. Gong also obtained the qualification of non-practicing member issued by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in June 2015. Given that Mr. Gong, as an associate professor of Accounting at Sun Yat-sen University (中山大學) in the PRC, teaches accounting-related courses and holds a qualification of non-practicing member issued by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會), Mr. Gong has obtained the appropriate professional qualifications, professional knowledge and experience as required under Rule 3.10(2) of the Listing Rules.

Ms. Gao Wen (高雯), aged 45, was appointed on September 16, 2020 as an independent Director and has been redesignated as independent non-executive Director on October 10, 2025, mainly responsible for provide independent opinions and judgments to the Board of Directors.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Gao worked at Guangdong Rongguan Law Firm (廣東融關律師事務所) from July 2002 to January 2009, and served as a partner and senior partner at Beijing Dacheng (Shenzhen) Law Offices (北京大成(深圳)律師事務所) from February 2009 to February 2021. She has been a lawyer at Shu Jin Law Firm (廣東信達律師事務所) since March 2021.

Ms. Gao graduated from Anhui University (安徽大學) in the PRC with a bachelor’s degree in law in July 2002, graduated from Peking University (北京大學) in the PRC with a master’s degree in finance in July 2008, and obtained an Executive Master of Business Administration (EMBA) degree from China Europe International Business School (中歐國際工商管理學院) in July 2018.

SUPERVISORS

The Supervisory Committee is composed of three supervisors. Pursuant to the Articles of Association, the Supervisory Committee’s powers mainly include: reviewing our periodic reports prepared by the Board of Directors and issuing written verification opinions; examining our financial position; overseeing the performance of duties by directors and senior management; and proposing the removal of any director or senior manager who violates laws, administrative regulations, the Articles of Association or shareholders’ resolutions of our Company.

The table below sets out the key information of our Supervisors as of the Latest Practicable Date:

Name	Age	Position	Main responsibilities	Time of joining our Group	Date of appointment as Supervisor	Relationship with other Directors, Supervisors and senior management
Mr. Wei Zhuangli . .	50	Chairperson of the Supervisory Committee	Responsible for overseeing the performance of Directors and our senior management	March 2003	July 2020	None
Mr. Gao Mingchao .	45	Supervisor	Responsible for overseeing the performance of Directors and our senior management	July 2007	March 2023	None
Ms. Chen Yanping . .	46	Employee Supervisor	Responsible for overseeing the performance of Directors and our senior management	June 2003	July 2020	None

Mr. Wei Zhuangli (韋壯立), aged 50, was appointed as the chairperson of the Supervisory Committee on July 22, 2020, mainly responsible for supervising the performance of the Directors and senior management of our Company.

Mr. Wei joined the Group in May 2003 and has held various positions in our Group successively, including serving as our manager of the service center from May 2003 to March 2007, as our general manager of the production and technology department from April 2007 to September 2009, as our general manager of the administrative center from October 2009 to April 2021, as general manager of our wholly-owned subsidiary, Fogang Tinoos Animal Husbandry Co., Ltd. (佛岡天農牧業有限公司) from May 2021 to April 2022, as general manager of our pig farming division in Qingyuan from May 2022 to September 2023, as human resources director from October 2023 to July 2025, and as our administrative director from August 2025 to present.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Prior to joining our Group, he served as assistant to the department general manager of Guangdong Wens Foodstuff Group Co., Ltd. (廣東溫氏食品集團有限公司) (now known as Wens Foodstuff Group Co., Ltd. (溫氏食品集團股份有限公司)) from July 1999 to March 2003.

He obtained a bachelor’s degree in animal husbandry from South China Agricultural University (華南農業大學) in the PRC in July 1999. Mr. Wei also obtained the qualification of Assistant Animal Husbandry Technician in December 2001.

Mr. Gao Mingchao (高明超), aged 45, was appointed as a Supervisor on March 9, 2023, mainly responsible for supervising the performance of the Directors and senior management of our Company.

Mr. Gao joined the Group in July 2007 and has held various positions within the Group successively, including serving as head of our veterinary department from July 2007 to May 2009, as farm manager of the Group’s Huangjinpu breeding chicken farm from June 2009 to March 2010, as our manager of veterinary department from April 2010 to June 2017, as director of the production and technology department from July 2017 to June 2025, and as our senior director of poultry division from June 2025 to present.

He obtained a bachelor’s degree in Animal Science from Henan Institute of Science and Technology (河南科技學院) in July 2004, and a master’s degree in Preventive Veterinary Medicine from Yangzhou University (揚州大學) in June 2007. Mr. Gao also obtained the qualification of Veterinarian in July 2014, and obtained the qualification of a licensed veterinarian in December 2015.

Ms. Chen Yanping (陳燕萍), aged 46, was appointed as an employee Supervisor on July 22, 2020, mainly responsible for supervising the performance of the Directors and senior management of us.

Ms. Chen joined our Group in June 2003. Since March 2003, Ms. Chen has held various positions in us successively, including serving as technician at our technology center from June 2003 to September 2009, as secretary to the president from October 2009 to January 2012, as assistant to the administrative director from February 2012 to November 2021, and has been serving as analyst in the president’s office from November 2021 to present.

She graduated from Foshan University of Science and Technology (佛山科學技術學院) (now known as Foshan University (佛山大學)) in the PRC with a bachelor’s degree in June 2003.

SENIOR MANAGEMENT

The senior management is responsible for the day-to-day management and operation of our business. The table below sets forth the key information of our senior management:

Name	Age	Position	Major duties	Time of joining the Group	Date of appointment as senior management	Relationship with other Directors, Supervisors and senior management
Mr. Xiao Wenqing (肖文清)	63	Executive Director and chairperson of the Board	Responsible for overseeing strategic planning, business development and management of our Group	April 2003	July 2020	Spouse of Dr. Zhang, father of Mr. Zhang Pengfei and the uncle of Mr. Zhang Dali and Mr. Zhang Yong

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position	Major duties	Time of joining the Group	Date of appointment as senior management	Relationship with other Directors, Supervisors and senior management
Dr. Zhang Zhengfen (張正芬)	63	Executive Director, vice chairperson of the Board and president	Responsible for overseeing strategic planning, business development and management of our Group	December 2004	July 2020	Spouse of Mr. Xiao, mother of Mr. Zhang Pengfei and the aunt of Mr. Zhang Dali and Mr. Zhang Yong
Mr. Zhang Dali (張大立).	56	Executive Director, and vice president	Responsible for business and daily operation of the Group	August 2004	July 2020	Brother of Mr. Zhang Yong, the nephew of Mr. Xiao and Dr. Zhang, and the cousin of Mr. Zhang Pengfei
Mr. Deng Xuqing (鄧旭清).	53	Executive Director and vice president	Responsible for business and daily operation of the Group	June 2004	July 2020	None
Mr. Zhang Pengfei. . .	38	Executive Director	Responsible for digital construction, supply chain management and risk management of the Group	May 2023	June 2025	Son of Mr. Xiao and Dr. Zhang cousin of Mr. Zhang Yong and Mr. Zhang Dali
Mr. Zhang Yong (張永).	54	Vice president	Responsible for day-to-day management and operation of our Group	July 2004	July 2020	Brother of Mr. Zhang Dali, nephew of Dr. Zhang and cousin of Mr. Zhang Pengfei
Mr. Du Xutao (杜旭濤).	52	vice president and the secretary of the Board and joint company secretary	Responsible for the strategy planning and overall operation of Qingyuan Chicken and fresh and other products business, corporate governance and overall information disclosure and investor relations of our Group	May 2018	July 2020	None
Ms. Wu Guifang (吳桂芳).	59	Head of finance	Responsible for the operations of the Finance Department of our Group	June 2006	June 2024	None

For details of the biographies of Mr. Xiao, Dr. Zhang, Mr. Zhang Dali, Mr. Deng Xuqing, and Mr. Zhang Pengfei, please refer to the respective paragraphs under the section “— Directors”.

Mr. Zhang Yong (張永), aged 54, is the vice president of our Company, mainly responsible for day-to-day management and operation.

Mr. Zhang Yong joined our Group in July 2004, and has been serving as manager since July 2004 to August 2007 and vice president of our Company since August 2007.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Prior to joining our Group, he served as director of feed department at Taicang Guangdong Wen’s Poultry Co. Ltd. (太倉廣東溫氏家禽有限公司) from 1994 to 2004.

Mr. Zhang Yong graduated from Jiangsu Agri-animal Husbandry Vocational College (江蘇農牧科技職業學院) in the PRC, with a college diploma in July 2006 and obtained the certificate of completion of the advanced seminar in agricultural business administration from Tsinghua University (清華大學) in the PRC in April 2007.

Mr. Du Xutao (杜旭濤), aged 52, is the vice president of our Company, the secretary of the Board and the joint company secretary of our Company, primarily responsible for the strategy planning and overall operation of Qingyuan Chicken and fresh and other products business, corporate governance and overall information disclosure and investor relations of our Group.

Mr. Du joined our Group in May 2018 and has served as the vice president and the Board secretary of our Company since joining our Group.

Prior to joining our Group, he served as a supervisor and human resources director at Xinjiang International Industry Co., Ltd. (新疆國際實業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000159) from March 2000 to April 2003; as deputy general manager of Jiangsu SHEMAR Electric Co., Ltd. (江蘇神馬電力股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603530) from July 2003 to June 2005; as deputy president of Suzhou Guangda Investment Group Co., Ltd. (蘇州廣大投資集團有限公司) from September 2005 to December 2008 and from May 2015 to May 2018; as director, board secretary and vice president of Zhejiang Qinglian Food Co., Ltd. (浙江青蓮食品股份有限公司) from January 2009 to April 2015.

Mr. Du obtained a bachelor’s degree in Engineering from Xinjiang Engineering College (新疆工學院) (now known as Xinjiang University (新疆大學)) in the PRC in July 1996, graduated from Capital University of Economics and Business (首都經濟貿易大學), majoring in Human Resource Management in the PRC in October 2000, and a master’s degree in business administration from China Europe International Business School (中歐國際工商管理學院) in November 2018.

Ms. Wu Guifang (吳桂芳), aged 59, is the head of finance of our Company, primarily responsible for the operations of the finance department of our Group.

Ms. Wu joined our Group in June 2006, she served as an accounting supervisor of our Company from June 2006 to July 2009, as finance manager of our Company from August 2009 to April 2019, as deputy chief financial officer of our Company from May 2019 to present, and as the head of finance of our Company since June 2024.

Prior to joining our Group, she worked at Hubei Wuxue Fertilizer Factory (湖北省武穴市化肥廠).

Ms. Wu graduated from Zhongnan University of Finance and Economics (中南財經大學) (now known as Zhongnan University of Economics and Law (中南財經政法大學)) in the PRC with a college diploma in statistics in December 1994.

INTERESTS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Save as disclosed above, none of our Directors, Supervisors and senior management has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document. Save as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there was no other matters with respect to the appointment of the Directors and

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Supervisors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors and Supervisors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Joint Company Secretaries

Mr. Du Xutao (杜旭濤), aged 52, is our joint company secretary. For details of his biography, see “— Senior Management” in this section.

Ms. Liu Shengyun (柳聖雲) was appointed as our joint company secretary in April 2026. Ms. Liu has approximately 4 years of experience in the company secretarial and corporate governance fields. She has extensive involvement in listed-company compliance, board and committee support, and a broad range of regulatory and governance matters. She is currently with Computershare Hong Kong Investor Services Limited (“**Computershare**”).

Prior to joining Computershare, Ms. Liu worked at two listed companies, where she provided in-house company secretarial and corporate governance support.

Ms. Liu obtained a master’s degree in Corporate Governance from The Saint Francis University in October 2024. She is also an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom since July 2024.

Board Committees

The Board has established an Audit Committee, a Remuneration and Appraisal Committee, a Nomination Committee, and a Strategy Committee, and has delegated various responsibilities to these committees to assist the Board in fulfilling its obligations and overseeing specific aspects of our Group’s business activities.

Audit Committee

We have established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and its written terms of reference have been set out in accordance with Paragraph D.3 of Part 2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three members, namely Mr. Gong Kaisong, Ms. Gao Wen and Mr. Zhang Yuanhua, respectively. The chairperson of the Audit Committee is Mr. Gong Kaisong.

The primary functions of the Audit Committee include, but are not limited to: (i) reviewing and monitoring the audit procedures of external auditors and providing guidance on internal audit work; (ii) providing recommendations to the Board on the appointment, reappointment and dismissal of external auditors; (iii) monitoring the effectiveness of the financial reporting system, risk management and internal control systems; (iv) reviewing and providing suggestions and opinions on financial reports; (v) coordinating with the management team, internal audit department, relevant departments and external auditors; (vi) performing corporate governance functions; (vii) supervising and evaluating external audit work, and recommending the engagement, replacement and dismissal of external audit institutions; (viii) supervising and evaluating internal audit work, and being responsible for coordination between internal and external audits; (ix) reviewing our financial information and its disclosure; (x) supervising and evaluating our internal control; (xi) supervising and improving the principles, structure and systems of corporate governance; (xii) supervising the performance of duties by Directors and senior management in relation to our Company, and recommending the dismissal of Directors and senior management members who violate laws, administrative regulations, the Articles of Association or resolutions of the general meeting of shareholders; (xiii) requiring Directors and senior management to rectify their actions when such actions harm our Company’s interests; and (xiv) performing other duties and responsibilities as may be assigned by the Board and/or as prescribed by relevant laws and regulations.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Remuneration and Appraisal Committee

We have established a remuneration and appraisal committee in compliance with Rule 3.25 of the Listing Rules and its written terms of reference have been set out in accordance with Paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three members, namely Ms. Gao Wen, Mr. Luo Xugang and Dr. Zhang, respectively. The chairwoman of the Remuneration and Appraisal Committee is Ms. Gao Wen.

The primary functions of the Remuneration and Appraisal Committee include, but are not limited to: (i) establish and review our policy and structure concerning remuneration of our Directors and senior management and make recommendations to the Board of Directors on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) determine the terms of the specific remuneration package of our Directors and senior management; (iii) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time; and (iv) review and/or approve matters related to share plans under Chapter 17 of the Listing Rules.

Nomination Committee

We have established a Nomination Committee in compliance with Rule 3.27A of the Listing Rules and its written terms of reference have been set out in accordance with Paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three members, namely Mr. Luo Xugang, Mr. Gong Kaisong and Dr. Zhang, respectively. The chairperson of the Nomination Committee is Mr. Luo Xugang.

The primary responsibilities of the Nomination Committee include, but are not limited to: (i) review the structure, size and composition of our Board on a regular basis and make recommendations to our Board regarding any proposed changes to the composition of our Board; (ii) identify, select or make recommendations to our Board on the selection of individuals nominated for directorship, and ensure the diversity of our Board members; (iii) assess the independence of our independent non-executive Directors; and (iv) make recommendations to our Board on relevant matters relating to the appointment, reappointment and removal of our Directors and succession planning for our Directors.

Strategy Committee

We have established a Strategy Committee. The Strategy Committee consists of five members, namely Mr. Xiao, Dr. Zhang, Mr. Luo Xugang, Mr. Zhang Yuanhua and Mr. Zhang Pengfei respectively. The chairperson of the Strategy committee is Mr. Xiao.

The primary responsibilities of the Strategy Committee include, but are not limited to: (i) studying our long-term strategic development plans and providing opinions thereon; (ii) studying major investment and financing proposals (subject to approval by the Board of Directors) and providing opinions thereon; (iii) studying major capital operations and asset management plans (subject to approval by the Board of Directors) and providing opinions thereon; (iv) studying any other major events that affect our development and providing opinions thereon; and (v) supervising the implementation of the aforesaid matters.

CORPORATE GOVERNANCE

We are committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To this end, after the [REDACTED], we will comply with or intend to comply with the regulations of the Corporate Governance Code set out in Appendix C1 of the Listing Rules.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group to achieve effective accountability. After the [REDACTED], we intend to comply with all code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

Management Presence

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. As our Group’s main business operations are conducted outside Hong Kong, we do not have, and in the foreseeable future will not have, a sufficient number of management members in Hong Kong. We do not have a sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 8.12 and 19A.15 of the Listing Rules. For further details, see the section headed “Waiver from Strict Compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance – Management Presence in Hong Kong” in this document.

BOARD DIVERSITY POLICY

We have adopted a board diversity policy which sets out the approach to achieve and maintain diversity in our Board. We recognize and firmly believe in the benefits of board diversity, and regards the increasing diversity of board members as an important element in supporting our Company to achieve its strategic goals and sustainable development. We seek to achieve diversity of the Board through the consideration of a wide range of factors, including but not limited to talent, skills, gender, age, cultural and educational background, race, professional experience, independence and knowledge. We will select potential candidates for the Board of Directors based on their individual merits and potential contributions to the Board, while taking into account the board diversity policy and other factors. We will also consider our own business model and special needs from time to time. All appointments to the Board of Directors are based on the principle of meritocracy, and candidates are considered against objective criteria with due regard to the benefits of diversity among Board members.

The Board has a balanced mix of gender, knowledge, skills and experience, including but not limited to expertise in animal science, finance, law, company secretarial and compliance. Our Board members have obtained various professional and academic qualifications, including accounting and legal expertise. We have three independent non-executive Directors with different industry backgrounds, including accounting, law and capital management. Furthermore, our Board has a wide range of age, ranging from 37 years old to 62 years old.

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity. The Board of Directors currently consists of two female Directors and seven male Directors. We have taken, and will continue to take steps to promote and enhance gender diversity across all levels of our Company.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [REDACTED], our Nomination Committee will review our Board diversity policy and its implementation from time to time and, when necessary, reach consensus on measurable goals for achieving Board diversity and make recommendations to the Board for formal adoption.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

We provide remuneration to our executive Directors, Supervisors and senior management in the form of salaries, allowances and benefits in kind, as well as performance-based bonuses and our contributions to the pension scheme. Our independent non-executive Directors receive remuneration based on their respective positions and responsibilities.

For the years ended December 31, 2023, 2024 and 2025, the total remuneration paid or payable to our Directors and Supervisors (including salaries, allowances and benefits-in-kind, performance bonuses, share-based rewards and pension scheme contributions) amounted to RMB5.70 million, RMB11.87 million and RMB9.17 million, respectively. Under arrangements currently in force, we estimate the total remuneration before tax payable to our Directors and Supervisors for the year ending December 31, 2026 will be approximately RMB[10.20] million. The actual remuneration of Directors and Supervisors in 2026 may be different from the expected remuneration.

For the years ended December 31, 2023, 2024 and 2025, the Group’s five highest paid individuals included four, three and four directors. For the three years ended December 31, 2023, 2024 and 2025, the total remuneration paid to the remaining one, two and one highest paid individuals (including salaries, allowances and benefits-in-kind, performance bonuses, share-based rewards and pension scheme contributions) amounted to RMB0.73 million, RMB2.63 million and RMB1.06 million, respectively.

During the Track Record Period, no remuneration was paid to our Directors, Supervisors, senior management or any of the five highest paid individuals as an incentive to join or upon joining our Group or as compensation for loss of office in connection with the positions within our Group.

During the Track Record Period, no Directors or Supervisors waived any remuneration. Save as disclosed above, during the Track Record Period, neither the Company nor any of its subsidiaries paid or was liable to pay any other amounts to Directors, Supervisors or the five highest paid individuals.

CONFIRMATION BY DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirmed that as of the Latest Practicable Date, he/she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with the business of our Company and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that that he/she (i) has obtained the legal advice referred to in Rule 3.09D of the Listing Rules as of October 10, 2025; and (ii) understands the requirements applicable to him/her as a director of a listed issuer under the Listing Rules and the possible consequences of making a false statement or providing false information to the Stock Exchange and his/her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed that (i) he/she is independent in relation to all the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) as of the Latest Practicable Date, he/she has no past or present financial or other interests in the business of our Company or its subsidiaries or any connection with any core connected persons of our Company within the meaning of the Listing Rules; and (iii) there are no other factors at the time of his/her appointment that may affect his/her independence at the time of his/her appointment.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISOR

Pursuant to Rule 3A.19 of the Listing Rules, we have appointed WRise Capital Limited as our compliance advisor. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular, or financial report;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we intend to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document, or where our business activities, developments or results differ from any forecasts, estimates or other information contained in this document; and
- where the Stock Exchange made enquiries to our Company regarding unusual movements in share price or trading volume.

The term of appointment will commence from the [REDACTED] of our Company and end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Xiao and Dr. Zhang, directly and indirectly, controlled approximately 52.28% of the voting rights at the general meetings of our Company, comprising: (i) approximately 32.97% of the issued share capital of our Company directly owned by Dr. Zhang; (ii) approximately 10.20% of the issued share capital of our Company directly owned by Mr. Xiao; (iii) approximately 4.32% of the issued share capital of our Company owned by Fengtian Investment, which is owned as to 30.63% by Dr. Zhang and 13.38% by Mr. Xiao, who is the executive partner of Fengtian Investment; (iv) approximately 3.09% of the issued share capital of our Company owned by Tianju Investment, which is owned as to 48.01% by Dr. Zhang, who is the executive partner of Tianju Investment; (v) approximately 1.06% of the issued share capital of our Company owned by Chongqing Ronghui, of which Mr. Xiao is the executive partner; (vi) approximately 0.37% of the issued share capital of our Company owned by Qingyuan Quanfa, of which Mr. Xiao is the executive partner; and (vii) approximately 0.27% of the issued share capital of our Company owned by Qingyuan Quanxing (together with Fengtian Investment, Tianju Investment, Chongqing Ronghui, and Qingyuan Quanfa, collectively the “**Controlled Entities**”), of which Dr. Zhang is the executive partner.

Save as disclosed above, as of the Latest Practicable Date, no other person holds a beneficial interest of 30% or more in any of the Controlled Entities.

Accordingly, Dr. Zhang, Mr. Xiao and their Controlled Entities, are a group of our Controlling Shareholders as of the Latest Practicable Date. Immediately following the completion of the [REDACTED] and the Conversion of Domestic Unlisted Shares into H Shares, Dr. Zhang, Mr. Xiao and their Controlled Entities will control approximately [REDACTED]% of the voting rights in our Company and will remain to be a group of our Controlling Shareholders upon the [REDACTED].

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their close associates after the [REDACTED].

Management independence

Our daily operational and management decisions are made by our Board and our senior management. Upon the [REDACTED], our Board will consist of nine Directors, comprising five executive Directors, one non-executive Director and three independent non-executive Directors, and we also have 3 additional senior management members (who are not Directors) to assist the day-to-day management of our business. Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For details, please see “Directors, Supervisors and Senior Management” in this document.

Our Directors consider that our Board and senior management are able to perform the management role in our Group independent of our Controlling Shareholders for the following reasons: (a) each Director understands his/her fiduciary duties as a Director which require, amongst others, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests; (b) in the event that any Director or any of his/her close associates has a material interest in any transaction or arrangement or there is an actual or potential conflict of interest arising out of any transaction or arrangement to be entered into between our Group and any of our Directors or their respective associates, such Director(s) shall fully disclose such matters to our Board and abstain from voting at the relevant meeting of our Board in respect of such transactions and shall not be counted in the quorum. Our Group has also adopted certain corporate governance measures for situations involving conflict of interests. For further details, see “— Corporate Governance”; (c) three out of

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

nine Directors are independent non-executive Directors with extensive experience in various professions. They are appointed pursuant to the requirements of the Listing Rules, who will bring independent judgment to the decision-making process of our Board; (d) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. For further details, see “— Corporate Governance”; and (e) our Board’s main functions include the approval of our Group’s overall business plans and strategies, monitoring the implementation of such business plans, strategies and policies, and the management of our Company. Decisions within our Board are made collectively by majority votes in accordance with the Articles of Association and relevant laws, and no individual Director is empowered to make decisions independently unless otherwise authorized by our Board.

Operational independence

We are capable of making our own operational decisions and carrying out our own business operations independently. Our Group holds all the relevant material licenses, qualifications and permits required for conducting our business. Our Group has sufficient capital, facilities and employees to operate our business independently from the Controlling Shareholders and their close associates. Our Group also has independent access to our customers. We have our own accounting and financial department, human resources and administration department, internal control department and technology department. In addition, we have established our internal organizational and management structure which includes shareholders’ meetings, our Board and its committees and formulated the terms of reference of these bodies in accordance with the requirements of the applicable laws and regulations, the Hong Kong Listing Rules and the Articles of Association, so as to establish a regulated and effective corporate governance structure with independent departments, each with specific areas of responsibilities.

Based on the above, our Directors are of the view that we operate independently from the group of our Controlling Shareholders and their close associates.

Financial independence

Our Group has an independent financial system. We make financial decisions according to our own business needs and neither our Controlling Shareholders nor their close associates intervene with our use of funds. We have opened accounts with banks independently and do not share any bank account with our Controlling Shareholders or their close associates. We have made tax filings and paid tax independently from our Controlling Shareholders and their close associates pursuant to applicable laws and regulations. We have established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. We have adequate internal resources and credit profile to support our daily operations. As of the Latest Practicable Date, we did not have any outstanding loans or non-trade balances granted, guaranteed or pledged by any of our Controlling Shareholders to us.

Based on the above, Directors consider that our business is financially independent of our Controlling Shareholders and their close associates.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of our Controlling Shareholders confirmed that as of the Latest Practicable Date, apart from the business of our Company, it/he/she did not have any interest in other business, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CORPORATE GOVERNANCE MEASURES

We will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders: (a) where a Shareholders’ meeting is held for considering proposed transactions in which our Controlling Shareholders have a material interest, our Controlling Shareholders shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting; (b) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting; (c) in the event that our independent non-executive Directors are requested to review any conflict of interest between our Group and our Controlling Shareholders, our Controlling Shareholders shall provide the independent non-executive Directors with all necessary information and we shall disclose the decisions of the independent non-executive Directors either in our annual reports or by way of announcements; (d) our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules; (e) our Group has established internal control mechanisms to identify connected transactions. Any transactions between our Company and our connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent shareholders’ approval requirements (if applicable) under the Listing Rules; and (f) we have appointed WRise Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors’ duties and corporate governance.

Based on the above, our Directors are satisfied that the above corporate governance measures are sufficient to manage the potential conflicts of interest between our Group and our Controlling Shareholders and/or other Directors to protect minority Shareholders’ rights after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Domestic Unlisted Shares into H Shares, the following persons will have interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Class of Shares	Shares held as of the Latest Practicable Date and immediately prior to the [REDACTED]		Shares held in the total share capital of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
			Number of Shares ⁽¹⁾	Shareholding percentage (Approximate %) ⁽²⁾	Number of Shares ⁽¹⁾	Shareholding percentage (Approximate %) ⁽³⁾
Dr. Zhang ⁽⁴⁾⁽⁵⁾	Beneficial owner	Domestic Unlisted Shares	129,508,618	32.97%	[REDACTED]	[REDACTED]
	Beneficial owner	H Shares	–	–	[REDACTED]	[REDACTED]
	Interest held by controlled corporation	Domestic Unlisted Shares	13,203,700	3.36%	[REDACTED]	[REDACTED]
	Interest held by controlled corporation	H Shares	–	–	[REDACTED]	[REDACTED]
	Interest of spouse	Domestic Unlisted Shares	62,679,668	15.96%	[REDACTED]	[REDACTED]
Mr. Xiao ⁽⁶⁾⁽⁷⁾	Interest of spouse	H Shares	–	–	[REDACTED]	[REDACTED]
	Beneficial owner	Domestic Unlisted Shares	40,060,224	10.20%	[REDACTED]	[REDACTED]
	Beneficial owner	H Shares	–	–	[REDACTED]	[REDACTED]
	Interest held by controlled corporation	Domestic Unlisted Shares	22,619,444	5.76%	[REDACTED]	[REDACTED]
	Interest held by controlled corporation	H Shares	–	–	[REDACTED]	[REDACTED]
Mr. Zhang Yuanhua (張遠華)	Interest of spouse	Domestic Unlisted Shares	142,712,318	36.33%	[REDACTED]	[REDACTED]
	Interest of spouse	H Shares	–	–	[REDACTED]	[REDACTED]
	Beneficial owner	Domestic Unlisted Shares	29,001,313	7.38%	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]

Notes:

- (1) All the interests stated are long positions.
- (2) The calculation is based on the total number of 392,842,592 Shares in issue as of the Latest Practicable Date.
- (3) The calculation is based on the total number of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] and without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED].
- (4) By virtue of the SFO, Dr. Zhang is deemed to be interested in 13,203,700 Shares through the below controlled corporation:

SUBSTANTIAL SHAREHOLDERS

- (a) Tianju Investment, a limited partnership established and registered under the laws of the PRC, of which Dr. Zhang is the executive partner holding 48.01% of the interest thereof; and
 - (b) Qingyuan Quanxing, a limited partnership established and registered under the laws of the PRC, of which Dr. Zhang is the executive partner.
- (5) Dr. Zhang is the spouse of Mr. Xiao. By virtue of the SFO, Dr. Zhang is deemed to be interested in the Shares in which Mr. Xiao is deemed to be interested upon [REDACTED].
- (6) By virtue of the SFO, Mr. Xiao is deemed to be interested in 22,619,444 Shares through the below controlled corporation:
- (a) Fengtian Investment, a limited partnership established and registered under the laws of the PRC, of which Mr. Xiao is the executive partner with Dr. Zhang and Mr. Xiao holding 30.63% and 13.38% of interest thereof, respectively;
 - (b) Chongqing Ronghui, a limited partnership established and registered under the laws of the PRC, of which Mr. Xiao is the executive partner; and
 - (c) Qingyuan Quanfa, a limited partnership established and registered under the laws of the PRC, of which Mr. Xiao is the executive partner.
- (7) Mr. Xiao is the spouse of Dr. Zhang. By virtue of the SFO, Mr. Xiao is deemed to be interested in the Shares in which Dr. Zhang is deemed to be interested upon [REDACTED].

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have interests and/or short positions in Shares or underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the completion of the [REDACTED].

IMMEDIATELY BEFORE THE [REDACTED]

As of the Latest Practicable Date, our registered capital was RMB392,842,592, including 392,842,592 Domestic Unlisted Shares with a nominal value of RMB1.0 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately upon the completion of the [REDACTED] and the conversion of Domestic Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised, our share capital is as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED] (%)
Domestic Unlisted Shares	321,222,073	[REDACTED]
H Shares to be converted from Domestic Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

Immediately following completion of the [REDACTED] and the conversion of Domestic Unlisted Shares into H Shares, assuming that the [REDACTED] is exercised in full, our share capital is as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED] (%)
Domestic Unlisted Shares	321,222,073	[REDACTED]
H Shares to be converted from Domestic Unlisted Shares	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

The above tables assume the [REDACTED] becomes unconditional and is completed.

DOMESTIC UNLISTED SHARES AND H SHARES

Upon completion of the [REDACTED], the Shares will consist of Domestic Unlisted Shares and H Shares. The H Shares in issue following the completion of the [REDACTED] and the Domestic Unlisted Shares are ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong stock exchanges connectivity mechanism (Shanghai-Hong Kong Stock Connect) and the Shenzhen-Hong Kong stock exchanges connectivity mechanism (Shenzhen-Hong

SHARE CAPITAL

Kong Stock Connect) and other persons entitled to hold our H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC. Domestic Unlisted Shares may only be subscribed for by, and traded between, legal persons of the PRC, certain qualified foreign institution investors and qualified foreign strategic investors. H Shares may only be subscribed for and traded in Hong Kong dollars.

Domestic Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares. However, the transfer of Domestic Unlisted Shares is subject to restrictions imposed from time to time under PRC laws.

CONVERSION OF DOMESTIC UNLISTED SHARES INTO H SHARES

According to the regulations by the securities regulatory authorities of the State Council and our Articles of Association, the Domestic Unlisted Shares may be converted into overseas listed foreign shares (H Shares), and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been approved by the securities regulatory authorities of the State Council. In addition, such conversion, trading and listing shall complete any requisite internal approval process and comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Domestic Unlisted Shares are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, such conversion, [REDACTED] and [REDACTED] will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange. We may apply for the [REDACTED] of all or any portion of the Domestic Unlisted Shares on the Stock Exchange as H Shares to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [REDACTED]. As any [REDACTED] of additional Shares after our [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the [REDACTED] and [REDACTED] of such converted Shares on an overseas stock exchange. Any application for [REDACTED] of the converted shares on the Stock Exchange after the [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

Filing with the CSRC for Full Circulation

In accordance with the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises and related guidelines, H-share listed companies shall file with the CSRC for the conversion of Domestic Unlisted Shares into H shares for listing and circulation on the Stock Exchange. An unlisted domestic joint stock limited company may file for “full circulation” when applying for an overseas initial public offering.

We have filed with the CSRC an application for the conversion of [REDACTED] Domestic Unlisted Shares into H Shares on a one-for-one basis upon the completion of the [REDACTED] on [●], 2025, and CSRC issued the filing notice in respect of the [REDACTED] dated [●], 2026.

The Conversion of Domestic Unlisted Shares into H Shares will involve an aggregate of [REDACTED] Domestic Unlisted Shares held by certain of our existing Shareholders (the “**Full Circulation Participating Shareholders**”) as of the Latest Practicable Date.

SHARE CAPITAL

[REDACTED] Approval by the Stock Exchange

We [have] applied to the Listing Committee of the Stock Exchange for the granting of [REDACTED] of, and permission to [REDACTED], our H Shares to be issued pursuant to the [REDACTED], and the H Shares to be converted from [REDACTED] Domestic Unlisted Shares on the Stock Exchange, which is subject to the approval by the Stock Exchange.

[REDACTED]

Domestic Procedures

The Full Circulation Participating Shareholders may only deal the H Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and listing: (i) We will appoint China Securities Depository and Clearing Corporation Limited (“CSDC”) as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at [REDACTED] in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders; (ii) According to the Notice of SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Full Circulation Participating Shareholders shall complete the overseas shareholding registration with the local foreign exchange administration bureau before the H Shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of overseas shares by domestic investors at a domestic bank with relevant qualifications and open a fund account for the H Share “Full circulation” at the domestic securities company. The domestic securities company shall open a securities trading account for the H Share “Full circulation” at the Hong Kong securities company; and (iii) The Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the domestic securities company. Trading orders of the Full Circulation Participating Shareholders for the relevant H Shares will be submitted to the Stock Exchange through the securities trading account opened by the domestic securities company at the Hong Kong securities company. Upon completion of the transaction, settlements between each of the Hong Kong securities company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the domestic securities company, and the domestic securities company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the Conversion of Domestic Unlisted Shares into H Shares, the shareholding of the relevant Full Circulation Participating Shareholders in our Domestic Unlisted Shares shall be reduced by the number of the Domestic Unlisted Shares converted and the number of H Shares shall be increased by the number of converted H Shares.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the [REDACTED] will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

SHARE CAPITAL

Shares transferred by our Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors, Supervisors and members of the senior management in our Company.

For details of the lock-up undertaking given by the Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules, see “[REDACTED].”

GENERAL MEETING

For details of circumstances under which our Shareholders’ general meeting are required, see “Appendix V — Summary of the Articles of Association — General Meeting” and “Appendix IV — Summary of Principal Legal and Regulatory Provisions.”

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for our Company to issue H Shares and seek the [REDACTED] of H Shares on the Stock Exchange. We have obtained such approval at the Shareholders’ general meeting held on October 10, 2025.

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The following discussion of our financial condition and results of operations should be read in conjunction with our historical financial information and the accompanying notes as of and for the years ended December 31, 2023, 2024 and 2025 included as Appendix I to this document. The historical financial information included as Appendix I to this document has been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain certain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and projections will depend on a number of risks and uncertainties over which we do not have control. For further information, you should refer to the sections headed “Risk factors” and “Forward-looking statements” in this document.

OVERVIEW

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

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board. 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. For the purpose of preparing and presenting the historical financial information, all relevant standards, amendments and interpretations to the IFRS Accounting Standards that are effective during the Track Record Period have been adopted by us consistently throughout the Track Record Period, unless otherwise stated. The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires our management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Note 3 to the Accountants’ Report included in Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial condition have been and will continue to be affected by a number of factors, including, in particular, the follows:

Consumer Demand and Consumption Patterns for Our Products

Our results of operations are significantly affected by consumer demand and consumption patterns for our Qingyuan Chicken and other native chickens, pigs and fresh and other products. Such demand is influenced by a range of factors largely beyond our control, including consumer preferences and spending habits, perceptions of food safety and quality, purchasing power, the prices of our products and competing or substitute products, and broader macroeconomic conditions and uncertainties.

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Product Price and Sales Volume Fluctuations

Our operating performance is influenced by variations in the selling prices and sales volumes of our Qingyuan Chicken and other native chickens and pigs, which are subject to cyclical market conditions. Such prices and volumes may fluctuate in response to changes in supply and demand dynamics, biological production cycles, inventory levels, movements in feed costs and the occurrence of livestock diseases. When market supply exceeds demand, prices generally decline and producers may adjust output, which may in turn affect subsequent market availability and price levels.

Fluctuations in product selling prices and sales volumes have a significant impact on our revenue and profitability. In particular, changes in selling prices may compress or expand unit profit margins, and changes in sales volumes may affect fixed cost absorption and unit costs, thereby influencing our gross profit margins. For a detailed discussion of the historical movements in our selling prices and sales volumes (including the relevant quantitative analysis), please refer to the section headed “Discussion of Certain Key Statements of Comprehensive Income Items — Revenue” in this document.

Fluctuations in the Prices of Feed and Feed Ingredients (Commodity Prices)

Our results of operations are materially affected by feed and feed ingredients costs (primarily corn and soybean meal) used in raising our Qingyuan Chicken and other native chickens and pigs. Feed and feed ingredients costs represented 70.2%, 69.1% and 66.3% of our total cost of sales in 2023, 2024 and 2025, respectively. As bulk commodities, corn and soybean meal prices are subject to market supply and demand dynamics and broader factors such as planting conditions and policies, and fluctuations in these input costs directly affect our unit production costs and profitability. When feed prices rise and the resulting cost increases cannot be passed on to product selling prices in a timely manner, our gross profit margins may be compressed and cash flow pressure may increase; conversely, lower feed prices may support margins. We manage feed cost volatility through procurement and cost control measures, including maintaining long-term supplier relationships, selectively locking in procurement prices, enhancing raw material inventory management and diversifying sourcing channels. For further details (including the quantitative analysis of feed price movements during the Track Record Period), please refer to the section headed “Discussion of Certain Key Statements of Comprehensive Income Items — Cost of Sales” in this document.

The average prices for procuring corn and soybean meal per tonne during the Track Record Period are set out below:

	Years ended December 31,				
	2023	2024	2025	2024 as compared to 2023	2025 as compared to 2024
	(RMB/tonne)			Changes %	
Average purchase price of corn	2,910	2,443	2,392	-16.0	-2.1
Average purchase price of soybean meal . . .	4,393	3,370	3,071	-23.3	-8.9

Product Portfolio and Category Mix

Our overall profitability is influenced by the revenue mix of our product categories, namely (i) Qingyuan Chicken and other native chickens, (ii) pigs and (iii) fresh and other products. The profitability profile of each product category differs, and changes in our product mix and relative performance across categories may affect our overall gross profit margin. The gross profit margin

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of Qingyuan Chicken and other native chickens was 0.7%, 16.4% and 5.8% in 2023, 2024 and 2025, respectively, while the gross profit margin of pigs was 0.4%, 20.6% and 11.5% in the same periods; in contrast, fresh and other products recorded gross profit margins of 10.8%, 11.9% and 14.9% in 2023, 2024 and 2025, respectively. Our overall gross profit margin was 1.6%, 18.8% and 10.7% in 2023, 2024 and 2025, respectively. Given that pigs contributed the largest share of our revenue during the Track Record Period, movements in our overall gross profit margin generally aligned with the performance of our pig business, which is more exposed to price and feed cost cycles relative to our other product categories.

Production Capacity and Production Utilisation Rate

Our operating efficiency and cost structure are influenced by the production utilisation rate of our Qingyuan Chicken and other native chickens, pigs, and fresh and other products. Our Qingyuan Chicken and other native chickens had a production utilisation rate of 86.4%, 89.5% and 85.2% as of December 31, 2023, 2024 and 2025, our pigs had a production utilisation rate of 79.2%, 87.8% and 90.2%, while our fresh and other products had a production utilisation rate of 57.5%, 79.4% and 110.5%, respectively, as of the same dates. For details, please refer to the sections headed “Business – Production – Qingyuan Chicken and Other Native Chickens Production – Qingyuan Chicken Breeder Farms” and “Business – Production – Pig Production – Pig farming”.

Biological Assets Fair Value Adjustments and Impact on Financial Results

We measure our biological assets at fair value less costs of disposal pursuant to IAS 41 Agriculture. Fair value is determined by reference to the market approach and the replacement cost approach (depending on the type of biological assets), and is reassessed at each reporting date. For details, please refer to the sections headed “Financial Information – Biological Assets and Valuation – Valuation Methodology”. During the Track Record Period, we recorded a net loss of RMB285.3 million in 2023, a net gain of RMB300.1 million in 2024 and a net loss of RMB216.5 million in 2025 from changes in the fair value of our biological assets.

The fair value of biological assets is sensitive to a range of key inputs and assumptions, including the number of animals, their type and age, prevailing market prices, yields, mortality rates, age/weight for sale and feed costs; accordingly, changes in these inputs may materially affect the carrying value of our biological assets and the fair value gains or losses recognized in profit or loss. Fair value gains do not generate cash inflows for our operations and fair value losses do not result in cash outflows. These fair value movements are non-cash remeasurement items recognized in profit or loss. However, our Directors expect that our financial results will continue to be affected by changes in the fair value of our biological assets.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our historical financial information. Our significant accounting policies, which are important for understanding our financial condition and results of operations, are set forth in detail in Note 2 to the Accountants’ Report in Appendix I to this document.

Year ended December 31,

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NON-IFRS FINANCIAL MEASURE

To supplement our consolidated financial statements prepared in accordance with IFRS Accounting Standards, we also use adjusted (loss)/profit for the year (non-IFRS measure) as an additional financial measure. This measure is not required by, or presented in accordance with, IFRS Accounting Standards. We believe that presenting adjusted (loss)/profit for the year (non-IFRS measure) facilitates comparisons of operating performance from year to year and across companies by eliminating the potential impacts of certain items. We also believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it assists our management. However, non-IFRS financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results of operations or financial condition as reported under IFRS Accounting Standards. In addition, these measures may be defined differently from similar terms used by other companies. The following table reconciles our adjusted (loss)/profit (non-IFRS measure) from our IFRS (loss)/profit for the years ended December 31, 2023, 2024, and 2025:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Reconciliation of (loss)/profit to adjusted (loss)/profit (non-IFRS measure)			
(Loss)/profit for the year	(668,801)	890,104	(102,185)
Adjustment:			
Biological assets fair value adjustment . . .	286,255	(291,950)	212,920
Equity-settled share-based payment expenses	—	16,548	—
Changes in the carrying amount of redemption liabilities	—	—	4,644
[REDACTED] expenses	—	—	[REDACTED]
Adjusted (loss)/profit (non-IFRS measure) for the year	(382,546)	614,702	127,929
Adjusted (loss)/profit margin (non-IFRS measure) for the year	(10.6%)	12.9%	3.0%

Reasons for the Adjustments

In accordance with Chapter 3.11 of the *Guidance on Disclosure of Non-IFRS Financial Measures*, the following items were adjusted when reconciling our IFRS (loss)/profit for the year to adjusted (loss)/profit for the year (non-IFRS measure):

- (i) Fair value adjustments of biological assets were excluded as such changes represent non-cash, non-operating measurement differences arising from the valuation of biological assets under IAS 41. The exclusion of these adjustments also enhances comparability with peer companies, most of which apply the cost method for biological assets and do not recognize fair value changes under the China Accounting Standards for Business Enterprises;
- (ii) Share-based payment expenses were excluded as they represent non-cash accounting charges recognized under IFRS 2 and do not involve cash outflows;

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- (iii) Changes in the carrying amount of redemption liabilities were excluded as they arise from subsequent remeasurement under applicable accounting standards and are not reflective of our underlying operating performance. Upon completion of our [REDACTED], the redemption right will be discharged and the carrying amount of the redemption liability will be reclassified to equity; and
- (iv) [REDACTED] expenses were excluded as they are one-off in nature and not indicative of our underlying operating performance. Excluding these expenses allows our adjusted (loss)/profit for the year (non-IFRS measure) to better reflect the Group’s recurring operating results.

Our Directors consider that the above adjustments remove the effects of items that do not reflect our current operating activity or cash generation. Our adjusted (loss)/profit for the year (non-IFRS measure) is a non-IFRS financial measure presented for internal performance evaluation and investor understanding, and it should be read together with, but not as a substitute for, our IFRS financial information.

DISCUSSION OF CERTAIN KEY STATEMENTS OF COMPREHENSIVE INCOME ITEMS

The following discussion is based on our historical results of operations and may not be indicative of our future operating performance.

Revenue

We generate our revenue from the following product categories: Qingyuan Chicken and other native chickens, pigs, and fresh and other products. Substantially all our Qingyuan Chicken and other native chickens are Qingyuan Chicken. During the Track Record Period, sales of pigs contributed the majority of our revenue, accounting for 61.6%, 67.1% and 62.4% of our total revenue in 2023, 2024 and 2025, respectively.

Our Qingyuan Chicken and other native chickens mainly include Qingyuan Chicken, other native chickens (including Lingnan native chicken), and chicks. All of our chicken and chicks are yellow-feathered broilers. Our pigs mainly include market hogs, breeding pigs, and market piglets. Our fresh and other products include ready-to-eat products, whole fresh chicken, portioned chicken and semi-finished products. Our Qingyuan Chicken and other native chickens are positioned within the yellow-feathered broiler category, and we therefore benchmark certain metrics against the yellow-feathered broiler market where appropriate. Please refer to the section headed “Business — Our Business Model and Products”.

The following table sets forth a breakdown of our revenue by product category and each product category as a percentage of total revenue for the Track Record Period:

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

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

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

Notes:

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

Sales volumes

Qingyuan Chicken and other native chickens: The sales volumes of Qingyuan Chicken and other native chickens increased by 1.1% from 28.4 million birds in 2023 to 28.7 million birds in 2024 due to the expansion of the farming scale of our farmers. The sales volume increased by 8.2% from 28.7 million birds in 2024 to 31.1 million birds in 2025, driven by our increased efforts to expand production and sales.

Pigs: The total sales volume of pigs increased by 26.2% from 1.1 million heads in 2023 to 1.4 million heads in 2024, due to an expansion of our production scale, including the increase in production capacity of the three breeding pig farms added in 2022, the effect of which was reflected in 2023, as well as enhanced self-breeding capabilities. The total sales volumes of pigs remains steady at 1.4 million heads in 2024 and 2025.

Fresh and other products: The total sales volumes of fresh and other products increased by 38.2% from 8.2 million birds in 2023 to 11.3 million birds in 2024, and further by 41.3% to 16.0 million birds in 2025, primarily driven by the launch of various new products and increased market demand for fresh and other products.

Average selling price per heads or birds

Qingyuan Chicken and other native chickens: The average selling price of Qingyuan Chicken and other native chickens increased by 6.8% from RMB34.9 per bird in 2023 to RMB37.2 per bird in 2024, as the industry proactively reduced production and decreased overall native chicken supply. The average selling price of Qingyuan Chicken and other native chickens decreased by

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15.9% from RMB37.2 per bird in 2024 to RMB31.3 per bird in 2025. This was driven by (i) our launch of products positioned in the mid-price range to meet market demand; and (ii) improved profitability in 2024, stimulating market supply, which led to a decline in the market price of yellow-feathered broilers in 2025.

Pigs: The average selling price of pigs increased by 14.7% from RMB1,989.8 per head in 2023 to RMB2,281.6 per head in 2024, primarily driven by a supply shortage following industry-wide destocking after the 2023 African Swine Fever outbreak, combined with recovering market demand. The average selling price of pigs decreased by 16.8% from RMB2,281.6 per head in 2024 to RMB1,897.8 per head in 2025. This decline was primarily attributable to lower market pig prices as the expansion of sow herds across the industry increased overall supply, notwithstanding that our sales volumes remained broadly stable.

Fresh and other products: The average selling price of fresh and other products decreased by 7.1% from RMB47.9 per bird in 2023 to RMB44.5 per bird in 2024 and further by 11.9% to RMB39.2 per bird in 2025, due to the adjustment of our fresh and other products structure, as well as the development of certain lower-priced products to attract customers.

Comparison of our average selling price (per kg) and the market selling price (per kg) of Qingyuan Chicken and other native chickens

Year	Average weight of our Qingyuan Chicken and other native chickens sold ⁽¹⁾ (Kg)	Our average selling price of Qingyuan Chicken and other native chickens (RMB/Kg)	Industry average selling price of Yellow-feather Broilers (RMB/Kg)
2023	1.67	20.9	14.0
2024	1.73	21.5	13.6
2025	1.76	17.8	12.8

Note:

- (1) For illustrative purposes, we use only the average weight of the primary product (commodity broiler, excluding day-old chicks) as a reference.

The average selling price of our Qingyuan Chicken and other native chickens are higher than the industry average selling price of yellow-feather broilers, primarily because our Qingyuan Chicken generally requires a longer growth cycle, which allows ample time for the development of rich flavor and nutrients. The products have significant advantages in breeding, quality, and brand.

Comparison of our average selling price (per kg) and the market selling price (per kg) of pigs

Year	Average weight of our pigs sold ⁽¹⁾ (Kg)	Our average selling price of pigs (RMB/Kg)	Industry average selling price of pigs (RMB/Kg)
2023	127.2	15.6	15.1
2024	129.4	17.6	16.7
2025	129.0	14.7	13.8

Note:

- (1) For illustrative purposes, we use only the average weight of the primary product (market hogs) as a reference.

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The average selling price of our pigs was largely in line with the industry average selling price of pigs, and any discrepancies were due to differences in species, weight and sales region of the pigs sold.

Cost of sales

The following table sets forth a breakdown of our cost of sales (by product category) and each product category as a percentage of total cost of sales during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Costs	% of cost of sales	Costs	% of cost of sales	Costs	% of cost of sales
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Qingyuan Chicken and other native chickens . . .	983,865	27.8	895,020	23.1	917,698	24.1
Pigs	2,204,637	62.3	2,543,038	65.5	2,354,372	61.9
Fresh and other products . .	349,008	9.9	442,190	11.4	532,755	14.0
Total	3,537,510	100.0	3,880,248	100.0	3,804,825	100.0

The following table sets forth the sales volume, cost of sales and unit cost of our Qingyuan Chicken and other native chickens and pigs for the Track Record Period:

	Year ended December 31,								
	2023			2024			2025		
	Sales Volume	Unit Cost		Sales Volume	Unit Cost		Sales Volume	Unit Cost	
	('000 heads or birds)	(RMB per head or bird) ⁽¹⁾	(RMB per kg) ⁽⁵⁾	('000 heads or birds)	(RMB per head or bird)	(RMB per kg) ⁽⁵⁾	('000 heads or birds)	(RMB per head or bird)	(RMB per kg) ⁽⁵⁾
Qingyuan Chicken and other native chickens ⁽²⁾	28,423	34.6	20.7	28,747	31.1	18.0	31,093	29.5	16.8
Pigs ⁽³⁾	1,113	1,980.8	15.6	1,404	1,811.3	14.0	1,402	1,679.3	13.0
Fresh and other products ⁽⁴⁾ . . .	8,165	42.7	n/a	11,285	39.2	n/a	15,950	33.4	n/a

Notes:

- (1) Unit cost (RMB) represents the cost of sales of the relevant product category for the year divided by the corresponding sales volume for the same year.
- (2) For illustrative purposes, sales volume of Qingyuan Chicken and other native chickens uses only the main product (commercial broiler, excluding day-old chicks) as a reference.
- (3) For illustrative purposes, sales volume of pigs uses only the main product (market hogs, excluding piglets) as a reference.
- (4) For illustrative purpose, the above sales volume includes the total number of whole fresh chickens and other chicken products; other chicken products are converted into an equivalent number of chickens based on weight.”
- (5) Unit cost (RMB/kg) is calculated as unit cost (RMB per bird/head) divided by the average weight sold (kg) for the corresponding year.

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The following table sets forth the components of our cost of sales (by nature) and each component as a percentage of our total cost of sales during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Costs	% of total cost of sales	Costs	% of total cost of sales	Costs	% of total cost of sales
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Feed and feed ingredients						
cost	2,482,449	70.2	2,680,741	69.1	2,521,922	66.3
Family farming fee	304,355	8.6	369,930	9.5	376,665	9.9
Depreciation and						
amortization	266,238	7.5	267,181	6.9	264,804	7.0
Veterinary medicines	136,831	3.9	139,754	3.6	142,655	3.7
Staff cost	125,117	3.5	150,443	3.9	167,596	4.4
Others	222,520	6.3	272,199	7.0	331,183	8.7
Total	3,537,510	100.0	3,880,248	100.0	3,804,825	100.0

Feed and feed ingredients cost accounted for a substantial portion of our total cost of sales during the Track Record Period, and represented 70.2%, 69.1%, and 66.3% of our total cost of sales for 2023, 2024 and 2025, respectively. Feed and feed ingredients represent the largest component of our cost of sales and are therefore a key driver of our unit production costs and gross profit margins (before taking into account fair value adjustments of biological assets). Corn and soybean meal are our principal feed inputs. Accordingly, movements in the market prices of these commodities typically affect our unit production costs, together with other factors such as family farming fees, depreciation and labour costs. We manage feed price volatility through procurement and cost control measures and, where appropriate, by using commodity futures contracts. Gains or losses arising from such contracts are recognized in profit or loss based on changes in their fair value as financial instruments measured at FVPL and are reflected under “Other net (loss)/income”. As such, these gains or losses may not necessarily correspond with or offset changes in our actual feed purchase costs in the same period. Family farming fee represents fees paid to our family farm owners to raise our Qingyuan Chicken and other native chickens and pigs. Our feed and feed ingredients cost and family farming fee increased during the Track Record Period as the sales volumes of our Qingyuan Chicken and other native chickens and pigs increased during the same period. Depreciation and amortization represents the depreciation and the amortization of our production facilities of our own and right of use assets. Veterinary medicines primarily consists of cost for medicines and vaccines for animal disease prevention. Staff cost mainly represents wages, insurance and other employee benefits of our workers. Others include water and electricity fees, repair fees, technical service fees, and so on.

Gross profit and gross profit margin

The following table sets forth a breakdown of our gross profit and gross profit margin of each product category during the Track Record Period:

	Year ended December 31,											
	2023				2024				2025			
	Gross profit			Gross profit margin	Gross profit			Gross profit margin	Gross profit			Gross profit margin
	Unit gross profit				Unit gross profit				Unit gross profit			
	RMB'000	(RMB per head or bird)	(RMB per kg)	(%)	RMB'000	(RMB per head or bird)	(RMB per kg)	(%)	RMB'000	(RMB per head or bird)	(RMB per kg)	(%)
Qingyuan Chicken and other native chickens	6,967	0.2	0.1	0.7	175,694	6.1	3.5	16.4	56,968	1.8	1.0	5.8
Pigs	9,482	8.5	0.07	0.4	659,972	470.1	3.6	20.6	306,399	218.5	1.7	11.5

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	Year ended December 31,											
	2023				2024				2025			
	Gross profit	Unit gross profit		Gross profit margin	Gross profit	Unit gross profit		Gross profit margin	Gross profit	Unit gross profit		Gross profit margin
	RMB'000	(RMB per head or bird)	(RMB per kg)	(%)	RMB'000	(RMB per head or bird)	(RMB per kg)	(%)	RMB'000	(RMB per head or bird)	(RMB per kg)	(%)
Fresh and other products	42,046	5.1	n/a	10.8	59,899	5.3	n/a	11.9	93,241	5.8	n/a	14.9
Total gross profit and gross profit margin .	58,495			1.6	895,565			18.8	456,608			10.7

Gross profit and gross profit margin of our product categories were primarily affected by changes in average selling prices, unit costs and product mix. In 2023, fresh and other products were the largest contributor to our gross profit. In 2024, our gross profit increased significantly, primarily driven by pigs, which became the largest contributor to our gross profit, consistent with pigs also being the largest contributor to our revenue, while Qingyuan Chicken and other native chickens also made a substantial contribution. In 2025, our gross profit declined mainly due to a decrease in the average selling price of pigs, from RMB2,281.6 per head in 2024 to RMB1,897.8 per head in 2025, whereas Qingyuan Chicken and other native chickens remained a positive contributor to our gross profit.

Movements in our gross profit and gross profit margins during the Track Record Period primarily reflected (i) changes in market selling prices of chicken and pigs; (ii) fluctuations in feed-related and other unit production costs (as feed represents the largest component of our cost of sales); and (iii) variations in product and sales channel mix as well as sales volumes, which in turn affected fixed cost absorption. For further details of the period-to-period movements in revenue, cost of sales and margins by business line, please refer to the section headed “— Period-to-Period Comparison of Results of Operations” below. While the gross profit of each product category is influenced by both average selling prices and cost of sales, our fresh and other products segment generally recorded a relatively higher overall gross profit, as products within this category typically carry strong brand recognition, consumer preference for freshness and quality.

Our gross profit margin improved in 2024, primarily due to the combined effect of higher average market selling prices for chicken and pigs, lower feed input costs, and benefits derived from enhanced operating efficiency and economies of scale. In 2025, our gross profit margin declined as market selling prices, for chicken and pigs decreased by a greater extent than the reduction in unit production costs, notwithstanding our ongoing cost control initiatives and the optimisation of our product and channel mix.

Changes in fair value of biological assets

Changes in fair value of biological assets represent period-to-period remeasurement gains or losses on our biological assets under IAS 41. Such remeasurement takes into account relevant valuation inputs, including market prices, quantities, type and age, mortality rates, age/weight for sale and, where applicable, estimated costs to complete and costs to sell. For 2023, 2024 and 2025, we recorded losses arising from changes in fair value of biological assets of RMB285.3 million, gains arising from changes in fair value of biological assets of RMB300.1 million, and losses arising from changes in fair value of biological assets of RMB216.5 million, respectively. These fair value changes were non-cash in nature and were recognized in profit or loss for the relevant period.

During the Track Record Period, our biological assets were revalued at each reporting date by the Valuer, with any resultant gain or loss recognized in profit or loss for the year in which it arose. For more information about the valuation method adopted by the Valuer, please refer to the section headed “— Biological Assets and Valuation” below.

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Gain arising from biological assets at fair value less costs at the point of harvest

For biological assets (including Qingyuan Chicken and other native chickens, and pigs) sold to the biological and other product category during the Track Record Period, we recognize the change in fair value of biological assets at the time of sale less the cost of sales as gain or loss. We recognized gain arising from biological assets at fair value less costs to sell at the point of harvest of RMB6.9 million, RMB25.3 million, and RMB22.2 million in 2023, 2024, and 2025, respectively.

Please refer to “— Key Factors Affecting Our Operating Results and Financial Position — Fair Value Adjustments of Biological Assets and Their Impact on Financial Performance.”

Other net (loss)/income

	Years ended December 31,		
	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.	—	461	—
Others	(13,467)	(10,152)	(14,548)
Total	<u>(68,827)</u>	<u>35,169</u>	<u>32,492</u>

Our other net (loss)/income primarily consists of rental income, government grants, interest income, change in fair value of financial instruments at FVPL loss on disposal of property, plant and equipment, intangible assets and right-of-use assets, net (loss)/gain on disposal of biological assets, net of insurance compensation recovered during the year, impairment loss on property, plant and equipment, net (loss)/gain on disposal of subsidiaries and others.

During the Track Record Period, we recognized nil, gains of RMB20.3 million, and RMB19.3 million in 2023, 2024, and 2025, respectively, in relation to the changes in fair value of financial instruments at FVPL. The changes in fair value of financial instruments were primarily related to the fluctuation of the price of the commodity futures contracts.

Our net (loss)/gain on disposal of biological assets, net of insurance compensation recovered during the year refers the costs arising from the death of biological assets during the breeding process, net of insurance compensation received. During the Track Record Period, we recognized the net (loss)/gain on disposal of biological assets, net of insurance compensation recovered during the year of RMB(5.3) million, RMB15.1 million, RMB15.9 million for 2023, 2024 and 2025. In 2024, significant gains were recorded, primarily benefited from the maturity of breeding techniques reducing breeding pig mortality, coupled with the receipt of certain insurance compensation. In 2025, we continued to record positive gains, reflecting that the ongoing improvement in management further reduced biological asset mortality.

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During the Track Record Period, we recorded an impairment loss on property, plant, and equipment amounted to RMB74.5 million, RMB17.1 million, and RMB9.4 million, respectively. The impairment loss was primarily attributable to our strategic adjustments which we shifted the focus of our pig farming business from the urban areas of Guangzhou to Guizhou, resulting in the impairment loss of related fixed assets in 2023. Such impairment continued during our strategic adjustment process.

We have received government grants in China, including mostly one-off subsidies to support our development, specifically in relation to the import of overseas pig breeding technology, research on breeding pigs, and construction of Qingyuan Chicken and other native chickens and pig farms. Such government grants were received subject to our fulfillment of certain conditions, mainly the expansion and improvement of our chicken and pig farms and improvement in our research and development capabilities. For 2023, 2024 and 2025, the total government grants we recognized in our consolidated statement of comprehensive income amounted to RMB17.8 million, RMB18.4 million, and RMB13.4 million, respectively. There can be no assurance that the preferential tax treatment, government grants and economic incentives that we have received will not be altered or terminated. Please refer to the section headed “Risk Factors — Risks Relating to Our Business and Our Industry — The preferential tax treatment, government grants and financial incentives that we currently enjoy may be altered or terminated, which could have a material adverse effect on our business, financial position, results of operations and prospects”.

Selling expenses

The following table sets forth our selling expenses during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Expenses	% of total selling expenses	Expenses	% of total selling expenses	Expenses	% of total selling expenses
	RMB'000	(%)	RMB'000	(%)	RMB'000	(%)
Staff compensation and related expenses	47,271	63.8	53,601	63.7	67,369	59.8
Business development expenses	17,252	23.3	20,157	23.9	31,397	27.9
Depreciation, amortization and lease expenses	5,477	7.4	5,143	6.1	6,788	6.0
Material consumption expenses	3,250	4.4	4,095	4.9	5,764	5.1
Others	888	1.1	1,200	1.4	1,337	1.2
Total	74,138	100.0	84,196	100.0	112,654	100.0

Selling expenses primarily consist of staff compensation and related expenses, business development expenses, depreciation, amortization and lease expenses, material consumption expenses and others during the Track Record Period. Others primarily consist of property expenses, labor insurance expenses, maintenance expenses, quarantine fees and other miscellaneous charges. For 2023, 2024 and 2025, our selling expenses were RMB74.1 million, RMB84.2 million, and RMB112.7 million, respectively, representing 2.1%, 1.8%, and 2.6% of our total revenue for the respective years.

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Administrative expenses

The following table sets forth our administrative expenses during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Expenses RMB'000	% of total administrative expenses (%)	Expenses RMB'000	% of total administrative expenses (%)	Expenses RMB'000	% of total administrative expenses (%)
Staff compensation and related expenses . . .	75,394	37.5	76,525	37.5	79,896	39.4
Depreciation, amortization and lease expenses	35,584	17.7	36,525	17.9	25,998	12.8
Administrative general expenses	36,506	18.2	27,452	13.5	28,032	13.8
Service fees	17,366	8.6	9,805	4.8	15,238	7.5
R&D expenses	14,729	7.3	15,194	7.5	18,913	9.3
Insurance expenses . . .	19,126	9.5	20,263	9.9	18,443	9.1
Share-based payment expenses	–	–	16,548	8.1	–	–
[REDACTED] expense . . .	–	–	–	–	[REDACTED]	[REDACTED]
Others	2,241	1.1	1,602	0.8	3,854	1.9
Total	200,946	100.0	203,914	100.0	202,924	100.0

Administrative expenses primarily consist of staff compensation and related expenses, depreciation, amortization and lease expenses, administrative general expenses, service fees, R&D expenses, insurance expenses, share-based payment expenses and others. Others primarily consist of renovation expenses, maintenance expenses, epidemic prevention expenses and other miscellaneous charges. These categories together represent our overall administrative cost structure. For 2023, 2024 and 2025, our administrative expenses were RMB200.9 million, RMB203.9 million, and RMB202.9 million, respectively, representing 5.6%, 4.3%, and 4.8% of our total revenue for the respective years.

Impairment loss on financial assets (recognised)/reversed, net

Impairment loss on financial assets (recognised)/reversed, net, refers to the recognition of expected credit losses on financial assets in accordance with applicable accounting standards. During the Track Record Period, our provision for impairment loss on financial assets, net, primarily related to movements in expected credit losses on trade and other receivables measured at amortized cost. In 2023, 2024 and 2025, we recorded RMB10.9 million in impairment loss recognition, RMB6.6 million in impairment loss reversals, and RMB12.6 million in impairment loss respectively. The impairment loss recognized in 2023 mainly related to expected credit losses of RMB9.8 million arising from a receivable connected to a contract for a loading dock and the associated land use rights. The landlord was unable to obtain the required government approval for the land use rights but refused to return the initial payment we had made under the contract. Consequently, we initiated legal proceedings against the landlord, seeking the return of the payment and compensation for losses. The court of first instance ruled in our favour in March 2024, and the appellate court subsequently upheld this judgment in June 2024, making it final and binding. However, the landlord did not make payment in accordance with the effective judgment. As a result, the enforcement proceedings were terminated in August 2024. Given the uncertainty regarding the recoverability of the receivable, we recognized an impairment loss in 2023. The reversal of impairment in 2024 mainly resulted from the recovery of a portion of other receivables. The impairment loss recognised in 2025 mainly reflected additional expected credit loss provision made for loans to family farmers and other receivables, based on the reassessment of credit risk and recoverability of such balances during the year.

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Finance cost

Our finance cost represents interest expenses on interest-bearing borrowings and lease liabilities. The following table sets forth the main components of our finance cost during the Track Record Period:

	Year ended December 31,		
	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
Total	94,080	84,548	63,337

Changes in the carrying amount of redemption liabilities

In 2025, we recognized a loss of RMB4.6 million in respect of changes in the carrying amount of redemption liabilities. Such redemption liabilities arose from redemption rights granted to an investor in connection with the subscription of shares in 2025. The redemption liabilities are measured at the present value of the redemption amount, and any subsequent remeasurement is recognized in profit or loss.

Taxation and preferential tax treatment

For 2023, 2024 and 2025, our income tax expenses were nil, nil, and RMB0.8 million, respectively. Income taxes for 2025 were derived from income taxes related to certain investment gains. The rate of income tax chargeable on companies in the PRC may vary depending on the availability of preferential tax treatments or subsidies based on their industry or location. According to the EIT Law and the related implementation rules and the Circular of the Ministry of Finance and the State Tax Administration on Scope of Agricultural Products’ Primary processing Entitled to Preferential Policies on Enterprise Income Tax (Trial Implementation) (Cai Shui [2008] No. 149), our Company and certain subsidiaries that engage in animal-husbandry, for example, chicken and pig farming, are entitled to full income tax exemptions.

During the Track Record Period and up to the Latest Practicable Date, we had no disputes or outstanding tax issues with the relevant tax authorities.

(Loss)/profit for the year

We recorded (loss)/profit for the year of RMB(668.8) million, RMB890.1 million, and RMB(102.2) million for 2023, 2024 and 2025, respectively.

The year ended December 31, 2025 as compared to the year ended December 31, 2024

Revenue

Our revenue decreased by 10.8% from RMB4,775.8 million in 2024 to RMB4,261.4 million in 2025, mainly driven by lower revenue from sales of pigs and from sales of Qingyuan Chicken and other native chickens. Sales of pigs remained the largest contributor to our revenue in 2025 (and in each year of the Track Record Period), and sales of Qingyuan Chicken and other native chickens remained a substantial contributor to our revenue. The following sets out the revenue by business.

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Qingyuan Chicken and other native chickens

Revenue from the sales of Qingyuan Chicken and other native chickens decreased by 9.0% from RMB1,070.7 million in 2024 to RMB974.7 million in 2025. The decrease was primarily driven by a 15.9% decline in the average selling price of Qingyuan Chicken and other native chickens from RMB37.2 per bird in 2024 to RMB31.3 per bird in 2025. The decrease in the average selling price was mainly attributable to (i) our introduction of products positioned in the mid-price range to meet market demand, and (ii) improved profitability in 2024, which stimulated market supply and led to an oversupply in the market during 2025, resulting in a decline in the market price of chickens in 2025. This price impact was partially offset by an 8.2% increase in sales volume, from 28.7 million birds in 2024 to 31.1 million birds in 2025, mainly driven by the continued expansion of our business scale.

Pigs

Revenue from the sales of pigs decreased by 16.9% from RMB3,203.0 million in 2024 to RMB2,660.8 million in 2025. The decrease was primarily driven by an 18.7% decline in the average selling price, from RMB2,281.6 per head in 2024 to RMB1,897.8 per head in 2025, driven by increased market supply in 2025 as a result of elevated breeding sow inventory carried over from 2024. Our sales volume remained broadly stable, remaining at around 1,404 thousand heads in 2024 to around 1,402 thousand heads in 2025.

Fresh and other products

Revenue from fresh and other products increased by 24.7% from RMB502.1 million in 2024 to RMB626.0 million in 2025. The increase was primarily driven by a 41.3% growth in sales volume from 11.3 million birds in 2024 to 16.0 million birds in 2025, attributable to the launch of new product lines, increased market demand, and the expansion of our sales partnerships with major supermarket chains and restaurant partners. The volume increase more than offset a decline in average selling price from RMB44.5 per bird in 2024 to RMB39.2 per bird in 2025, reflecting adjustments to product structure, including the introduction of certain lower-priced products to broaden the consumer base.

Cost of sales

Our cost of sales decreased by 1.9% from RMB3,880.2 million in 2024 to RMB3,804.8 million in 2025. The overall decrease was principally driven by a reduction in feed and feed ingredients cost from RMB2,680.7 million in 2024 to RMB2,521.9 million in 2025, reflecting lower effective market prices for corn and soybean meal during the year. Feed and feed ingredients cost represented 69.1% and 66.9% of our total cost of sales in 2024 and 2025 respectively, and remained the largest component.

Qingyuan Chicken and other native chickens

Cost of sales for Qingyuan Chicken and other native chickens increased by 2.5% from RMB895.0 million in 2024 to RMB917.7 million in 2025. The increase primarily reflected higher sales volumes resulting from expanded breeding capacity, with the number of Qingyuan Chicken and other native chickens sold rising by 8.2% from 28.7 million birds in 2024 to 31.1 million birds in 2025. This was partially offset by a 5.1% decrease in unit production cost from RMB31.1 per bird in 2024 to RMB29.5 per bird in 2025. The reduction in unit cost was mainly attributable to lower effective feed raw material costs, given that feed remains the largest component of our cost of sales and supported by improved operating efficiency and economies of scale.

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Pigs

Cost of sales for pigs decreased by 7.4% from RMB2,543.0 million in 2024 to RMB2,354.4 million in 2025. The decrease was primarily attributable to a 7.3% reduction in unit production cost per head from RMB1,811.3 in 2024 to RMB1,679.3 in 2025, while our sales volumes remained broadly stable at 1,404 thousand heads in 2024 and 1,402 thousand heads in 2025. The reduction in unit cost was primarily driven by lower feed-related costs per head, reflecting lower effective market prices for corn and soybean meal.

Fresh and other products

Cost of sales for fresh and other products increased by 20.5% from RMB442.2 million in 2024 to RMB532.8 million in 2025, primarily due to higher sales volumes, which rose by 41.3% from 11.3 million birds in 2024 to 16.0 million birds in 2025. The increase was driven by the continued expansion of our supermarket and restaurant channel partnerships and the launch of new products. The increase in cost of sales was partially offset by a 14.8% decrease in unit cost per bird from RMB39.2 in 2024 to RMB33.4 in 2025, mainly attributable to changes in product mix, including a shift towards smaller-portion and other lower-unit-cost products, as well as improved scale efficiencies from our expanded processing capacity.

Gross profit and gross profit margin

Our total gross profit decreased by 49.0% from RMB895.6 million in 2024 to RMB456.6 million in 2025 (in each case after biological assets fair value adjustments), and our overall gross profit margin declined from 18.8% in 2024 to 10.7% in 2025.

Consistent with sales of pigs being the largest contributor to our revenue in each of 2024 and 2025 (accounting for 67.1% and 62.4% of our total revenue, respectively), the decrease in our total gross profit was primarily driven by our pig business: the average selling price of pigs declined from RMB2,281.6 per head in 2024 to RMB1,897.8 per head in 2025, while unit production cost decreased from RMB1,811.3 per head in 2024 to RMB1,679.3 per head in 2025, narrowing the per-head gross profit from RMB470.3 per head to RMB218.5 per head. A similar dynamic applied to our Qingyuan Chicken and other native chickens business, which contributed a substantial portion of our revenue (22.4% in 2024 and 22.9% in 2025), where the average selling price fell from RMB37.2 per bird in 2024 to RMB31.3 per bird in 2025, while unit production cost decreased from RMB31.1 per bird in 2024 to RMB29.5 per bird in 2025, narrowing the per-bird gross profit from RMB6.1 per bird to RMB1.8 per bird. These declines were partially offset by an increase in gross profit from our fresh and other products business.

Qingyuan Chicken and other native chickens

Gross profit for Qingyuan Chicken and other native chickens decreased by 67.6% from RMB175.7 million in 2024 to RMB57.0 million in 2025, representing gross profit margins of 16.4% and 5.8%, respectively. The decrease was primarily attributable to a reduction in average selling price from RMB37.2 per bird in 2024 to RMB31.3 per bird in 2025. Although unit production cost declined from RMB31.1 per bird to RMB29.5 per bird, reflecting lower effective feed input costs and improved efficiency and scale benefits, the decline in selling prices outpaced the cost reduction, resulting in lower gross profit and margin for the year.

Pigs

Gross profit from pigs decreased by 53.6% from RMB660.0 million in 2024 to RMB306.4 million in 2025, with the gross profit margin declining from 20.6% to 11.5%. The decrease was primarily attributable to a reduction in the average selling price of pigs from RMB2,281.6 per head in 2024 to RMB1,897.8 per head in 2025, driven by a decline in market pig prices as increased sow inventory across the industry resulted in higher market supply in 2025, while sales volumes

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remained broadly stable at 1,404 thousand heads in 2024 and 1,402 thousand heads in 2025. Although unit production cost decreased by 7.3% from RMB1,811.3 per head in 2024 to RMB1,679.3 per head in 2025, primarily due to lower feed-related costs reflecting lower effective market prices for corn and soybean meal, as well as lower piglet-related costs arising from our expanded self-breeding capacity, the decline in average selling price exceeded the reduction in unit production cost, resulting in a lower gross profit and gross profit margin for this business line in 2025.

Fresh and other products

Gross profit from fresh and other products increased by 55.7% from RMB59.9 million in 2024 to RMB93.2 million in 2025, with a corresponding gross profit margin of 11.9% and 14.9% in 2024 and 2025 respectively. The improvement was primarily driven by (i) a growth in sales volume by 41.6% from 11.3 million birds in 2024 to 16.0 million birds in 2025, which generated fixed-cost leverage; (ii) a shift in channel and product mix, including increased sales through supermarket and restaurant channels and the introduction of new products such as braised chicken and fresh-cut Qingyuan Chicken; and (iii) a decrease in unit cost per bird from RMB39.2 in 2024 to RMB33.4 in 2025 that outpaced the decline in the average selling price per bird from RMB44.5 in 2024 to RMB39.2 in 2025, with unit gross profit improving from RMB5.3 per bird in 2024 to RMB5.8 per bird in 2025.

Changes in fair value of biological assets

The changes in fair value of biological assets shifted from a gain of RMB300.1 million in 2024 to a loss of RMB216.5 million in 2025. The change was mainly due to a decrease in the industry average selling price of pigs from RMB16.7 per kg in 2024 to RMB13.8 per kg in 2025. This decrease in market prices led to a lower valuation of the Group’s biological assets.

Gain arising from biological assets at fair value less costs to sell at the point of harvest

We recorded the gain arising from biological assets at fair value less costs to sell at the point of harvest decreased from RMB25.3 million in 2024 to RMB22.2 million in 2025. The decrease was mainly due to downward market conditions in both chicken and pig prices.

Other net (loss)/income

Other net income decreased from RMB35.2 million in 2024 to RMB32.5 million in 2025. The decrease was mainly due to net gain on disposal of biological assets, net of insurance compensation recovered during the year of RMB15.9 million and gains from changes in the fair value of financial instruments at FVPL of RMB19.3 million. These were partly offset by impairment loss on property, plant, and equipment of RMB9.4 million and a decrease in government grants of RMB5.0 million.

Selling expenses

Our selling expenses increased by 33.8%, from RMB84.2 million in 2024 to RMB112.7 million in 2025, primarily due to (i) an increase in staff compensation of RMB13.8 million, as we expanded our sales team to support the growth of our fresh products business; (ii) an increase in business development expenses of RMB11.2 million, mainly attributable to enhanced marketing and promotional activities of our fresh food operations.

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Administrative expenses

Our administrative expenses decreased slightly by 0.5% from RMB203.9 million in 2024 to RMB202.9 million in 2025. The decrease was primarily attributable to the absence of the one-off equity-settled share-based payment expense recognized in 2024, partially offset by [REDACTED]-related expenses recognized in 2025.

Impairment loss on financial assets (recognized)/reversed, net

Our impairment loss on financial assets (recognized)/reversed, net, decreased from a gain of RMB6.6 million in 2024 to a loss of RMB12.6 million in 2025, primarily due to the reversal of impairment on certain receivables in 2024 following recoveries, while in 2025 we recorded additional expected credit losses on certain trade and other receivables.

Finance cost

Our finance costs decreased by 25.1%, from RMB84.5 million in 2024 to RMB63.3 million in 2025, mainly due to lower interest expenses resulting from loan repayments and reduced lease liabilities.

(Loss)/profit before taxation

As a result of the foregoing, our profit before taxation of RMB890.1 million for 2024 changed to a loss before taxation of RMB101.3 million for 2025.

Income tax expenses

Our income tax expenses changed from nil in 2024 to RMB0.8 million in 2025.

(Loss)/profit for the year

As a result of the foregoing, our results changed from profit for the year of RMB890.1 million for 2024 to loss for the year of RMB102.2 million for 2025.

The year ended December 31, 2024 as compared to the year ended December 31, 2023

Revenue

Our revenue increased by 32.8% from RMB3,596.0 million in 2023 to RMB4,775.8 million in 2024, mainly driven by growth in the sales of pigs and of fresh and other products. Sales of pigs remained the largest contributor to our revenue in both years (61.6% in 2023 and 67.1% in 2024), and sales of Qingyuan Chicken and other native chickens remained a substantial contributor to our revenue (27.6% in 2023 and 22.4% in 2024), with the balance contributed by fresh and other products. The following sets out the revenue driven by product category:

Qingyuan Chicken and other native chickens

Revenue from the sales of Qingyuan Chicken and other native chickens increased by 8.1% from RMB990.8 million in 2023 to RMB1,070.7 million in 2024. The increase was primarily driven by an increase in the average selling price of Qingyuan Chicken and other native chickens by 6.8% from RMB34.9 per bird in 2023 to RMB37.2 per bird in 2024. The price increase was mainly due to lower chicken production and supply in the industry, together with a recovery in consumer demand. The price increase was supported by a modest increase in our sales volume by 1.1% from 28.4 million birds in 2023 to 28.7 million birds in 2024, primarily due to the expansion of the farming scale of our farmers.

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Pigs

Revenue from the sales of pigs increased by 44.7% from RMB2,214.1 million in 2023 to RMB3,203.0 million in 2024. The increase was primarily driven by an increase in the average selling price of pigs by 14.7% from RMB1,989.8 per head in 2023 to RMB2,281.6 per head in 2024 mainly caused by a supply shortage after the industry reduced inventory following the 2023 African Swine Fever outbreak, along with a recovery in market demand. In addition, our sales volume of pigs increased by 26.2% from 1.1 million heads in 2023 to 1.4 million heads in 2024. The volume growth reflected our expanded production scale, including the addition of new breeding pig farms in 2023.

Fresh and other products

Revenue from fresh and other products increased by 28.4% from RMB391.1 million in 2023 to RMB502.1 million in 2024. The increase was driven by a 38.2% growth in our sales volume, from 8.2 million birds in 2023 to 11.3 million birds in 2024. The volume growth was due to the commissioning of a front-end processing facility in 2024, the expansion of our sales regions to East China, Central China, and South China; and the expansion of our sales channels, including the development of product sales and distribution channels in supermarkets, and chain restaurants. The volume increase more than offset a 7.1% decline in the average selling price of fresh and other products from RMB47.9 per bird in 2023 to RMB44.5 per bird in 2024, which reflected the adjustment of our product structure, including a higher proportion of lower-unit-priced products.

Cost of sales

Our cost of sales increased by 9.7% from RMB3,537.5 million in 2023 to RMB3,880.2 million in 2024. The overall increase was principally driven by an increase in feed and feed ingredients cost from RMB2,482.4 million in 2023 to RMB2,680.7 million in 2024, reflecting higher sales volumes across our pigs business and our fresh and other products business. Feed and feed ingredients cost represented 70.2% and 69.1% of our total cost of sales in 2023 and 2024 respectively, and remained the largest component. The overall increase in cost of sales was partially offset by a reduction in unit production costs across our pigs business and our Qingyuan Chicken and other native chickens business.

Qingyuan Chicken and other native chickens

Cost of sales for Qingyuan Chicken and other native chickens decreased by 9.0% from RMB983.9 million in 2023 to RMB895.0 million in 2024. The decrease was primarily attributable to a reduction in unit cost of Qingyuan Chicken and other native chickens from RMB34.6 in 2023 per bird to RMB31.1 per bird in 2024, while our sales volumes remained broadly stable at 28.4 million birds in 2023 to 28.7 million birds in 2024. The reduction in unit cost was primarily driven by lower market price in feed raw material (i.e. corn and soybean meal), optimization of our feed formulations, and improved farming efficiency and enhanced economies of scale.

Pigs

Cost of sales for the pigs increased by 15.3% from RMB2,204.6 million in 2023 to RMB2,543.0 million in 2024. This increase was primarily attributable to an increase in our sales volume by 26.2% from 1.1 million heads in 2023 to 1.4 million heads in 2024, partially offset by a reduction in unit cost from RMB1,981.3 per head in 2023 to RMB1,811.5 per head in 2024. The effect of the increase in sales volumes outweighed the benefit of the lower unit production cost, resulting in an overall increase in cost of sales for our pigs business. The reduction in unit cost was primarily driven by lower feed-related costs per head, reflecting lower effective market prices for corn and soybean meal, and by improved operating efficiency across our farms.

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Fresh and other products

Cost of sales for fresh and other products increased by 26.7% from RMB349.0 million in 2023 to RMB442.2 million in 2024, primarily due to higher sales volumes, which rose by 38.2% from 8.2 million birds in 2023 to 11.3 million birds in 2024, reflecting the commissioning of a front-end processing facility in 2024 and the expansion of our supermarket and restaurant channel partnerships. The increase in cost of sales was partially offset by a 5.8% decrease in unit cost per bird from RMB42.7 in 2023 to RMB39.2 in 2024, mainly attributable to changes in product mix and improved scale efficiencies from our expanded processing capacity.

Gross profit and gross profit margin

Our total gross profit increased by 1,430.9% from RMB58.5 million in 2023 to RMB895.6 million in 2024 (in each case after biological assets fair value adjustments), and our overall gross profit margin improved from 1.6% in 2023 to 18.8% in 2024.

Consistent with sales of pigs being the largest contributor to our revenue in each of 2023 and 2024 (accounting for 61.6% and 67.1% of our total revenue, respectively), the increase in our total gross profit was primarily driven by our pig business, where per-head gross profit increased from RMB9.0 per head in 2023 to RMB470.3 per head in 2024. Sales of Qingyuan Chicken and other native chickens, which contributed a substantial portion of our revenue (27.6% in 2023 and 22.4% in 2024), also recorded improved profitability, with per-bird gross profit increasing from RMB0.3 per bird in 2023 to RMB6.1 per bird in 2024. These improvements were supplemented by higher gross profit from our fresh and other products business.

Qingyuan Chicken and other native chickens

Our gross profit for Qingyuan Chicken and other native chickens increased by 2,421.8% from RMB7.0 million in 2023 to RMB175.7 million in 2024, representing gross profit margins of 0.7% and 16.4%, respectively. The increase was mainly attributable to (i) an increase in the average selling price by 6.6% from RMB34.9 per bird in 2023 to RMB37.2 per bird in 2024, as the industry reduced production, resulting in lower market supply, while demand recovered alongside the gradual resumption of catering operations, and (ii) a decrease in unit production cost by 10.1% from RMB34.6 per bird in 2023 to RMB31.1 per bird in 2024, primarily due to lower feed raw material costs, in particular corn and soybean meal, optimization of feed formulations, improved farming efficiency and enhanced economies of scale. As a result, gross profit per bird increased by 1,933.3% from RMB0.3 in 2023 to RMB6.1 in 2024. In addition, sales volume increased by 1.1% from 28.4 million birds in 2023 to 28.7 million birds in 2024, which also contributed to the increase in gross profit.

Pigs

Our gross profit from pigs increased by 6,860.3% from RMB9.5 million in 2023 to RMB660.0 million in 2024, with the gross profit margin rising from 0.4% to 20.6%. The increase was mainly due to (i) a higher average selling price of pigs by 14.7%, rising from RMB1,989.8 per head in 2023 to RMB2,281.6 per head in 2024, mainly caused by recovering market demand, (ii) higher sales volume by 26.1%, increasing from about 1,113 thousand heads in 2023 to about 1,404 thousand heads in 2024, and (iii) lower production cost per head by 8.6%, decreasing from RMB1,980.8 in 2023 to RMB1,811.3 in 2024, driven by lower feed costs due to reduced market prices for corn and soybean meal and better operating efficiency on our farms.

Fresh and other products

Gross profit from fresh and other products increased by 42.6% from RMB42.0 million in 2023 to RMB59.9 million in 2024, with a corresponding gross profit margin of 10.8% and 11.9% in 2023 and 2024 respectively. The improvement was primarily driven by (i) a growth in sales volume from

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8.2 million birds in 2023 to 11.3 million birds in 2024, attributable to the commissioning of a front-end processing facility in 2024 and the expansion of our supermarket and restaurant channel partnerships, and (ii) a decrease in unit cost per bird from RMB42.7 in 2023 to RMB39.2 in 2024, mainly attributable to changes in product mix and improved scale efficiencies from our expanded processing capacity.

Changes in fair value of biological assets

The changes in fair value of biological assets shifted from a loss of RMB285.3 million in 2023 improved to a gain of RMB300.1 million in 2024, primarily due to the recovery of pig prices after the decline in 2023 and an increase in the valuation of pigs at the end of 2024.

Gain arising from biological assets at fair value less costs to sell at the point of harvest

We recorded the gain arising from biological assets at fair value less costs to sell at the point of harvest increased from RMB6.9 million for 2023 to RMB25.3 million in 2024. The increase was mainly due to the increase in the sales price of biological assets and significant reduction in cost of sales.

Other net (loss)/income

Other net (loss)/income changed from a net loss of RMB68.8 million in 2023 to a gain of RMB35.2 million in 2024, primarily because we received more pig mortality compensation from insurance companies under our pig insurance policies for 2024, and a gain from changes in fair value of financial instruments at FVPL of RMB20.4 million in 2024.

Selling expenses

Our selling expenses increased by 13.6% from RMB74.1 million in 2023 to RMB84.2 million in 2024, primarily because staff pay rose from RMB47.3 million to RMB53.6 million as we added staff; moreover, business development expenses and material consumption costs also increased due to business development needs.

Administrative expenses

Our administrative expenses increased by 1.5% from RMB200.9 million in 2023 to RMB203.9 million in 2024, primarily due to (i) the reinstatement of performance-based bonuses for administrative staff following the Group’s return to profitability in 2024, after such bonuses had been cancelled and administrative headcount reduced in 2023 as part of cost control measures implemented in response to the operating loss in that year; and (ii) increased depreciation, amortization and lease expenses; partially offset by (iii) a decrease in office and administrative expenses.

Impairment loss on financial assets (recognized)/reversed, net

Our impairment loss on financial assets (recognized)/reversed, net, increased from a loss of RMB10.9 million in 2023 to a gain of RMB6.6 million in 2024, primarily because of our collection of some long-term receivables our strengthened receivables management performance.

Finance cost

Our finance cost decreased by 10.2% from RMB94.1 million in 2023 to RMB84.5 million in 2024, primarily due to lower average balance and the average interest rate of borrowings as a result of our improved cash flow in 2024.

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(Loss)/profit before taxation

As a result of the foregoing, our loss before taxation of RMB668.8 million for 2023 changed to a profit before taxation of RMB890.1 million for 2024.

Income tax

Our income tax was nil for 2023 and 2024.

(Loss)/profit for the year

As a result of the foregoing, our results improved from a net loss for the year of RMB668.8 million for 2023 to a net profit for the year of RMB890.1 million for 2024.

CURRENT ASSETS AND CURRENT LIABILITIES

The following table sets out a breakdown of our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current assets				
Inventories	166,140	161,867	194,888	199,274
Biological assets	831,232	1,038,385	684,849	649,591
Trade and bills receivables . . .	39,495	51,849	56,885	48,418
Prepayments, deposits and other receivables	98,059	113,689	115,402	132,039
Financial assets measured at FVPL	200	132,281	482	—
Time deposits	—	—	30,280	30,280
Restricted bank deposits	124,126	147,771	109,290	83,575
Cash and cash equivalents . . .	119,504	192,692	463,800	584,118
Subtotal	1,378,756	1,838,534	1,655,876	1,727,295
Current liabilities				
Trade and bills payables	492,317	448,463	401,105	392,162
Accruals and other payables . .	537,095	605,887	485,743	487,912
Financial liabilities measured at FVPL	—	1,789	2,912	3,582
Interest-bearing borrowings . . .	1,113,212	1,070,260	1,136,556	1,145,597
Lease liabilities	35,957	46,506	54,946	51,298
Current taxation	—	—	120	2,892
Redemption liabilities	—	—	204,644	208,342
Subtotal	2,178,581	2,172,905	2,286,026	2,291,785
Net current liabilities	799,825	334,371	630,150	564,490

We recorded net current liabilities of RMB799.8 million, RMB334.4 million, RMB630.2 million and RMB564.5 million as of December 31, 2023, 2024, 2025 and 31 March, 2026, respectively.

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- **December 31, 2023 to December 31, 2024:** Net current liabilities decreased by 58.2% from RMB799.8 million to RMB334.4 million. On the current assets side, (i) biological assets increased by 24.9% from RMB831.2 million to RMB1,038.4 million as higher year-end market prices raised fair values, (ii) cash and cash equivalents increased by 61.3% from RMB119.5 million to RMB192.7 million due to net operating cash inflows, and (iii) financial assets measured at FVPL increased significantly from RMB0.2 million to RMB132.3 million as surplus liquidity was allocated to short-tenor structured deposit products and commodity futures. On the current liabilities side, (i) interest-bearing borrowings decreased by 3.9% from RMB1,113.2 million to RMB1,070.3 million as repayment of borrowings exceeded new borrowings, (ii) trade and bills payables decreased by 8.9% from RMB492.3 million to RMB448.5 million as procurement and year-end settlements resulted in a decrease in the balance of accounts payable at the end of the year, and (iii) accruals and other payables were RMB605.9 million, representing an increase of 12.8% as compared with RMB537.1 million in the same year of previous year, reflecting recognition of a payable for the purchase of own shares and higher staff cost payables offset by lower deposits received and reduced payables relating to property, plant and equipment.
- **December 31, 2024 to December 31, 2025:** Net current liabilities increased by 88.5% from RMB334.4 million to RMB630.2 million. On the current assets side, (i) Cash and cash equivalents increased by 140.7% from RMB192.7 million to RMB463.8 million due to net operating cash inflows, (ii) Biological assets decreased by 34.1% from RMB1,038.4 million to RMB684.8 million due to market conditions affecting fair value measurement at year end and changes in year-end livestock inventory levels, (iii) Financial assets measured at FVPL decreased from RMB132.3 million to RMB0.5 million upon maturity of structured deposits. On the current liabilities side, (i) Interest-bearing borrowings increased by 6.2% from RMB1,070.3 million to RMB1,136.6 million as short-term loans were raised for operations, (ii) Accruals and other payables decreased by 19.8% from RMB605.9 million to RMB485.7 million due to settlement of staff costs and project payables, (iii) Trade and bills payables decreased by 10.6% from RMB448.5 million to RMB401.1 million due to lower procurement and earlier settlement of supplier balances.
- **December 31, 2025 to March 31, 2026:** Net current liabilities decreased by 10.4% from RMB630.2 million to RMB564.5 million. On the current assets side, (i) Cash and cash equivalents increased by 25.9% from RMB463.8 million to RMB584.1 million due to net cash inflows, (ii) Biological assets decreased by 5.1% from RMB684.8 million to RMB649.6 million due to market conditions affecting fair value measurement at period end. On the current liabilities side, (i) Interest-bearing borrowings increased by 0.8% from RMB1,136.6 million to RMB1,145.6 million following additional short-term financing, (ii) Trade and bills payables decreased by 2.2% from RMB401.1 million to RMB392.2 million due to supplier settlements made during the period.

Net Current Liabilities Position

As of December 31, 2023, December 31, 2024, December 31, 2025, and March 31, 2026, we recorded net current liabilities of RMB799.8 million, RMB334.4 million, RMB630.2 million, and RMB564.5 million, respectively. Our net current liabilities position primarily reflected a relatively high level of short-term interest-bearing borrowings used to support our operations and business expansion, as well as fluctuations in the carrying values of biological assets and other working capital items. We monitor our net current liabilities position on an ongoing basis as part of our overall working capital and liquidity management.

Despite our net current liability position, we continuously record cash inflows from operations, which funds our business operation and expansion. During the Track Record Period, we record net cash generated from operating activities of RMB15.4 million in 2023, RMB962.0 million in 2024, and RMB447.7 million in 2025.

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In addition, we plan to strengthen working capital efficiency through tighter management of trade receivables and inventories, acceleration of fund collection, and prudent control of operating expenses. We also intend to continue refining our product mix, including the expansion of higher-margin products.

From a funding perspective, we assess the feasibility of refinancing part of our short-term borrowings, with a view to alleviating near-term repayment pressure and optimizing our overall financial structure.

Moreover, we plan to ensure working capital sufficiency through a combination of internally generated cash flows, external funding, available banking facilities, and prudent capital management measures. During 2025, we received a capital injection of RMB200 million from Guizhou Zhongken Equity Investment Fund Partnership (Limited Partnership), which further strengthened our working capital position. As of March 31, 2026, we had unutilized credit facilities of RMB1,163.2 million, which, together with our cash and cash equivalents, were sufficient to cover our working capital needs.

Based on our available cash resources, unutilized credit facilities, recent capital injection, and projected operating cash inflows, our Directors are of the view that we will have sufficient working capital to meet our obligations as they fall due for at least the twelve months following the [REDACTED].

The Sole Sponsor concurs with the Directors’ view that the Group has sufficient working capital for the next 12 months from the date of this document, based on the Sole Sponsor’s (i) review of the working capital forecast memorandum and the bases and assumptions used in the preparation thereof, (ii) review of the Group’s historical financial information for the Track Record Period to evaluate the trends underlying its net current liabilities position, (iii) discussions with the Company’s management in relation to the Group’s working capital position and intended plans for strengthening working capital and liquidity management, and (iv) review of banking facility documents to verify that the relevant financing facilities exist.

DISCUSSION OF CERTAIN KEY STATEMENT OF FINANCIAL POSITION ITEMS

Property, plant and equipment

Our property, plant and equipment include the pig farms, chicken farms and ancillary structures required for breeding and farming, as well as machinery and equipment for farm construction, operations and environmental protection.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Plant and buildings	1,009,882	987,600	968,851
Machinery and equipment	505,981	462,675	422,936
Vehicles, furniture and others	89,289	80,766	77,912
Sub-total	1,605,152	1,531,041	1,469,699
Construction in progress	129,896	116,081	161,707
Total	1,735,048	1,647,122	1,631,406

The carrying amount of our property, plant and equipment was RMB1,735.0 million, RMB1,647.1 million and RMB1,631.4 million as of December 31, 2023, December 31, 2024 and December 31, 2025, respectively. The balance decreased by 5.1% to RMB1,647.1 million as of

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December 31, 2024 as we slowed new construction, and depreciation and disposals exceeded additions. It further declined by 1.0% to RMB1,631.4 million as of December 31, 2025, primarily reflecting ongoing depreciation outpacing additions during the year.

Intangible assets

Our intangible assets primarily comprise software and related rights used in production, breeding and management systems.

Our intangible assets increased by 37.5% from RMB3.2 million as of December 31, 2023 to RMB4.4 million as of December 31, 2024, mainly due to new additions to broiler chicken patents, core technology production and operation rights, and management systems of RMB3.7 million in aggregate partially offset by amortization and minor disposals. Our intangible assets remained stable at RMB4.4 million as of December 31, 2025.

Inventories

Our inventories comprise raw materials (primarily corn and soybean meal) we used for feed production, finished goods (mainly fresh and other products, feed and eggs) and spare parts and consumables (primarily hardware accessories and packaging materials). The following is a breakdown of balance of our inventories as of the dates indicated:

	As of December 31,		
	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
Total	<u>166,140</u>	<u>161,867</u>	<u>194,888</u>

We regularly check and calculate the net realizable value of slow-moving items and obsolescence. Inventory levels are planned based on anticipated demand.

Our inventory decreased by 2.5% from RMB166.1 million to RMB161.9 million as of December 31, 2024, mainly due to lower raw materials (RMB120.1 million to RMB101.3 million) and a change in spare parts and consumables (RMB13.7 million to RMB30.4 million).

Inventory increased by 20.4% from 161.9 million to RMB194.9 million as of December 31, 2025, primarily driven by higher finished goods (RMB30.2 million to RMB53.3 million) and an increase in raw materials (RMB101.3 million to RMB119.7 million). The increase in finished goods as of December 31, 2025, mainly reflected (i) a higher ending balance of frozen products, as historical frozen inventories accumulated in prior periods were cleared and sold at normal prices during 2025; and (ii) additional production near year-end to support marketing and sales activities for the 2026 Chinese New Year. The increase in raw materials balance as of December 31, 2025, primarily reflected the expansion of farming operations, as higher breeding stock and sales volumes required additional feed and other production inputs.

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The following table sets out an aging analysis of our inventories, based on the inventory aging date (i.e., the date the inventories were received/recognized) and net of provision for inventory obsolescence and impairment, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	165,184	149,963	194,755
1-2 years	956	10,981	113
2-3 years	—	923	—
Total	166,140	161,867	194,888

The following table sets out the average inventories turnover day(s) for the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Average inventories turnover day(s)	19	15	17

Note: Average inventories turnover day(s) for each of the years ended December 31, 2023, 2024, 2025 are equal to the average inventories divided by cost of sales and multiplied by the number of days in the relevant year. Average inventories is equal to the average of inventory at the beginning of the year and inventory at the end of the year.

Our average inventories turnover days decreased from 19 days in 2023 to 15 days in 2024, as we maintained tighter raw material levels and our cost of sales increased relative to average inventories. Our inventories turnover days then increased from 15 days in 2024 to 17 days in 2025, primarily because our average inventories, including raw materials and finished goods, were higher relative to cost of sales during the year.

As of March 31, 2026, RMB178.4 million or 91.5% of our inventories as of December 31, 2025 had been subsequently utilized or consumed.

BIOLOGICAL ASSETS AND VALUATION

From December 31, 2023 to December 31, 2024, the fair value of our biological assets increased by 16.2% from RMB1,091.3 million to RMB1,268.5 million. The increase reflected a recovery in market conditions, with higher pig prices lifting the appraised value of biological assets, while a rebound in chicken prices also improved the valuation of our Qingyuan Chicken and other native chickens. From December 31, 2024 to December 31, 2025, the fair value of our biological assets declined by 26.0% to RMB938.5 million primarily due to a decrease in market pig prices, as well as changes in year-end inventory levels of biological assets, which reduced appraised values across our biological assets.

The following table sets out the fair value of our biological assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Breeding stocks			
Breeders (種雞)	29,004	36,607	40,923

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	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sows (種母豬)	158,963	194,338	152,814
Boars (種公豬)	3,346	1,466	1,142
Gilts & studs (後備母豬及後備公豬) . . .	97,744	34,333	99,740
Commodity stocks			
Fertile eggs (種蛋)	4,885	6,250	6,473
Broilers (商品雞)	192,230	200,761	235,880
Growers (育肥豬)	582,345	776,214	385,087
Piglets (哺乳仔豬)	22,768	18,553	16,486
Total	1,091,285	1,268,522	938,545

Note: Sows, boars, and gilts & studs are classified under hog breeders. Growers and piglets are classified under commodity stock hogs. Fertile eggs and broilers are classified under broilers. Please refer to Note 14 of the Accountants’ Report set out in Appendix I to this document for details.

The volumes of our biological assets are summarized as follows:

	As of December 31,		
	2023	2024	2025
	(Units)	(Units)	(Units)
Breeding stocks			
– Breeders (種雞) (Birds)	793,381	1,111,086	1,058,362
– Sows (種母豬) (Hheads)	68,234	65,159	62,983
– Boars (種公豬) (Hheads)	620	338	298
– Gilts & studs (後備母豬及後備公豬) (Hheads)	41,499	20,945	38,575
Commodity stocks			
– Fertile eggs (種蛋) (Pieces)	5,431,266	6,888,512	7,187,957
– Broilers (商品雞) (Birds)	11,586,413	13,598,140	15,145,536
– Growers (育肥豬) (Hheads)	628,206	659,558	525,634
– Piglets (哺乳仔豬) (Hheads)	145,170	133,650	102,946

Our biological assets were independently valued by the Valuer. The Valuer is an independent professional valuer not connected with us, and has appropriate and extensive experience in the valuation of biological assets.

Information about the independent valuer of our biological assets

We have engaged JLL, an independent valuer, to determine the fair value of our biological assets as of December 31, 2023 and 2024 and 2025 (the “Valuation Date(s)”), respectively. The key valuers of the JLL team include Mr. Simon Chan.

Mr. Simon Chan, executive director at JLL, is a fellow of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a fellow of CPA Australia. He is also a Certified Valuation Analyst (CVA), a member of The International Association of Consultants, Valuers and Analysts (IACVA), a member of Canadian Institute of Mining, Metallurgy and Petroleum (CIM), and a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Simon oversees the business valuation services of JLL and has over 30 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in China, Hong Kong, Singapore and the United States. Simon oversaw the valuation of biological assets for the initial public offerings and subsequent

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financial reports of China Modern Dairy Holdings Ltd (stock code: 1117.HK), AustAsia Group Ltd. (stock code: 2425.HK), YuanShengTai Dairy Farm Limited (stock code: 1431.HK), Shandong Fengxiang Co., Ltd. (stock code: 9977.HK) and WH Group Limited (stock code: 288.HK). He also led the valuation of other biological assets, such as market hogs, trees, rabbits and chickens, for financial reporting purpose of HongKong listed companies including Chenming Paper (stock code: 1812.HK), China Mengniu Dairy Company Limited (stock code: 2319.HK) and China Kangda Food Company Limited (stock code: 834.HK), as well as numerous private companies.

Appointment of expert

The Valuer appointed expert consultants, Professor Han Xuelei and Dr. Wang Tengfei, both from Henan Agricultural University, to join the JLL team and assist in the exercise. Such appointments are necessary due to the importance of a thorough understanding of the current physical and biological attributes of the Biological Assets. Given the expertise and past experience of the expert consultants, JLL confirms that they possess the appropriate qualifications. JLL is satisfied with the opinions provided by the expert consultants and considers such opinions to be reasonable and credible. Based on market reputation and relevant background research, our Directors and the Sole Sponsor are satisfied that JLL is independent from us and is competent in conducting a valuation on our biological assets.

Valuation methodology

In arriving at the assessed value, two generally accepted approaches have been considered, namely, the market approach and the replacement cost approach. Market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect the condition and utility of the appraised assets relative to the market comparatives. Assets for which there is an established used market may be valued by this approach. Replacement cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with the current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The replacement cost approach generally furnishes the most reliable indication of value for assets without a known used market. The following valuation methods were adopted:

Fertile eggs and commercial eggs

The fair value of the fertile eggs and commercial eggs were derived through the market approach, by multiplying the market prices for different species/categories by their corresponding quantities, less the expected expenses (if any) to complete.

Broilers

The market approach was adopted for valuing broilers. Broilers were assumed to be sold live or slaughtered when they reach certain age (for production of chicken products). The fair value of broilers were derived by assuming the selling prices of the broilers for sale as the estimated price receivable upon completion, multiplying the unit price by the corresponding quantities, less the expected costs to complete.

Breeders (immature breeders and mature breeders)

The replacement cost approach was adopted for valuing breeders. As there were no actively trading markets for breeders at specific ages during the production cycles, the market prices for the day-old chicks and the culled breeders were obtained. The feeding costs for rearing the chicken breeders were also taken into consideration to assess the fair value of immature breeders. The value of mature breeders was adjusted based on the fertile eggs production (number of eggs laying) for breeding hens and service lives (number of years mating) for breeding cocks.

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Piglets

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, the recent costs incurred the replacement costs, including depreciation due to use of breeding stock and other associated costs.

Growers, gilts, and studs

The market approach was adopted for valuing growers, gilts and studs. Growers were assumed to be sold live or slaughtered when they reach the stage as the market hogs (for production of pork products). The fair value of growers was derived by obtaining the market prices of the market hogs, multiplying the unit price by the corresponding quantities, less the expected costs to complete. The fair value of the gilts and studs was derived by multiplying the market prices of the gilts and studs for different species by their corresponding quantities.

Sows and boars

The replacement cost approach was adopted for valuing sows and boars. As there were no actively trading markets for mature breeding pig at specific ages, the market prices for new breeding pigs (mature biological physical condition) were obtained first and adjusted based on the use (the parities for sows and number of years mating for boars), until they are sold as culled breeding stocks.

Key assumptions and inputs

The key inputs and assumptions include the following:

Quantity

The valuation has relied on the figures and information provided by our Group for the biological assets as of the Valuation Dates.

Market Prices

The market price is based on the transacted prices of fertile eggs, broilers, culled breeders, growers, gilts and studs observed at or near the Valuation Dates in the respective market. We operate our business across different provinces, and each province has its own specific supply and demand dynamics because of differences in factors such as local sow supply, rearing cost (in particular feeding cost), transportation cost and consumption habits. These factors might lead to different market prices for pigs that we produced and sold in different locations on the same date. Hence the market price assumption adopted for biological assets in the valuation process is displayed as a range of price across the markets in which we operate.

Set forth below are the range of market price by types of biological assets adopted in the valuation process as well as the actual historical results:

	Assumptions used	As of December 31, 2023	As of December 31, 2024	As of December 31, 2025
Breeding stocks				
– Mature breeders	Replacement	RMB28.7 to	RMB23.8 to	RMB24.9 to
(per bird)	cost	RMB55.2	RMB52.4	RMB65.2
– Immature breeders	Replacement	RMB6.4 to	RMB2.0 to	RMB3.0 to
(per bird)	cost	RMB55.5	RMB52.4	RMB65.3

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	Assumptions used	As of December 31, 2023	As of December 31, 2024	As of December 31, 2025
– Sows and boars (per head)	Replacement cost	RMB1,893 to RMB9,449	RMB2,741 to RMB8,356	RMB1,636 to RMB7,761
– Gilts and studs (per head)	Market price	RMB1,411 to RMB3,928	RMB1,506 to RMB3,485	RMB1,596 to RMB7,771
Commodity stocks				
– Fertile eggs (per piece)	Market price	RMB0.7 to RMB0.9	RMB0.7 to RMB0.9	RMB0.9
– Broilers (per kg) . .	Market price	RMB13.9 to RMB35.6	RMB11.6 to RMB30.3	RMB12.8 to RMB35.5
– Growers (per kg) . .	Market price	RMB14.0 to RMB15.0	RMB16.0 to RMB17.0	RMB11.0 to RMB13.0
– Piglets (per head). .	Replacement cost	RMB132 to RMB191	RMB109 to RMB179	RMB114 to RMB176

Assumptions for Chicken business

In valuing the fair value of broilers, the following key assumptions and parameters were considered.

Mortality Rate

As there is the probability that broilers might be dead due to diseases, epidemics, accidents or natural forces during rearing cycle, the mortality since the Valuation Date(s) until complete and sold has been taken into consideration. The mortality rate for the broilers was with reference to the historical actual mortality rate, which was calculated as the number of broilers dead during the rearing process divided by the number of day-old chicks introduced for broiler rearing.

Age for sale

With reference to the historical sales records and to the best estimation of the management, broilers are assumed to be sold when they reach the certain age.

Body Weight

The average body weight of the broilers when they are sold was determined based on our operating and rearing experience.

Cost to Complete

The costs required to feed broilers since the Valuation Date(s) until they were sold were incorporated and were estimated based on the historical average costs provided by our Company. The costs include feeding cost, medication and vaccination, labor, production overheads, etc.

In valuing the fair value of breeders, the following key assumptions and parameters were considered:

Service Lives

To the best estimation of the management, mature chicken breeders are normally used for mating until they are culled and sold as culled breeders at residual value. The value of male mature breeders is depreciated on straight-line basis over the service lives, while the value of female mature breeders is depreciated on units-of-production basis over the service lives.

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Assumptions for Pig business

In valuing the fair value of growers, key assumptions and parameters including mortality rate, average age for sale, body weight and cost to complete were considered:

Mortality Rate

As there is the probability that the growers might be dead due to diseases, epidemics, accidents or natural forces during the rearing cycle, the mortality since the Valuation Date until complete and sold has been taken into consideration. The mortality rate from weaning to the grower stage was with reference to the historical actual mortality rate, which was calculated as the number of dead pigs divided by the number of weaned pigs transferred to the grower stage.

Average Age for sale

With reference to the historical sales records and to the best estimation of the management, growers are assumed to be sold as the market hogs when they reach a certain age (approximately 160-180 days).

Body Weight

The average body weight of the market hogs when they are sold was determined based on our operating and rearing experience.

Cost to Complete

The costs required to feed growers since the Valuation Date until they were sold were incorporated and were estimated based on the historical average costs. The costs include feed costs, medication and vaccination costs, labor and production overheads.

In valuing the fair value of sows and boars, key assumptions and parameters including parity, service lives and residual value were considered:

Parity

To the best estimation of the management, sows normally give birth to piglets for six times at most and would be culled and sold at residual value. The value of sows is depreciated on straight-line basis over the six parities based on the price of new breeding pigs (mature biological physical condition).

Service Lives

To the best estimation of the management, boars are normally used for mating for 2 years at most and would be culled and sold at residual value. The value of boars is depreciated on straight-line basis over the 2-year service lives based on the price of new breeding pigs (mature biological physical condition).

Residual Value

The residual values of sows and boars are determined by the management based on historical sales.

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Other Assumptions

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

The Valuer confirmed that they have conducted their valuation in accordance with IFRS 13 & IAS 41 issued by the International Accounting Standards Board and with reference to the International Valuation Standards issued by the International Valuation Standards Council. The Valuer planned and performed our valuation so as to obtain all the information and explanations that they considered necessary in order to provide them with sufficient evidence to express their opinion on the subject asset. The Valuer are of the opinion that the valuation procedures they employed provide a reasonable basis for their opinion.

The Reporting Accountants have performed their work on the Historical Financial Information (as defined in the Accountants’ Report in Appendix I to this document) in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, Accountants’ Report on Historical Financial Information in Investment Circular (“HKSIR 200”). As part of their work on the Historical Financial Information, the Reporting Accountants have considered the results of audit procedures performed in connection with the valuation techniques and key inputs used in valuation of the biological assets. They have satisfied themselves in respect of the valuation technique chosen and the key inputs used in the valuation for the purpose of forming an opinion on the Historical Financial Information as a whole.

The Sole Sponsor held various discussions with JLL in relation to its valuation procedures, valuation bases and assumptions, valuation techniques and information required to prepare the valuation report of the biological assets to better understand the valuation process and reviewed the qualification and relevant valuation experience of JLL and its professional valuers. In addition, the Sole Sponsor discussed with our management and the Reporting Accountants with respect to the techniques chosen and the inputs used in the valuations. In addition, the Sole Sponsor have discussed with the Reporting Accountants regarding the valuation of biological assets compiled by the Valuer and noted that the Reporting Accountants had considered the audited procedures performed in accordance with the relevant auditing standards. Given the above, the Sole Sponsor is satisfied that the valuation techniques chosen and the inputs used in the valuation technique are appropriate and reasonable.

Sensitivity analysis

A significant increase/decrease in the market price and replacement cost in isolation would result in a significant increase/decrease in the fair value of the biological assets. As of December 31, 2023 and 2024 and 2025, if market price and replacement cost increases by 10%, the estimated fair value of biological assets would have increased by RMB105.2 million, RMB120.6 million and RMB103.1 million, respectively, and if market price and replacement cost decreases by 10%, the estimated fair value of biological assets would have decreased by RMB116.4 million, RMB123.7 million, and RMB118.4 million, respectively.

Stock take and internal control

Stock-take

We have established a standard protocol for all our farms for stock take consisting of periodic and random stock take to ensure the physical existence of our biological assets and accuracy of relevant data and information. Each of our farms is required to perform a full stock take on a monthly basis to ensure the relevant information such as headcount gender and age-grouping, health and breeding status are accurately reflected in our information management system and submit a

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stock-take report to the internal audit department at our headquarters. Farm managers, staff of the finance department and their supervisors, staff of the internal audit department and directors of relevant departments conduct the monthly stock-take on-site, and confirm the result in writing.

Internal Control and Management System

We have devised a comprehensive policy for biological asset management. Our biological asset management policy covers among other things, the relevant accounting policies, transferring among age groups, purchase and disposal of biological assets, breeding, record keeping and stock take.

Trade and bills receivables

	As of December 31,		
	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)
Bills receivables	–	–	495
Total	39,495	51,849	56,885

Our trade receivables mainly include receivables in connection with the sales of fresh and other products and a small amount of receivables in connection with sales of our Qingyuan Chicken and other native chickens, and pigs. The following table sets out an aging analysis of our trade receivables, based on the invoice date and net of allowance for doubtful debts, as of the dates indicated:

	As of December 31,		
	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	–
Total	39,495	51,849	56,885

Our policy for expected credit loss on trade receivables is based on our estimated rate of credit loss which requires the use of judgment and estimates. Our management reviews the trade receivables balances and any overdue balances on an ongoing basis and assessments are made by our management on the collectability of overdue balances. For our sales of fresh and other products, our trade receivables are typically due within 60 to 90 days from the invoice date.

For Qingyuan Chickens, other native chickens, and pigs, our business is mainly based on payment on delivery. Accordingly, our Directors considered that an analysis of the average turnover days of trade receivable was not meaningful.

As of March 31, 2026, RMB55.0 million or 96.0% of our total trade receivables as of December 31, 2025 had been subsequently settled.

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Prepayments, deposits and other receivables

Our prepayments, deposits and other receivables mainly consist of advances to family farmers, deposits, loans and advances to local government, prepayments for purchase of inventories, prepayments for operating expenses and others.

The following table sets out a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due from a related party	–	3,000	–
Amounts due from family farmers	26,880	30,832	23,568
Amounts due from government	22,236	5,229	5,079
Deposits	47,979	68,282	36,965
Others	29,123	20,708	32,924
Sub-total	126,218	128,051	98,536
Less: loss allowance	(24,997)	(17,501)	(29,232)
Financial assets measured at amortized 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
Prepayment for [REDACTED] expenses	–	–	[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	(20,948)	(19,975)	(3,000)
Total	98,059	113,689	115,402

As of December 31, 2024, our prepayments, deposits and other receivables balance increased by 15.9% from RMB98.1 million to RMB113.7 million, primarily due to an increase in deposits and a decrease in loss allowance. Deposits increased from RMB48.0 million to RMB68.3 million, mainly because we carried out futures business in 2024, with futures margin reaching RMB16.0 million as of December 31, 2024. Amounts due from family farmers increased from RMB26.9 million to RMB30.8 million, mainly because our self-operated scale further expanded in 2024. Value added tax recoverable increased from RMB0.7 million to RMB1.2 million. Although amounts due from government decreased from RMB22.2 million to RMB5.2 million, the reduction in prepaid government funds is due to the fact that we have recovered RMB17.0 million from the government, such decrease partially offset the overall growth in the balance.

As of December 31, 2025, our prepayments, deposits and other receivables increased by 1.5% from RMB113.7 million to RMB115.4 million, primarily due to increases in prepayments for purchase of inventories, other receivables, value added tax recoverable and prepayments for [REDACTED] expenses. Prepayments for purchase of inventories increased from RMB10.2 million to RMB30.1 million, while others increased from RMB20.7 million to RMB32.9 million. In addition, value added tax recoverable increased from RMB1.2 million to RMB2.8 million, and prepayments for [REDACTED] expenses of [REDACTED] million were newly recognized in

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2025. These increases were partially offset by a decrease in deposits from RMB68.3 million to RMB37.0 million, a decrease in amounts due from family farmers from RMB30.8 million to RMB23.6 million, and a decrease in prepayments for operating expenses from RMB11.7 million to RMB7.5 million.

The balance of “Others” primarily consisted of operating-related receivables and prepayments, as well as settlement receivables due from futures brokers and social insurance and housing fund receivables. It decreased from RMB29.1 million as of December 31, 2023 to RMB20.7 million as of December 31, 2024, primarily due to a decrease in operating-related receivables and prepayments, and then increased to RMB32.9 million as of December 31, 2025, primarily due to increases in settlement receivables due from futures brokers and social insurance and housing fund receivables.

As at December 31, 2023, 2024 and 2025, we recorded amounts due from family farmers of RMB26.9 million, RMB30.8 million and RMB23.6 million, respectively, which primarily represented short-term loans advanced to certain family farmers during the Track Record Period.

The following table sets forth a movement of amounts due from family farmers during the Track Record Period:

	2023 or as of December 31, 2023	2024 or as of December 31, 2024	2025 or as of December 31, 2025
	RMB'000	RMB'000	RMB'000
Balance as at January 1	20,853	26,880	30,832
New loans advanced during the year	13,191	12,978	7,302
Repayments during the year	7,163	9,027	14,565
Balance as at December 31	26,880	30,832	23,568

We provided these loans mainly to family farmers with practical breeding experience but limited financial resources, to assist them in meeting the upfront capital requirements for the construction or renovation of pig houses and initial working capital needs at the beginning of each farming cycle. Such financial support enabled family farmers to commence production activities in a timely manner and continue their cooperation with us, thereby supporting a stable and continuous supply of livestock. According to the Frost & Sullivan Report, such arrangements are commercially driven and consistent with prevailing industry practices among integrated livestock farming enterprises in the PRC.

Principal Terms of Loans to Family Farmers

During the Track Record Period, the loan principals advanced to individual family farmers ranged from RMB15,000 to RMB5.0 million, with an average principal amount of RMB0.8 million. The loans carried fixed interest rates ranging from 0% to 18% per annum, which were determined on a case-by-case basis, considering factors such as the creditworthiness and historical cooperation with the relevant family farmer, the farming scale, and the prevailing market conditions at the time of drawdown. All loans had maturity periods within one year and were generally repaid through deductions from settlement payments upon the sale of livestock under the family farming arrangement. Part of amounts due from family farmers were secured by family farmer’s assets, and/or third-party personal guarantees.

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We funded these loans entirely from internal resources generated from our operating cash flows. No external bank borrowings or credit facilities were drawn down for this purpose. We have not entered into any new loan agreements with family farmers since January 2026 and do not intend to resume similar arrangements after the [REDACTED]. Accordingly, there will be no continuing financial exposure associated with such loans, and the discontinuation of these arrangements is not expected to have any material impact on our liquidity, cash flow, or financial position going forward.

Legal Compliance

As advised by our PRC Legal Advisers, PRC judicial practice generally recognizes the validity of inter-enterprise loan agreements entered into for production or operational needs, provided that such agreements do not fall within any of the circumstances rendering a contract void under the PRC Civil Code or the relevant judicial interpretations of the Supreme People’s Court, including, among others, lending for illegal activities or in violation of public order and good morals. Given our loans were entered into for genuine commercial purposes, negotiated on an arm’s length basis, and did not involve any such circumstances. Moreover, given:

- From an administrative perspective, there exists a theoretical compliance risk under the *General Rules on Loans* (《貸款通則》) issued by the People’s Bank of China, which restricts lending activities by non-financial institutions. However, given the genuine commercial purpose, limited scale, and the fact that we have ceased such arrangements, the likelihood of administrative penalties is considered remote.
- We have not received any penalty, inquiry, or investigation from regulatory authorities in relation to such loans as of Latest Practicable Date.

Accordingly, our PRC Legal Advisers are of the view, and our Directors concur, that the relevant loan agreements and the amounts due from family farmers thereunder are valid under PRC law and do not present any material legal, regulatory or liquidity risk to us.

Financial assets measured at FVPL

Our financial assets measured at FVPL consist of structured deposits, trust products and other debt investments from banks and other financial institutions in China, and commodity futures contracts.

Financial assets measured at FVPL were RMB0.2 million at December 31, 2023, RMB132.3 million at December 31, 2024 and RMB0.5 million at December 31, 2025, respectively. The 2023 increase reflected initial purchases of structured products. The 2024 increase reflected additional allocations to structured deposits. The decrease in the year ended December 31, 2025 reflected maturities and redemptions of structured products, partial close-out of futures positions and redeployment of funds to operations.

Restricted bank deposits

Our restricted bank deposits primarily comprise collateral deposits for bills payable and borrowing arrangements. The restricted bank deposits (current and non-current portion) were RMB154.1 million as of December 31, 2023, RMB177.8 million as of December 31, 2024 and RMB109.3 million as of December 31, 2025.

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Trade and bills payables

	At of December 31,		
	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
Total	<u>492,317</u>	<u>448,463</u>	<u>401,105</u>

Our trade and bills payables primarily relate to purchases of feed, veterinary medicines and family farming fees for our pig and related products operations. Suppliers generally grant fixed credit limits; amounts exceeding those limits are settled on delivery or within one year thereafter.

Our trade and bills payables decreased by 8.9% from RMB492.3 million as of December 31, 2023 to RMB448.5 million as of December 31, 2024 mainly due to strong sales performance in our pig business in 2024 and an accelerated payment process. Subsequently, our trade and bills payables decreased by a further 10.6% to RMB401.1 million as of December 31, 2025, reflecting changes in purchasing volumes and settlement timing.

Payment arrangements with suppliers include payment on delivery and credit terms (generally within one year). We usually settle outstanding fees with our family farmers within six months for the sales of pig and related products.

The following table sets out an aging analysis of our trade and bills payables, based on invoice date, as of the dates indicated:

	As of December 31,		
	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
Total	<u>492,317</u>	<u>448,463</u>	<u>401,105</u>

The following table sets out the average trade and bills payables turnover days for the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Average trade and bills payables turnover day(s)	46	44	41

Note: Average trade and bills payables turnover day(s) for each of the years ended December 31, 2023 and 2024 and 2025 are equal to the average trade and bills payables divided by costs of sales and multiplied by the number of days in the relevant year. Average trade and bills payables is equal to the average of trade and bills payables at the beginning of the year and trade and bills payables at the end of the year.

Average trade and bills payables turnover days were 46 days, 44 days and 41 days for 2023, 2024 and 2025, respectively. The decrease from 46 days in 2023 to 44 days in 2024 and the further decrease from 44 days in 2024 to 41 days in 2025 reflected accelerated payments during the year.

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As of March 31, 2026, RMB249.1 million or 62.1% of our total trade and bills payables as of December 31, 2025 had been subsequently settled.

Accruals and other payables

Our accruals and other payables consist of payables for staff related costs, deposit from family farmers and other guarantees to third-party contractors, other tax payables, payables relating to purchase of property, plant and equipment, and contract liabilities. The following table sets out a breakdown of our accrued expenses and other payables as of the dates indicated:

	As of December 31,		
	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	–	87,423	–
Payables for [REDACTED] expenses . . .	–	–	[REDACTED]
Others	42,046	34,884	44,288
Financial liabilities measured at amortized cost	520,743	586,286	468,513
Other taxes payables	3,624	1,564	1,648
Contract liabilities	12,728	18,037	15,582
Total	537,095	605,887	485,743

Our accruals and other payables increased by 12.8% from RMB537.1 million as of December 31, 2023 to RMB605.9 million as of December 31, 2024, mainly reflecting the recognition of a payable for the purchase of our own shares and higher staff cost payables, partially offset by decreases in deposits received and payables relating to purchases of property, plant and equipment.

Our accruals and other payables decreased by 19.8% from RMB605.9 million as of December 31, 2024 to RMB485.7 million as of December 31, 2025, primarily due to (i) the settlement of the payable for the purchase of our own shares and (ii) decreases in deposits received and other financing-related payables, partially offset by increases in certain operating payables.

During the Track Record Period we received deposits from counterparties under our operating arrangements, including Qingyuan Chicken and pig farmers under our contract-farming model, farm owners, Qingyuan Chicken and pig dealers, and selected suppliers as quality and performance guarantees. Deposits received were RMB405.6 million as of December 31, 2023, RMB372.0 million as of December 31, 2024 and RMB350.0 million as of December 31, 2025.

Our contract liabilities comprise advance receipts from customers for unfulfilled performance obligations under IFRS 15. Contract liabilities were RMB12.7 million, RMB18.0 million and RMB15.6 million as of December 31, 2023, 2024 and 2025, respectively. The increase in 2024 and decrease in 2025 primarily reflected the timing of customer prepayments and fulfilment of performance obligations around year-end. Contract liabilities may fluctuate from year to year depending on order intake, prepayment terms and delivery schedules.

As of March 31, 2026, RMB13.8 million or 88.5% of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

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Financial liabilities measured at FVPL

The Group entered into a number of futures contracts for pigs, corn and soybean meal to manage their future price risks. These futures contracts are measured at fair value through profit or loss. Financial liabilities measured at FVPL were nil as of December 31, 2023, RMB1.8 million as of December 31, 2024 and RMB2.9 million as of December 31, 2025. The increase in the liability in 2024 was primarily attributable to our entry into futures contracts for feed commodities such as corn. The Group’s main purpose in entering into these futures contracts is to hedge against price fluctuation risks of key raw materials and stabilize production costs.

Interest-bearing borrowings

Our interest-bearing borrowings comprise bank loans, borrowings from government and borrowings from other financial institutions.

- Current interest-bearing borrowings were RMB1,113.2 million, RMB1,070.3 million and RMB1,136.6 million as of December 31, 2023, December 31, 2024 and December 31, 2025, respectively.
- Non-current interest-bearing borrowings were RMB507.2 million, RMB320.8 million and RMB348.7 million on the same respective dates.

Investment Risk Management

We have adopted an investment management policy regarding the supervision and approval process for our investments in futures and derivatives products and wealth management products, as further described below.

Structured deposits, trust products and other debt investments

Our wealth management products consist of short-term structured deposits, trust products and other debt investments purchased from PRC commercial banks and financial institutions, typically with three-month tenors, variable embedded returns and an emphasis on principal protection. Structured deposits, trust products and other debt investments were RMB0.2 million at of December 31, 2023 and then increased to RMB110.1 million at of December 31, 2024 as further cash was deployed into short-tenor structured products. Structured deposits, trust products and other debt investments decreased to nil as of December 31, 2025 due to scheduled maturities/redemptions and redeployment of funds to operations. Our investments in wealth management and futures and derivatives products will also comply with Chapter 14 of the Listing Rules after the [REDACTED]. Please refer to Note 20 of the Accountants’ Report set out in Appendix I to this document for details.

Futures and derivatives business

Our futures and derivatives business comprises the transactions of futures and options contracts. We have formulated detailed management rules for futures and derivatives products to control the risk exposure associated with such transaction. The dedicated futures and derivatives business team and settlement and risk control team have been established to collaboratively monitor and execute transactions for these products. Our futures and derivatives business team conducts regular market studies to guide the transactions of futures and derivatives products. In accordance with internal policies of our Company, in principle, all futures and derivatives investment proposals must be submitted to the Board for review. The Board will evaluate the feasibility analysis reports, investment proposals, and other relevant documents of the proposed transactions to grant approval.

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INVESTMENT PROPERTIES

Our investment properties primarily comprise land use rights and buildings held for rental purposes in the PRC. The carrying amount of our investment properties were RMB34.0 million, RMB31.1 million, and RMB2.6 million as at 31 December 2023, 2024, and 2025, respectively. During the year ended 31 December 2025, certain investment properties ceased to be leased out to third parties and were reclassified from investment properties to right-of-use assets and property, plant and equipment as they became owner-occupied. The carrying amount of the reclassified assets was RMB28.2 million. Below we set out details of the Group’s investment properties, including the value, nature and location of the properties, whether they contributed to rental income and the details.

Year end	Carrying amount at the end of the year	Fair value at the end of the year	Nature	Location	Rental income
	(RMB'000)	(RMB'000)			(RMB'000)
December 31, 2023 . .	33,988	34,200	Land-use rights and buildings held for rental	Meitan County, Zunyi City, Guizhou Province	3,994
December 31, 2024 . .	31,103	31,400	Land-use rights and buildings held for rental	Meitan County, Zunyi City, Guizhou Province	3,980
December 31, 2025 . .	2,560	3,200	Land-use rights and buildings held for rental	Changshun Country, Qiannan Buyi and Miao Autonomous Prefecture, Guizhou Province	3,655

Rental income for the year ended December 31, 2025 included rent received from the Meitan County, Zunyi City, Guizhou Province properties before they were reclassified from investment properties during 2025.

INDEBTEDNESS

As of [March 31], 2026, we had outstanding indebtedness of RMB1,943.3 million, which comprised interest-bearing borrowings, and lease liabilities. Our Directors confirmed that, as of the Latest Practicable Date, certain of our bank facilities are subject to customary covenants, including covenants relating to certain financial ratios. Our Directors further confirmed that there was no material breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirmed that we did not experience any unusual difficulty to obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings during the Track Record Period and up to the Latest Practicable Date.

The table below sets out the breakdown of our indebtedness as at the dates indicated:

	As at December 31,			As at March 31,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000) (unaudited)
Current interest-bearing borrowings	1,113,212	1,070,260	1,136,556	1,145,597
Non-current interest-bearing borrowings	507,170	320,800	348,677	531,799

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	As at December 31,			As at
	2023	2024	2025	March 31,
	(RMB'000)	(RMB'000)	(RMB'000)	2026 (RMB'000) (unaudited)
Total interest-bearing borrowings	1,620,382	1,391,060	1,485,233	1,677,396
Current lease liabilities	35,957	46,506	54,946	51,298
Non-current lease liabilities	289,042	264,286	223,004	214,587
Total lease liabilities	324,999	310,792	277,950	265,885
Contingent liabilities	16,451	6,040	18,282	18,032

Note: The contingent liabilities above represented guarantees given by the Group in respect of certain bank loans made to family farmers as at the respective dates indicated.

Interest-bearing borrowings

As of December 31, 2023, 2024 and 2025, we had total outstanding interest-bearing borrowings of RMB1,620.4 million, RMB1,391.1 million, and RMB1,485.2 million, respectively.

During the Track Record Period, we primarily used bank loans and other loans to supplement our liquidity, daily production and operations and construct new farms. The effective interest rates of our bank loans ranged from 2.7%-5.5% as of December 31, 2023, from 1.5%-5.0% as of December 31, 2024, and from 1.3%-4.5% as of December 31, 2025.

The effective interest rates of our other borrowing ranged from 4.4%-18.3% as of December 31, 2023, from 4.4%-11.0% as of December 31, 2024, and from 6.0%-12.0% as of December 31, 2025.

Our Directors confirm that, as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings, or breach of covenants, during the Track Record Period and up to the Practicable Date.

As of March 31, 2026, we had total available credit facility of RMB3,226.6 million and the unutilised portion of the credit facility was RMB1,163.2 million. In general, we are able to utilize our banking facilities by following the customary procedures of the relevant lending banks.

During the Track Record Period, a majority of our borrowings were guaranteed by our Controlling Shareholders and/or shareholders of our Company. As of December 31, 2025, all guarantees previously provided by our Controlling Shareholders had been released.

Lease liabilities

We lease various properties in the PRC mainly as our chicken and pig farms and ancillary production facilities, and these lease liabilities were measured at net present value of the lease payments during the lease terms that are not yet paid. We had a lease liabilities (including current and non-current portion) of RMB325.0 million, RMB310.8 million, and RMB278.0 million as of December 31, 2023, 2024 and 2025, respectively. The following table sets out a breakdown of our current and non-current lease liabilities as of the dates indicated.

Except as disclosed above, during the Track Record Period and up to the close of business on [March 31], 2026, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase

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commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured. Our Directors confirm that there had been no material adverse change in our indebtedness since [March 31], 2026, and up to the date of this document.

Contingent Liabilities

During the Track Record Period, we had contingent liabilities of RMB16.5 million as of December 31, 2023, RMB6.0 million as of December 31, 2024, and RMB18.3 million as of December 31, 2025, reflecting the outstanding amounts of certain bank loans made to family farmers that we had guaranteed. As of each of these dates, we did not consider it probable that a claim would be made against us under any of the guarantees.

CAPITAL EXPENDITURE

The following sets forth our capital expenditure for the Track Record Period:

	Year ended December 31,		
	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 intangible assets	223	3,692	2,045
Total	<u>212,383</u>	<u>124,110</u>	<u>292,839</u>

Our capital expenditure primarily comprised construction and upgrade costs for our production and ancillary facilities during the Track Record Period. Capital expenditure was relatively high in 2023 as we expanded production capacity by building additional pig and chicken farms. In 2024, we built fewer farms as we leveraged the capacity added in 2023, resulting in a significant decrease in capital expenditure. For 2025, capital expenditure increased because of our continued investment in our slaughtering and food processing equipment.

We expect to fund our future capital needs mainly by cash generated from our operating activities, bank loans as well as the net [REDACTED] from the [REDACTED]. Please refer to the section headed “Future Plans and Use of [REDACTED]”.

COMMITMENTS

During the Track Record Period, our capital commitments primarily related to the purchase of property, plant and equipment in connection with our production. The following table sets forth our capital commitments outstanding but not provided for in our consolidated financial statements as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted for	<u>296,146</u>	<u>326,227</u>	<u>524,732</u>

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RELATED PARTIES TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, we had entered into a number of related party transactions in relation to the sales and purchases of products and services. Please refer to Note 34 of the Accountants’ Report set out in Appendix I to this document for details.

Our Directors confirm that all transactions with related parties described in Note 34 of the Accountants’ Report set out in Appendix I to this document were conducted in the ordinary course of business on an arm’s length basis and with on normal commercial terms and/or on terms not less favorable than terms available from independent third parties, which are considered fair, reasonable and in the interest of the Shareholders of our Company as a whole. Our Directors are of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

LIQUIDITY AND CAPITAL RESOURCES

Our principal sources of funds in the past have historically been our equity capital, cash generated from our operations and borrowings. Our primary liquidity requirements are to finance our working capital needs, and fund our capital expenditures and growth of our operations. Going forward, we expect these sources to continue to be our principal sources of liquidity, and we may use a portion of the [REDACTED] from the [REDACTED] to finance a portion of our liquidity requirements.

Summary of consolidated cash flow statements

The following table sets forth a summary of our cash flows for the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
(Loss)/profit before taxation	(668,801)	890,104	(101,348)
Adjustments for non-cash items	676,195	31,704	520,497
Changes in working capital	7,974	40,149	29,249
Cash generated from operations	15,368	961,957	448,398
Tax paid	–	–	(717)
Net cash generated from operating activities	15,368	961,957	447,681
Net cash used in investing activities	(191,903)	(267,443)	(115,439)
Net cash generated from/(used in) financing activities	40,336	(621,326)	(61,134)
Net (decrease)/increase in cash and cash equivalents	(136,199)	73,188	271,108
Cash and cash equivalents at January 1	255,703	119,504	192,692
Cash and cash equivalents at December 31	119,504	192,692	463,800

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Net cash generated from operating activities

For the year ended December 31, 2025, our net cash generated from operating activities was RMB447.7 million. This primarily reflected a loss before taxation of RMB101.3 million, adjusted for non-cash and other items, including: (i) depreciation of property, plant and equipment and investment properties of RMB180.3 million, (ii) depreciation of right-of-use assets of RMB51.5 million, (iii) finance costs of RMB63.3 million, (iv) changes in fair value of biological assets of RMB216.5 million.

For the year ended December 31, 2024, our net cash generated from operating activities was RMB962.0 million. This mainly reflected profit before taxation of RMB890.1 million, adjusted for (i) depreciation of property, plant and equipment and investment properties of RMB181.1 million (comprising RMB178.0 million and RMB3.1 million, respectively); (ii) depreciation of right-of-use assets of RMB48.9 million; and (iii) finance cost of RMB84.5 million. Other non-cash adjustments included (i) gains arising from change in the fair value of biological assets of RMB300.1 million; (ii) an impairment loss on property, plant and equipment of RMB17.1 million; (iii) a write-down of inventories of RMB16.6 million; (iv) equity-settled share-based payment expenses of RMB16.5 million; and (v) a fair value gain on financial instruments at FVPL of RMB20.4 million.

For the year ended December 31, 2023, our net cash generated from operating activities was RMB15.4 million. This reflected a loss before taxation of RMB668.8 million, adjusted mainly for (i) loss arising from change in the fair value of biological assets of RMB285.3 million; (ii) depreciation of property, plant and equipment and investment properties of RMB172.0 million (comprising RMB169.2 million and RMB2.8 million, respectively); (iii) finance cost of RMB94.1 million; (iv) an impairment loss on property, plant and equipment of RMB74.5 million; and (v) depreciation of right-of-use assets of RMB40.6 million.

Net cash used in investing activities

For the year ended December 31, 2025, our net cash used in investing activities was RMB115.4 million. The principal cash outflows comprised (i) payments for the purchase of property, plant and equipment and investment properties of RMB290.8 million, (ii) payments for the purchase of financial instruments at FVPL of RMB199.3 million. These outflows were partly offset by (i) proceeds from disposal of financial instruments at FVPL of RMB352.4 million.

For the year ended December 31, 2024, our net cash used in investing activities was RMB267.4 million. The major outflows comprised (i) payments for the purchase of financial assets at FVPL of RMB160.3 million, primarily due to deployment into short-term structured products and hedging positions; (ii) payments for the purchase of property, plant and equipment and investment properties of RMB120.4 million, mainly for capacity maintenance and upgrades across farms and plants.

For the year ended December 31, 2023, our net cash used in investing activities was RMB191.9 million, primarily reflecting payments for the purchase of property, plant and equipment and investment properties of RMB212.2 million, mainly for the expansion and maintenance of production and breeding facilities.

Net cash generated from/(used in) financing activities

For the year ended December 31, 2025, our net cash used in financing activities was RMB61.1 million. The inflows were mainly attributable to (i) proceeds from interest-bearing borrowings of RMB1,377.9 million, repayment of interest-bearing borrowings of RMB1,333.1 million; (ii) a capital injection of RMB200.0 million; (iii) a net inflow from decrease of restricted deposits of

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RMB44.5 million. These were partly offset by (i) dividends paid of RMB128.8 million; (ii) purchase of own shares of RMB87.4 million; (iii) other interest paid of RMB49.1 million; and (iv) capital element of lease rentals paid of RMB32.8 million; (v) acquisition of non-controlling interests of RMB45.6 million.

For the year ended December 31, 2024, our net cash used in financing activities was RMB621.3 million. This primarily included (i) repayment of interest-bearing borrowings of RMB1,414.1 million, exceeding new borrowings of RMB1,184.8 million; (ii) purchase of own shares of RMB289.6 million; (iii) other interest paid of RMB69.6 million; (iv) capital element of lease rentals paid of RMB24.3 million.

For the year ended December 31, 2023, our net cash generated from financing activities was RMB40.3 million. The inflows were mainly attributable to (i) proceeds from interest-bearing borrowings of RMB1,506.1 million, exceeding repayments of RMB1,307.4 million; (ii) a net inflow from restricted deposits of RMB23.4 million; and (iii) capital injection of RMB31.5 million. These were partly offset by (i) other interest paid of RMB82.3 million; (ii) capital element of lease rentals paid of RMB64.6 million; (iii) interest element of lease rentals paid of RMB12.2 million; and (iv) dividends paid of RMB57.3 million.

KEY FINANCIAL RATIOS

	2023 or as of December 31, 2023	2024 or as of December 31, 2024	2025 or as of December 31, 2025
Gross profit margin ⁽¹⁾	1.6%	18.8%	10.7%
(Loss)/profit margin ⁽²⁾	(18.6%)	18.6%	(2.4%)
Adjusted (loss)/profit margin (non-IFRS measure) ⁽³⁾	(10.6%)	12.9%	3.0%
Return on total assets ⁽⁴⁾	(16.8%)	20.8%	(2.5%)
Current ratio ⁽⁵⁾	0.6 times	0.8 times	0.7 times
Debt to asset ratio ⁽⁶⁾	77.6%	66.9%	72.4%

Notes:

- (1) Gross profit margin is calculated as the gross profit for the year divided by the revenue for the corresponding year.
- (2) (Loss)/profit margin is calculated as the (loss)/profit for the year divided by the revenue for the corresponding year.
- (3) Adjusted (loss)/profit margin (non-IFRS measure) is calculated as the adjusted (loss)/profit (non-IFRS measure) divided by the revenue for the corresponding year.
- (4) Return on total assets is calculated as the (loss)/profit for the year divided by the total asset balance at the end of the year.
- (5) Current ratio is calculated as current assets divided by current liabilities as of the respective reporting dates.
- (6) Debt to asset ratio is calculated as total liabilities divided by total assets at the respective reporting dates.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet commitments and arrangements.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including interest rate risk, credit risk and liquidity risk.

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Please refer to Note 31 of the Accountants’ Report set out in Appendix I to this document for details.

DIVIDENDS

In 2022, we declared cash dividends of RMB83.6 million (RMB0.20 per share) to our Shareholders, of which RMB26.3 million was paid in 2022 and the remaining RMB57.3 million was fully settled in cash in January 2023. In light of our operating performance, we did not declare any dividend during 2023 and 2024. In 2025, our shareholders approved a cash dividend of RMB128.8 million out of our retained profits, which was paid during the year.

We do not have a fixed dividend policy or a pre-determined dividend payout ratio. The declaration, payment, and amount of dividends depend on our financial condition, earnings, and capital requirements, and are subject to the discretion of our Board, our constitutional documents, and applicable laws and regulations in the PRC. Past dividend distributions should not be regarded as indicative of future dividend distributions.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the retained earnings of the Company were RMB350.2 million. Under PRC laws and regulations, dividends may only be paid out of the Company’s distributable profits determined in accordance with PRC GAAP and after making appropriations to statutory reserves. Accordingly, the amount of profits available for distribution is subject to the applicable PRC legal and regulatory requirements.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED]. We expect to incur [REDACTED] expenses of [REDACTED] million, representing [REDACTED]% of the gross [REDACTED] from the [REDACTED] (based on the mid-point of the indicative [REDACTED] range and taking into account any discretionary incentive fees, if applicable). During the Track Record Period, we incurred [REDACTED]-related expenses of [REDACTED] million, of which (i) [REDACTED] million was charged to consolidated statement of comprehensive income for the year ended December 31, 2025 and (ii) [REDACTED] million was recorded as prepayments as of December 31, 2025 and is expected to be a deduction from equity upon the [REDACTED]. We expect to incur [REDACTED] after December 31, 2025, of which [REDACTED] million is expected to be charged to our consolidated statement of comprehensive income and [REDACTED] million is directly attributable to the issue of our H shares and to be accounted for as a deduction from equity in accordance with the relevant accounting standards.

The [REDACTED] expenses (based on the mid-point of the indicative [REDACTED] range and taking into account any discretionary incentive fees, if applicable) we incurred during the Track Record Period and expect to incur for this [REDACTED] would consist of (i) [REDACTED] million in [REDACTED]-related expenses, and (ii) [REDACTED] million in non-[REDACTED]-related expenses, including [REDACTED] million in fees and expenses of legal advisors and accountants, and [REDACTED] million in other fees and expenses, respectively.

[REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For information regarding the [REDACTED] adjusted consolidated net tangible assets, which were prepared to illustrate the effect of the [REDACTED] on the consolidated net tangible assets of our Group attributable to the equity shareholders of our Company as of December 31, 2025, as if the [REDACTED] had taken place on December 31, 2025, please refer to Appendix II to this document.

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DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances which would have given rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into consideration the financial resources presently available to our Group, including the available banking facilities, other internal resources and the estimated net [REDACTED] from the [REDACTED], our Group has sufficient working capital for our present requirements, that is, for at least the next 12 months commencing from the date of this document.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors considered adequate and after due and careful consideration, our Directors confirm that, up to the date of this document, except as disclosed in “Summary — Recent Developments and Material Adverse Change” in this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 and there has been no event since December 31, 2025 which would materially affect the information shown in our historical financial information included in the Accountants’ Report set forth in Appendix I to this document.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

Please refer to the section headed “Business — Strategy” in this document for a detailed description of our future plans.

USE OF [REDACTED]

The table below sets forth the estimated net [REDACTED] of the [REDACTED] which we will receive after deducting the [REDACTED] fees and commissions and estimated expenses payable by us for the [REDACTED]:

Assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the high end of the [REDACTED] range stated in this document). . . .	Approximately [REDACTED] million
Assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range stated in this document). . . .	Approximately [REDACTED] million
Assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the low end of the [REDACTED] range stated in this document). . . .	Approximately [REDACTED] million

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes (assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range stated in this document), after deducting the [REDACTED] fees and commissions and other estimated expenses in connection with the [REDACTED]):

1. Approximately [REDACTED]% of our estimated net [REDACTED], or approximately [REDACTED] million will be used over the next five years for expanding our fresh product production and opening causal dining restaurants, including (i) construction of Qingyuan Chicken production and processing base to enhance fresh chicken products processing capabilities, (ii) construction of Chongqing standardized slaughtering plant to establish fresh pork products processing capabilities, (iii) opening causal dining restaurants, and (iv) establishing a branded sales and marketing network and dedicated sales team, thereby further expanding our market share:
 - a. Approximately [REDACTED]%, or approximately [REDACTED] million, will be used to invest in the construction of the Qingyuan Chicken production and processing base, namely the Guangdong Tinoo Digital Intelligent Slaughtering and Processing Integration Project (廣東天農數智屠宰加工一體化工程). The expansion of our slaughtering capacity is driven by the increasing utilization of our existing facilities. Our slaughtering capacity utilization rate increased from 57.5% in 2023 to 79.4% in 2024, and reached 110.5% in 2025. The base is located in Qingyuan, and the major expenditures include the funds required for the construction of production facilities and the purchase and installation of major production machinery and equipment.

The total investment for the construction of the Qingyuan Chicken production and processing base is expected to amount to approximately [REDACTED] million. Of the total investment amount, [REDACTED] million will be funded by the net [REDACTED] from the [REDACTED], while the remaining expenses will be financed through other resources (including our internal resources, bank borrowings, or other potential external financing options).

The equipment procurement and installation costs are estimated to be incurred primarily in equipment procurement and installation, as well as building and related engineering works. Equipment procurement and installation costs are expected to amount to approximately [REDACTED] million in 2027 and [REDACTED] million in 2028, mainly in relation to the installation of slaughtering and processing equipment and related ancillary systems for the new

FUTURE PLANS AND USE OF [REDACTED]

chicken slaughtering and processing plant. In addition, building and installation works are expected to amount to approximately [REDACTED] million in 2027 and [REDACTED] million in 2028, which primarily include construction, installation and related engineering expenses for the slaughtering and processing facilities.

We expect to construct the Qingyuan Chicken production and processing base on our own land, with construction expected to be completed by the end of 2028. Through the construction of our Qingyuan Chicken production and processing base, we expect to increase our slaughtering capacity by 60 million birds per year and our further processing capacity by 30 million birds per year. During the Track Record Period, our revenue from the sales of fresh and other products increased by 24.7% from RMB502.1 million for the year ended December 31, 2024 to RMB626.0 million for the year ended December 31, 2025, demonstrating strong growth from the sales of our fresh and other products. The construction of the Qingyuan Chicken production base is expected to provide additional dedicated processing capacity for fresh products and serve as a production base supporting our fresh and other products.

- b. Approximately [REDACTED]%, or approximately [REDACTED] million, will be used to invest in the construction of a standardized slaughtering and processing plant, namely the Tinoo Digital Intelligent Agricultural Product Processing Industrial Park (天農數智化農產品加工產業園). The base is located in Chongqing, and the major expenditures include the funds required for the construction of production facilities and the purchase and installation of major production machinery and equipment. We expect to construct key facilities and related equipment including a digital slaughtering and cutting workshop, a cooked food processing workshop, an R&D center, a wastewater treatment plant, and a comprehensive materials center.

The total investment for the construction of the standardized slaughtering and processing plant in Chongqing is expected to amount to approximately [REDACTED] million. Of the total investment amount, [REDACTED] million will be funded by the net [REDACTED] from the [REDACTED], while the remaining expenses will be financed through other resources (including our internal resources, bank borrowings, or other potential external financing options).

The equipment investment estimated to be approximately [REDACTED] million in 2027, which will mainly be allocated to core equipment for the slaughtering and cutting workshop and the cooked food processing workshop. Such equipment primarily includes intelligent slaughtering production lines with carbon dioxide stunning systems, vacuum blood collection systems, scalding and dehairing equipment, automatic splitting and inspection systems, chilling and conveying systems, central control systems, as well as cooked food processing equipment covering raw material handling, processing, cooking, sterilisation, packaging, freezing and cold storage, and quality inspection equipment.

A further equipment investment of approximately [REDACTED] million is expected in 2028, primarily representing warranty deposits on equipment already installed.

We expect the construction of the standardized slaughtering and processing plant in Chongqing to be completed by the end of 2027. As of the Latest Practicable Date, we have signed an agreement with one local state owned enterprise and have paid an advance payment of RMB120 million for the construction of the slaughtering workshop. The RMB120 million payment was made as part of an asset repurchase arrangement, under which the local state-owned enterprise constructs and initially holds the slaughtering workshop and related facilities, and such assets are intended to be repurchased by us upon completion.

FUTURE PLANS AND USE OF [REDACTED]

- c. Approximately [REDACTED]%, or approximately [REDACTED] million will be used over the next five years for investment in opening casual dining restaurants. In view of the long-term growth potential of the casual dining segment, we plan to gradually expand into casual dining restaurants as a new business segment, starting in markets with strong consumption fundamentals, beginning with an initial pilot expansion and subsequently accelerating store openings based on operating performance and market validation. Each new restaurant is expected to require an upfront investment of approximately HKD500,000, mainly for store renovation and fit-out, kitchen and dining equipment, initial operating supplies, pre-opening expenses and launch-related costs. In 2027, we plan to open approximately 15 new restaurants on a pilot basis, primarily in Chongqing as well as Sichuan province and Guizhou province, with the objective of testing and refining our standardized operating model, site selection approach and localized execution capabilities.

Building on the experience and results from the pilot phase, we plan to accelerate our expansion in 2028. We intend to open approximately 25 new restaurants across Chongqing, Shanghai, Sichuan province, Guizhou province, Fujian province and Guangdong province, focusing on a mix of provincial-level markets, economically active prefecture-level cities and selected first-tier cities. In addition, we plan to open further approximately 16 new restaurants in other provinces and municipalities, including Zhejiang province and Jiangsu province, where consumption demand is well established and commercial infrastructure is favorable.

- d. Approximately [REDACTED]%, or approximately [REDACTED] million will be used over the next five years for investment in establishing and implementing a branded sales and marketing system.

We plan to establish marketing service institutions in selected core regions, including Shanghai, Beijing, Wuhan/Changsha, Chengdu, Shenzhen, Hong Kong and Macau, with expected total expenditure of approximately [REDACTED] million, of which [REDACTED] million is expected to be incurred in 2027 and [REDACTED] million in 2028, mainly for site selection, basic renovation, initial staffing and early-stage operating expenses.

We also plan to expand our sales and marketing teams at both the headquarters and regional levels. At the headquarters level, we plan to add one brand director, one digital marketing manager, one content and creative lead and two channel marketing managers. At the regional level, we plan to deploy sales teams across the above regions with an aggregate headcount of approximately 20 to 25 personnel. The related recruitment, remuneration and training costs are expected to amount to [REDACTED] million in 2027, [REDACTED] million in 2028, [REDACTED] million in 2029 and [REDACTED] million in 2030.

In addition, we plan to carry out brand marketing and promotional activities, including brand positioning and visual identity optimisation, participation in industry events, and integrated online and offline marketing campaigns, with expected expenditure of [REDACTED] million in 2027, [REDACTED] million in 2028, [REDACTED] million in 2029 and [REDACTED] million in 2030.

We also intend to strengthen our digital marketing infrastructure and related supply chain support, including customer relationship management systems, digital marketing and data analytics platforms, e-commerce and new retail channels, and product traceability systems, with expected expenditure of [REDACTED] million, [REDACTED] million, [REDACTED] million and [REDACTED] million to be incurred in 2027, 2028, 2029 and 2030, respectively.

FUTURE PLANS AND USE OF [REDACTED]

2. Approximately [REDACTED]% of our estimated net [REDACTED], or approximately [REDACTED] million will be used over the next five years for further development of our technology and R&D capability. We believe the investments will further solidify our competitive advantages in breeding, nutrition management, food safety, food R&D and testing, meat processing technology and production information management.

- a. We plan to use approximately [REDACTED]%, or approximately [REDACTED] million, for the research and development of corporate engineering and food safety technologies.

We plan to construct and upgrade testing laboratories to support food safety inspection and disease detection, and to procure and upgrade related testing equipments. The related expenditure is expected to amount to approximately [REDACTED] million for laboratory construction and renovation and testing equipments procurement and upgrading in the next five years.

We will invest in the research, development and trial of cooked meat processing technologies, including personnel costs for R&D staff, research and development testing activities, and technology development related to meat processing. The total expenditure on research and development is expected to amount to approximately HK\$6.3 million over the next five years.

We also plan to develop and implement an information-based food safety traceability system covering key stages from breeding to slaughtering and end products. Such system will record and integrate traceability information including breeding origin, batch identification, slaughtering location and time, with the relevant data consolidated and made available to consumers in connection with the end products. The related expenditure, which mainly represents software development, system testing, deployment and implementation costs, is expected to amount to approximately [REDACTED] million in the next five years.

- b. We plan to use approximately [REDACTED]%, or approximately [REDACTED] million to continue our research and development of high-quality breeds. We plan to upgrade our chicken breeding system, with a focus on Qingyuan Chicken, by adopting advanced measurement technologies and intelligent breeding tools. Our selective breeding programs will emphasize key performance indicators such as feed conversion ratio, abdominal fat rate, meat quality, and stress resistance. By introducing intelligent testing equipment and modern breeding technologies, we aim to achieve precise selection and cultivate specialized lines with improved stress tolerance, lower feed conversion ratios, and superior meat quality, thereby enhancing genetic progress and reducing costs. Building on our existing intelligent breeding management platform, we will incorporate modules for pedigree management, breeding value estimation, and mating optimization, supported by a genetic evaluation platform based on genomic selection and machine learning models. Investments will be directed towards system upgrades, routine feeding, breeding trials, performance testing, and family line maintenance for Qingyuan Chicken and related breeds.

Pig breeding expenditure will be mainly used for the selective improvement of domestic pig breeds and the introduction of overseas high-quality breeding resources.

For domestic pig breeding, we plan to introduce Rongchang breeding pigs through a dedicated breeding base. In 2027, we expect to incur approximately [REDACTED] million in pig introduction costs for the initial formation of a breeding herd of around 1,000 head, at an estimated average cost of approximately HK\$3,000 per head, subject to market conditions. In 2028, we plan to continue herd renewal by introducing an additional approximately 600 to 700 head of Rongchang pigs, with estimated related costs of approximately [REDACTED] million.

On the overseas side, we plan to import approximately 300 head of Norwegian Landrace pig breeders in 2027 to improve growth performance, feed efficiency and carcass traits. The total cost of overseas pig breeders introduction is expected to be approximately [REDACTED] million, including purchase, importation and related compliance expenses. In addition, approximately [REDACTED] million will be allocated to pig breeding-related investments, mainly covering performance testing facilities, equipment upgrades, genetic evaluation systems, research personnel and trial production activities.

FUTURE PLANS AND USE OF [REDACTED]

3. Approximately [REDACTED]% of our estimated net [REDACTED], or approximately [REDACTED] million will be used over the next five years for further development of our information system, including software royalties and service fees for the purchase of the ERP system for enterprise resource planning and other information management systems.

Through process optimization and deeper operational-financial integration, the ERP system will strengthen role-based access controls, audit trails, and approval hierarchies to enhance internal controls and financial reporting, while improving cost accounting, budgeting, and working capital management. This initiative is expected to improve operational efficiency, strengthen compliance and risk management, and support scalable growth for both our fresh and other products businesses.

In addition, we will also develop an advanced information management system aimed at improving the efficiency and transparency of our production and processing workflows. By integrating digital technologies and IoT solutions, the system will enable real-time data collection, monitoring, and analysis across breeding, farming, slaughtering, processing, procurement and sales stages. Centralized data management and intelligent scheduling will help us optimize resource allocation, enhance production planning, and reduce operational costs. The system will also strengthen quality control by linking key operational data with food safety standards to ensure compliance and boost consumer confidence, thereby supporting. The long-term growth and competitiveness of our integrated value chain.

4. Approximately [REDACTED]% of our estimated net [REDACTED], or approximately [REDACTED] million will be used over the next five years for strategic investments or potential acquisitions. We intend to selectively identify investment or acquisition targets that are complementary to our existing operations and aligned with our long-term development strategy.

In particular, our potential investment or acquisition targets may include upstream breeding assets with high-quality genetic resources, focusing on indigenous Chinese breeds of poultry and livestock such as chicken and pig breeds with stable performance, recognized breeding value or regional characteristics. Such targets are intended to strengthen our proprietary breeding capabilities and support the development of premium products.

We also plan to consider downstream food processing and fresh food enterprises with established brands, mature supply chain operations, and regional consumer recognition, particularly in the ready-to-cook and ready-to-eat segments such as cooked meat and prepared food products with proven local market demand. These targets are expected to have existing production capabilities, brand awareness, channel presence, or supply chain strengths that can generate operational and branding synergies with our existing food processing and fresh food businesses. Such investments would represent an extension of our current operations rather than the establishment of a new business segment.

We may initially take a minority and, where appropriate, options to increase our shareholding over time. According to Frost & Sullivan, as of December 31, 2025, there are sufficient available targets that meet our selection criteria in the market, with no fewer than 100 potential targets within our expected sectors. As of the Latest Practicable Date, no specific investment or acquisition targets have been identified.

5. Approximately [REDACTED]%, or approximately [REDACTED] million is planned to be used for working capital and general corporate purposes.

FUTURE PLANS AND USE OF [REDACTED]

The above allocation of the net [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] range described in this document. Any additional net [REDACTED] received from the exercise of the [REDACTED] will also be allocated on a pro rata basis to the above purposes.

If any part of our development plans cannot proceed as planned because of changes in government policies, force majeure events, or other reasons making the development of our projects unfeasible, we will carefully assess the actual situation and may reallocate the net [REDACTED] from the [REDACTED].

To the extent that the net [REDACTED] from the [REDACTED] are not immediately applied to the above purposes, we will only deposit such net [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or other applicable laws and regulations in the relevant jurisdiction). In such cases, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

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.



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.

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ACCOUNTANTS’ REPORT

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

[●]

APPENDIX I

ACCOUNTANTS’ REPORT

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”).

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APPENDIX I

ACCOUNTANTS’ REPORT

		Year ended 31 December					
		2023			2024		
		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
Note		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
Non-controlling interests				(14,299)			67,439
(Loss)/profit for the year				(668,801)			890,104
Total comprehensive attributable to:							
Equity shareholders of the Company				(653,739)			821,296
Non-controlling interests				(14,299)			67,439
Total comprehensive income for the year				(668,038)			888,735
(Loss)/earnings per share				(1.57)			2.01
Basic (loss)/earnings per share (RMB)				(1.57)			2.01
Diluted (loss)/earnings per share (RMB)							

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	At 31 December		
		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
		<u>2,599,350</u>	<u>2,446,481</u>	<u>2,453,091</u>
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
		<u>1,378,756</u>	<u>1,838,534</u>	<u>1,655,876</u>
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
		<u>2,178,581</u>	<u>2,172,905</u>	<u>2,286,026</u>
Net current liabilities		<u>(799,825)</u>	<u>(334,371)</u>	<u>(630,150)</u>
Total assets less current liabilities		<u>1,799,525</u>	<u>2,112,110</u>	<u>1,822,941</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Note</i>	At 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
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		<u>891,991</u>	<u>1,418,585</u>	<u>1,133,849</u>
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		<u>891,991</u>	<u>1,418,585</u>	<u>1,133,849</u>

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

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
		<u>1,886,620</u>	<u>1,881,134</u>	<u>2,149,088</u>
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
		<u>1,450,613</u>	<u>1,603,878</u>	<u>1,466,234</u>
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
		<u>1,967,232</u>	<u>2,144,092</u>	<u>2,369,345</u>
Net current liabilities		<u>(516,619)</u>	<u>(540,214)</u>	<u>(903,111)</u>
Total assets less current liabilities		<u>1,370,001</u>	<u>1,340,920</u>	<u>1,245,977</u>
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
		<u>222,947</u>	<u>176,983</u>	<u>197,381</u>
NET ASSETS		<u>1,147,054</u>	<u>1,163,937</u>	<u>1,048,596</u>
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		<u>1,147,054</u>	<u>1,163,937</u>	<u>1,048,596</u>

The accompanying notes form part of the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Attributable to equity shareholders of the Company									
	Note	Share capital	Treasury shares	Capital reserve	PRC statutory 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

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ACCOUNTANTS’ REPORT

Attributable to equity shareholders of the Company										
	Note	Share capital	Treasury shares	Capital reserve	PRC statutory 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

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ACCOUNTANTS’ REPORT

Attributable to equity shareholders of the Company									
Note	Share capital	Treasury shares	Capital reserve	PRC statutory 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.

APPENDIX I

ACCOUNTANTS’ REPORT

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

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		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 parties	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)

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

The accompanying notes form part of the Historical Financial Information.

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Company name	Note	Place and date of establishment/ incorporation	Particulars of registered and paid-in capital	Proportion of ownership interest held by the Company				Principal activities
				At 31 December 2023	At 31 December 2024	At 31 December 2025	At the date of this report	
		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.

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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.

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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.

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(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.

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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.

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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.

(i) 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.

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(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.

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(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.

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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.

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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’s 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
	<u>3,596,005</u>	<u>4,775,813</u>	<u>4,261,433</u>

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.

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(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

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(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 (<i>Note 4(a)</i>)	<u>3,596,005</u>	<u>4,775,813</u>	<u>4,261,433</u>
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	<u>(668,801)</u>	<u>890,104</u>	<u>(101,348)</u>

(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 (<i>Note 30(b)</i>)	—	461	—
Others	(13,467)	(10,152)	(14,548)
	<u>(68,827)</u>	<u>35,169</u>	<u>32,492</u>

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
	<u>94,080</u>	<u>84,548</u>	<u>63,337</u>

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(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	—
	<u>291,552</u>	<u>333,897</u>	<u>354,698</u>

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	<u>2,267</u>	<u>2,531</u>	<u>2,023</u>

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
	<u>—</u>	<u>—</u>	<u>837</u>

(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	<u>(668,801)</u>	<u>890,104</u>	<u>(101,348)</u>
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

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	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
	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	—
Dr. Zhang Zhengfen	—	1,226	—	43	1,269	—
Mr. Deng Xuqing	—	733	—	43	776	—
Mr. Zhang Dali	—	685	—	43	728	—
Non-executive directors						
Mr. Zhang Yuanhua	—	—	—	—	—	—
Ms. Zhu Rong	—	—	—	—	—	—
Independent directors						
Mr. Luo Xugang	100	—	—	—	100	—
Mr. Gong Kaisong	100	—	—	—	100	—
Ms. Gao Wen	100	—	—	—	100	—
Supervisors						
Mr. Wei Zhuangli	—	594	—	20	614	—
Ms. Zhu Xiaodong (resigned on 9 March 2023)	—	—	—	—	—	—
Ms. Gao Mingchao (appointed on 9 March 2023)	—	349	—	20	369	—
Ms. Chen Yanping	—	306	—	10	316	—
	<u>300</u>	<u>5,181</u>	<u>—</u>	<u>222</u>	<u>5,703</u>	<u>—</u>

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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
	<u>300</u>	<u>5,581</u>	<u>5,215</u>	<u>241</u>	<u>11,337</u>	<u>533</u>	<u>11,870</u>

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
	<u>300</u>	<u>5,960</u>	<u>2,644</u>	<u>262</u>	<u>9,166</u>	<u>–</u>	<u>9,166</u>

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.

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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	—
	<u>730</u>	<u>2,628</u>	<u>1,061</u>

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
	<u>—</u>	<u>—</u>	<u>—</u>

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	<u>(654,502)</u>	<u>819,338</u>	<u>(103,697)</u>

(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)

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	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 (<i>Note 29(c)</i>)	—	(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)

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	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”.

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	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)

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	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

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	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)

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	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 (<i>Note 6(a)</i>)	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)

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	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.

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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

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	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)
	<u>1,546,409</u>	<u>1,530,400</u>	<u>1,830,342</u>

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

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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 (<i>Note 19</i>)	20,948	19,975	3,000
	<u>29,383</u>	<u>33,624</u>	<u>135,556</u>

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
	<u>166,140</u>	<u>161,867</u>	<u>194,888</u>

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
	<u>349,008</u>	<u>442,190</u>	<u>532,755</u>

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
	<u>44,808</u>	<u>51,627</u>	<u>36,632</u>

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)
	<u>39,495</u>	<u>51,849</u>	<u>56,390</u>
Bills receivables	–	–	495
	<u>39,495</u>	<u>51,849</u>	<u>56,885</u>

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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	—
	<u>39,495</u>	<u>51,849</u>	<u>56,885</u>

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 (<i>Note (i)</i>)	26,880	30,832	23,568
Amounts due from government (<i>Note (ii)</i>)	22,236	5,229	5,079
Deposits	47,979	68,282	36,965
Others	29,123	20,708	32,924
	<u>126,218</u>	<u>128,051</u>	<u>98,536</u>
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 (<i>Note (iii)</i>)	—	—	[REDACTED]
Value added tax recoverable	653	1,196	2,806
Total prepayments, deposits and other receivables . .	<u>119,007</u>	<u>133,664</u>	<u>118,402</u>
Less: Long-term deposits-non-current portion (<i>Note 16</i>)	(20,948)	(19,975)	(3,000)
Total	<u>98,059</u>	<u>113,689</u>	<u>115,402</u>

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.

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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 (<i>Note</i>)	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
	<u>1,102,047</u>	<u>926,839</u>	<u>845,184</u>
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 . .	<u>1,104,208</u>	<u>927,033</u>	<u>866,605</u>
Less: Long-term deposits-non-current portion.	(3,000)	–	–
Total	<u><u>1,101,208</u></u>	<u><u>927,033</u></u>	<u><u>866,605</u></u>

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 (<i>Note (i)</i>)	200	110,081	–
Commodity futures contracts (<i>Note (ii)</i>)	–	22,200	482
Total	<u>200</u>	<u>132,281</u>	<u>482</u>

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial liabilities measured at FVPL			
Commodity futures contracts (<i>Note (ii)</i>)	–	(1,789)	(2,912)
	<u>–</u>	<u>(1,789)</u>	<u>(2,912)</u>

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.

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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 (<i>Note</i>)	(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 (<i>Note 24</i>)	RMB'000 (<i>Note 23</i>)	RMB'000 (<i>Note 25</i>)	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)

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	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)

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	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	<u>1,485,233</u>	<u>–</u>	<u>277,950</u>	<u>1,763,183</u>

(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
	<u>81,977</u>	<u>44,295</u>	<u>52,115</u>

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
	<u>81,977</u>	<u>44,295</u>	<u>52,115</u>

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
	<u>492,317</u>	<u>448,463</u>	<u>401,105</u>

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
	<u>492,317</u>	<u>448,463</u>	<u>401,105</u>

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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
	<u>123,633</u>	<u>117,183</u>	<u>104,642</u>

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 (<i>Note (ii)</i>)	–	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 (<i>Note (iii)</i>)	12,728	18,037	15,582
Total	<u>537,095</u>	<u>605,887</u>	<u>485,743</u>

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 (<i>Note</i>)	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	<u>1,223,640</u>	<u>1,368,777</u>	<u>1,229,568</u>

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

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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

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	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	–	–
	<u>130,101</u>	<u>37,543</u>	<u>37,500</u>
Total other borrowings	<u>142,117</u>	<u>50,059</u>	<u>45,890</u>
	<u>733,619</u>	<u>740,189</u>	<u>925,802</u>

- (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
	<u>507,170</u>	<u>320,800</u>	<u>348,677</u>
	<u>1,620,382</u>	<u>1,391,060</u>	<u>1,485,233</u>

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
	<u>131,148</u>	<u>90,937</u>	<u>105,705</u>
	<u>733,619</u>	<u>740,189</u>	<u>925,802</u>

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
	<u>289,042</u>	<u>264,286</u>	<u>223,004</u>
	<u>324,999</u>	<u>310,792</u>	<u>277,950</u>

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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
	<u>29,872</u>	<u>27,643</u>	<u>25,440</u>
	<u>47,360</u>	<u>35,894</u>	<u>33,444</u>

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	<u>—</u>	<u>—</u>	<u>120</u>

(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	<u>4,644</u>
At 31 December 2025	<u>204,644</u>

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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 statutory 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.

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(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 (<i>Note 27</i>)	–	–	–	–	14,030	14,030
At the end of the year	<u>418,000</u>	<u>418,000</u>	<u>418,000</u>	<u>418,000</u>	<u>392,842</u>	<u>392,842</u>

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 capital 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.

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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.

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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	<u>24,997</u>	<u>17,501</u>	<u>29,232</u>

(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
	<u>2,216,795</u>	<u>265,599</u>	<u>304,272</u>	<u>356,446</u>	<u>3,143,112</u>	<u>2,958,441</u>

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
	<u>2,195,283</u>	<u>213,537</u>	<u>200,975</u>	<u>278,567</u>	<u>2,888,362</u>	<u>2,738,390</u>

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At 31 December 2025

	Contractual undiscounted cash outflow					Carrying amount
	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	
	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
	<u>2,112,930</u>	<u>79,067</u>	<u>344,644</u>	<u>260,175</u>	<u>2,796,816</u>	<u>2,635,713</u>

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		<u>1,658,590</u>		<u>1,443,452</u>		<u>1,467,554</u>
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		<u>286,791</u>		<u>258,400</u>		<u>295,629</u>
Total borrowings		<u>1,945,381</u>		<u>1,701,852</u>		<u>1,763,183</u>
Fixed rate borrowings as a percentage of total borrowings		<u>85%</u>		<u>85%</u>		<u>83%</u>

(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.

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(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
	<u>5,765</u>	<u>–</u>	<u>–</u>	<u>5,765</u>
	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)	–
	<u>136,388</u>	<u>–</u>	<u>110,474</u>	<u>25,914</u>
	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)	–
	<u>8,091</u>	<u>–</u>	<u>(2,430)</u>	<u>10,521</u>

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

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- 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	<u>5,565</u>	<u>5,896</u>	<u>10,521</u>
	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	<u>200</u>	<u>20,018</u>	<u>–</u>

(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	<u>296,146</u>	<u>326,227</u>	<u>524,732</u>

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.

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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	–
	<u>5,918</u>	<u>12,605</u>	<u>9,830</u>

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	–	–
	<u>1,071</u>	<u>806</u>	<u>1,372</u>
Sale of Property, plant and equipment			
– A company controlled by one of the Controlling Shareholders	–	–	4,120
	<u>–</u>	<u>–</u>	<u>4,120</u>
Purchase of goods and provision of service from related parties			
– A company controlled by one of the Controlling Shareholders	–	1,500	2,500
	<u>–</u>	<u>1,500</u>	<u>2,500</u>
Loans from related parties			
– Controlling Shareholders	10,000	6,400	–
	<u>10,000</u>	<u>6,400</u>	<u>–</u>

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	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	–
	<u>10,000</u>	<u>6,400</u>	<u>–</u>
Interest paid to related parties			
– Controlling Shareholders	15	142	–
	<u>15</u>	<u>142</u>	<u>–</u>
Loans to related parties			
– Controlling Shareholders	–	1,100	–
– A company controlled by one of the Controlling Shareholders	–	1,500	–
	<u>–</u>	<u>2,600</u>	<u>–</u>
Repayments of loans to related parties			
– Controlling Shareholders	–	1,100	–
– A company controlled by one of the Controlling Shareholders	–	–	1,500
	<u>–</u>	<u>1,100</u>	<u>1,500</u>
Interest received from related parties			
– Controlling Shareholders	–	18	–
– A company controlled by one of the Controlling Shareholders	–	–	26
	<u>–</u>	<u>18</u>	<u>26</u>

(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
	<u>761</u>	<u>1,578</u>	<u>430</u>
Prepayments, deposits and other receivables			
– A company controlled by one of the Controlling Shareholders	–	1,500	–
	<u>–</u>	<u>1,500</u>	<u>–</u>
	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	–
	<u>–</u>	<u>1,500</u>	<u>–</u>

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.

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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, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature dependent electricity</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IAS 21, <i>Translation to a hyperinflationary presentation currency</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint venture</i>	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.

APPENDIX II

[REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

[REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

[REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

[REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

[REDACTED] FINANCIAL INFORMATION

[REDACTED]

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THE PRC TAXATION

Taxation of Security Holders

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which are subject to change or adjustment and may have retrospective effect. No issues on PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/value-added tax, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisors regarding the PRC and other tax consequences of owning and disposing of H Shares.

The PRC Taxation

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was most recently amended by the Standing Committee of National People’s Congress (the “**NPC Standing Committee**”) on 31 August 2018 and became effective on 1 January 2019, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) most recently amended by the State Council on 18 December 2018 and effective from 1 January 2019, (hereinafter collectively referred to as the “**IIT Law**”), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax levied at a rate of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Circular on Certain Issues Concerning the Policies of Individual Income Tax (《關於個人所得稅若干政策問題的通知》) promulgated by the Ministry of Finance (the “**MOF**”) and the State Taxation Administration of the PRC (the “**STA**”) on 13 May 1994, overseas individuals are temporarily exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises.

Enterprise Investors

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), which was most recently amended by the NPC Standing Committee on 29 December 2018 and became effective on the same date, and the Implementation Rules for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on 6 December 2007, effective from 1 January 2008 and most recently amended on 6 December 2024 with the latest amendment coming into effect on 20 January 2025, (hereinafter collectively referred to as the “**EIT Law**”), the enterprise income tax rate shall be 25%. In general circumstance, where a non-resident enterprise has not set up any institutions or establishments in China, or it has done so but the income it earns is not actually relevant to the said institutions or establishments, it shall pay tax at the enterprise income tax rate of 10% with respect to its income sourced from the PRC

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(including dividends received from PRC resident enterprises that have issued shares in Hong Kong). The aforesaid income tax payable by non-resident enterprises is deducted at source, with the payer as the withholding agent that withholds the income tax amount from the amount to be paid to the non-resident enterprises.

The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued by the STA on 6 November 2008 and effective from the same date, further clarified that a PRC-resident enterprise must withhold and remit corporate income tax at a rate of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Questions on Levying Corporate Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) (Guo Shui Han [2009] No. 394), which was issued by the STA on 24 July 2009 and effective from the same date, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit corporate income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that the PRC has entered into with a relevant country or area, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Incomes (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the “**Arrangement**”), which was signed between STA and the Hong Kong Government on 21 August 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company unless a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Incomes (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), which came into effect on 6 December 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or arrangements for the avoidance of double taxation with the PRC are entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with a number of countries and regions including Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant tax treaties or arrangements are required to apply to the PRC tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

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Taxation on Share Transfer

VAT and Additional Local Tax

According to the Interim Regulations of the PRC on Value-Added Tax (《中華人民共和國增值稅暫行條例》) which was promulgated by the State Council on 13 December 1993, and revised on 10 November 2008, 6 February 2016 and 19 November 2017, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-Added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was promulgated by the MOF on 25 December 1993 and subsequently revised on 15 December 2008 and 28 October 2011, all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, sales of service, intangible assets and real estate and the importation of goods within the territory of the PRC shall pay value-added tax (“VAT”) at the rate of 0%, 6%, 11% and 17% for the different goods it sells and different services it provides, except when specified otherwise.

According to the Notice on Comprehensively Promoting the Pilot Program of Replacing Business Tax with Value-Added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (hereinafter referred to as the “**Notice No. 36**”) effective from 1 May 2016, entities and individuals selling services within the territory of China are subject to value-added tax (VAT). “Selling services within the territory of China” means that the seller or buyer of the taxable services is located in China. Notice No. 36 also stipulates that for general or foreign VAT taxpayers, the transfer of financial products (including the transfer of ownership of marketable securities) is subject to a 6% VAT on the taxable income (the difference between the selling price and the buying price). However, individuals transferring financial products are exempt from VAT, as further detailed in Appendix 3 of the Provisions on Transitional Policies for the Pilot Program of Replacing Business Tax with Value-Added Tax (《營業稅改徵增值稅試點過渡政策的規定》). Based on these regulations, if the holder is a non-resident individual, the sale or disposal of H shares is exempt from Chinese VAT. If the holder is a non-resident enterprise and the buyer of the H shares is an individual or entity located outside of China, the holder may not be required to pay Chinese VAT. However, if the buyer of the H shares is an individual or entity located within China, the holder may be subject to Chinese VAT. However, in practice, it remains uncertain whether non-resident enterprises are required to pay Chinese VAT upon the disposal of H shares.

According to the Notice on Adjusting Value-Added Tax Rates (《關於調整增值稅稅率的通知》) issued by the MOF and the STA on 4 April 2018, and effective from 1 May 2018, for taxpayers engaging in VAT taxable sales or importing goods, the original applicable tax rates of 17% and 11% are adjusted to 16% and 10% respectively.

Pursuant to the Announcement on Policies Related to Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) promulgated on 20 March 2019, and effective from 1 April 2019, for taxpayers engaging in VAT taxable sales or importing goods, the original applicable tax rates of 16% and 10% are adjusted to 13% and 9%, respectively.

Furthermore, the Standing Committee of the National People’s Congress promulgated the Value-Added Tax Law of the People’s Republic of China (《中華人民共和國增值稅法》) on 25 December 2024, which will come into effect on 1 January 2026.

Income Tax

Individual investors

According to the IIT Law, gains from the transfer of equity interests in resident enterprises in China are subject to a 20% individual income tax. Pursuant to the Notice on the Continued Exemption from Individual Income Tax on Gains from the Transfer of Shares by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the STA on 30 March 1998, gains from the transfer of listed company’s shares by individuals continue to be

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exempted from individual income tax from 1 January 1997 onward. In the newly revised IIT Law, the STA has not explicitly stipulated whether gains from the transfer of listed company’s shares by individuals will continue to be exempt from income tax.

On 31 December 2009, the MOF, the STA and the China Securities Regulatory Commission (CSRC) jointly issued the Notice on Issues Concerning the Collection of Individual Income Tax on Gains from the Transfer of Restricted Shares of Listed Companies by Individuals (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (effective from the same date), which stipulates that gains realized by individuals from the transfer of listed company’s shares acquired from the public offering and trading market of the listed company on the Shanghai Stock Exchange and the Shenzhen Stock Exchange will continue to be exempt from individual income tax, with the exception of relevant restricted shares as defined in the Supplementary Notice on Issues Concerning the Collection of Individual Income Tax on Gains from the Transfer of Restricted Shares of Listed Companies by Individuals (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly promulgated and implemented by the MOF, the STA and the CSRC on 10 November 2010. As of the Latest Practicable Date, the aforementioned provisions have not explicitly clarified whether individual income tax will be levied on gains realized by non-Chinese resident individuals from the transfer of shares of listed Chinese resident enterprises on overseas exchanges.

Enterprise investors

Pursuant to the EIT Law, if a non-resident enterprise has no establishment or place of business within China, or if it has an establishment or place of business within China but the income derived from within China has no actual connection with such establishment or place of business, the non-resident enterprise shall generally be subject to a 10% enterprise income tax on income derived from within China (including gains derived from the disposal of equity interests in Chinese resident enterprises). The aforementioned income tax payable by non-resident enterprises is subject to withholding at source, whereby the payer of the income shall withhold the income tax from the amount to be paid to the non-resident enterprise. This tax may be reduced or exempted in accordance with relevant treaties or agreements on avoidance of double taxation.

Stamp Duty

According to the Stamp Duty Law of the People’s Republic of China (《中華人民共和國印花稅法》) promulgated by the NPC Standing Committee on 10 June 2021 and effective from 1 July 2022, entities and individuals within the territory of China that execute taxable instruments and conduct securities transactions, as well as entities and individuals outside the territory of China that execute taxable instruments for use within the territory, are required to pay China’s stamp duty. Therefore, the relevant provisions of the Stamp Duty Law of the People’s Republic of China do not apply to the trading of H shares by non-Chinese investors outside of China.

Estate Duty

As of the Latest Practicable Date, no estate tax is levied in China.

China’s Foreign Exchange Administration

The legal currency of China is Renminbi. Upon authorization by the People’s Bank of China (the “PBOC”), the State Administration of Foreign Exchange (SAFE) has the authority to manage all foreign exchange-related matters, including the implementation of foreign exchange control regulations.

The Regulations of the People’s Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) promulgated by the State Council on 29 January 1996, effective from 1 April 1996 and most recently amended on 5 August 2008, categorize all international payments and transfers into current accounts and capital accounts. Current accounts shall undergo

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reasonable examination by financial institutions engaged in the business of settlement and sale of foreign exchange regarding the authenticity of transaction documents and their consistency with foreign exchange receipts and payments, and are subject to supervision and inspection by foreign exchange administration authorities. For capital accounts, overseas institutions and individuals making direct investments in China must undergo registration with foreign exchange administration authorities after obtaining approval from the relevant competent authorities. Foreign exchange income obtained from overseas can be remitted back or held offshore. Capital account foreign exchange and settlement funds must be used in accordance with the approved purposes by the relevant competent authorities and foreign exchange administration authorities. When significant imbalances occur or are likely to occur in international receipts and payments, or when the national economy encounters or is likely to encounter a severe crisis, the state may take necessary safeguarding and control measures on international receipts and payments.

The Regulations on the Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on 20 June 1996, and effective from 1 July 1996 removed other restrictions on foreign exchange conversion under current accounts, but imposed current restrictions on foreign exchange transactions under capital accounts.

According to the Announcement on Improving the Reform of the RMB Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》) promulgated and implemented by the PBOC on 21 July 2005, since 21 July 2005, China has adopted a managed floating exchange rate regime based on market supply and demand, with reference to a basket of currencies. As a result, the RMB exchange rate is no longer pegged to a single U.S. dollar. The PBOC publishes, after the close of trading on each working day, the closing prices of the RMB exchange rates against the U.S. dollar and other currencies traded in the interbank foreign exchange market, which serve as the central parity rates for the trading of such currencies against the RMB on the next working day. Pursuant to the relevant laws and regulations of China, Chinese enterprises (including foreign-invested enterprises) that require foreign exchange for current account transactions may conduct payments through foreign exchange accounts opened with designated foreign exchange banks without obtaining approval from the foreign exchange administration authorities, provided that valid transaction receipts and supporting documents are submitted. If a foreign-invested enterprise needs foreign exchange to distribute profits to its shareholders, or if a Chinese enterprise (such as our Company) is required under applicable regulations to pay dividends to its shareholders in foreign exchange, such payments or conversions and payments may be made through the designated foreign exchange bank's foreign exchange accounts in accordance with the profit distribution resolution of its board of directors or shareholders' general meeting.

According to the Decision of the State Council on Cancelling and Adjusting a Batch of Administrative Approval Items and Other Matters (《關於取消和調整一批行政審批項目等事項的決定》) promulgated and implemented on 23 October 2014, the requirement for approval by the SAFE and its local branches for the conversion and settlement into RMB of proceeds raised from overseas share offerings and listings has been abolished.

Pursuant to the Notice on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued and implemented by SAFE on 26 December 2014, domestic companies shall, within 15 working days from the completion date of their overseas offering and listing, register their overseas listing with the local branch of SAFE at their place of registration. The proceeds raised by domestic companies from overseas listings may be remitted back to onshore accounts or retained in offshore accounts, but their use shall be consistent with the purposes stated in the document and other disclosure documents. Domestic companies (excluding banking financial institutions) shall, based on the overseas listing registration certificate, open a dedicated account with a domestic bank for the purpose of handling foreign exchange settlement and transfer of funds related to their initial public offering (or additional offering) and share repurchase transactions.

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According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by SAFE on 13 February 2015, implemented on 1 June 2015, and partially repealed on 30 December 2019, the approval for foreign exchange registration under domestic direct investment and overseas direct investment has been delegated to banks for direct review and processing, while SAFE exercises indirect supervision over direct investment foreign exchange registration through banks. SAFE and its local branches exercise indirect supervision over direct investment foreign exchange registration through the banking system.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating the Policies for the Administration of Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), promulgated and implemented by the SAFE on 9 June 2016, the relevant policies explicitly provide that foreign exchange income under the capital account subject to discretionary settlement (including funds repatriated from overseas listings) may be settled at banks based on the actual operational needs of domestic institutions. The discretionary settlement ratio of foreign exchange income under the capital account for domestic institutions is provisionally set at 100%, and SAFE may, from time to time, adjust the above ratio in accordance with the balance of payments situation. Pursuant to the Notice of the State Administration of Foreign Exchange on Further Deepening Reform on Facilitating Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) issued on 4 December 2023, in order to facilitate the use of funds for equity transfer under domestic reinvestment by foreign-invested enterprises and funds raised from overseas listings, the capital account asset realization account has been adjusted to a capital account settlement account. The foreign exchange funds raised by domestic enterprises from overseas listings may be directly remitted into the capital account settlement account, and the funds in such capital account settlement account may be settled and used at the enterprise’s own discretion.

SAFE promulgated the Notice on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Management Reform (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) on 26 January 2017, which further expanded the scope of foreign exchange loan settlements for domestic entities. It allows domestic entities to settle foreign exchange loans with an export background under goods trade, permits funds under domestic guarantee for overseas loans to be repatriated for onshore use, and allows overseas institutions to settle foreign exchange funds held in their onshore foreign exchange accounts within pilot free trade zones. It also implemented a full-caliber management system for both domestic and foreign currency outbound lending. The aggregate balance of domestic institutions’ outbound lending in both RMB and foreign currencies shall not exceed 30% of their owners’ equity as stated in the audited financial statements of the previous year.

According to the Circular on Further Promoting the Facilitation of Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》) promulgated on 23 October 2019, the restriction on the use of capital funds by non-investment foreign-invested enterprises for domestic equity investments was removed. In addition, the restrictions on the settlement and use of funds in onshore asset realization accounts were lifted, and the restrictions on the use and settlement of margin deposits by foreign investors were relaxed. Qualified enterprises in pilot regions are allowed to use income under capital accounts, such as capital funds, foreign debts, and proceeds from overseas listings, for onshore payments without providing authenticity verification materials to banks on a transaction-by-transaction basis in advance. However, the use of such funds must be genuine and compliant, and shall conform to the prevailing regulations governing the use of income under the capital account.

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According to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated and implemented on 10 April 2020, on the condition that the use of funds is genuine and compliant and consistent with the prevailing regulations on the use of income under the capital account, qualified enterprises are permitted to use income under the capital account, such as capital funds, foreign debts, and proceeds from overseas listings, for onshore payments without providing authenticity verification materials to banks on a transaction-by-transaction basis in advance. The handling banks shall prudently manage relevant business risks in accordance with the principle of sound operation and conduct random post-event inspections as required. The local foreign exchange administrations shall strengthen monitoring, analysis, and supervision during and after the process.

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This appendix sets forth a summary of principal PRC laws, regulations and policies which are relevant to the Company’s operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in “Appendix III — Taxation and Foreign Exchange”. The principal objective of this summary is to provide potential investors with an overview of the principal legal and regulatory provisions applicable to the Company. This summary is not intended to include all the data which may be important to the potential investors. For discussion of laws and regulations which are relevant to business of the Company, please refer to “Regulatory Overview” in this document.

PRC Legal System

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (the “**Constitution**”) (last amended on 11 March 2018 and effective from the same date) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, departmental rules of the State Council, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is the signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the “**Legislation Law**”) (last amended on 13 March 2023 and effective from 15 March 2023), the NPC and the NPC Standing Committee are empowered to exercise the legislative power of the state. The NPC is entitled to formulate and amend basic laws governing state organs, civil, criminal and other matters. The NPC Standing Committee is entitled to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws. The people’s congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such regulations do not contravene the Constitution, laws and administrative regulations. The people’s congress and its standing committee of a city divided into districts may, according to the city’s specific circumstances and actual needs, develop local regulations on urban and rural construction and management, ecological civilization development, historical culture protection, and grassroots governance, among others, provided that they do not contravene the Constitution, laws, administrative regulations, and the local regulations of the province or autonomous region where the city is located. If the law provides otherwise on the formulation of local regulations by a city divided into districts, those provisions shall prevail. Relevant local regulations will become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions. The standing committees of the people’s congresses of the provinces or autonomous regions shall examine the legality of such local regulations which are submitted for approval, and shall approve them within four months if they do not contradict the Constitution, the laws, the administrative regulations, and the local regulations of their respective provinces or autonomous regions. The people’s congress of an ethnic autonomous region shall have the power to develop autonomous regulations and separate regulations based on the political, economic, and cultural characteristics of the local ethnicities.

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The ministries and commissions of the State Council, the PBOC, the National Audit Office, the subordinate institutions with administrative functions directly under the State Council, and the organizations prescribed by laws may formulate departmental rules within the power of their respective departments based on the laws and the administrative regulations, decisions and orders of the State Council.

The Constitution has the highest legal effect, and any laws, administrative regulations, local regulations, autonomous regulations as well as separate regulations and rules shall not contravene the Constitution. Laws have higher legal authority than administrative regulations, and local regulations and rules. Administrative regulations have higher legal authority than local regulations and rules. The legal authority of the rules enacted by the people’s governments of the provinces or autonomous regions is greater than that of the rules enacted by the people’s governments of the cities divided into districts and autonomous prefectures within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations and separate regulations approved by its Standing Committee that contravene the Constitution or the Legislation Law. The NPC Standing Committee has the right to revoke administrative regulations that contravene the Constitution and laws, to revoke local regulations that contravene the Constitution, laws and administrative regulations, as well as to revoke the autonomous regulations and separate regulations approved by the standing committees of the people’s congresses of provinces, autonomous regions and municipalities that contravene the Constitution and the Legislation Law. The State Council has the right to alter or revoke inappropriate departmental rules and local government regulations. The people’s congresses of provinces, autonomous regions and municipalities have the right to alter or revoke inappropriate local regulations enacted or approved by their standing committees. The standing committees of the local people’s congresses have the power to annul any inappropriate rules enacted by the people’s governments at the corresponding level, and the people’s government of a province or an autonomous region has the authority to modify or annul any inappropriate rules formulated by people’s governments at the next lower level.

Pursuant to the Resolution of the Standing Committee of the National People’s Congress Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on 10 June 1981, in cases where the limits of articles of laws or decrees need to be further defined or additional stipulations need to be made, the NPC Standing Committee should provide interpretations or make stipulations by means of decrees. Interpretation of questions involving the specific application of laws in court trials shall be provided by the Supreme People’s Court. Interpretation of questions involving the specific application of laws in the procuratorial work of the procuratorates shall be provided by the Supreme People’s Procuratorate. Interpretation of questions involving the specific application of laws in areas unrelated to court trials and the procuratorial work of the procuratorates shall be provided by the State Council and the competent departments. At the regional level, the power to interpret local regulations is vested in the local legislative and administrative authorities which promulgate such regulations.

PRC Judicial System

According to the Constitution and the Organic Law of the People’s Courts of the PRC (《中華人民共和國人民法院組織法》) (last amended by the NPC Standing Committee on 26 October 2018 and effective from 1 January 2019), the people’s courts in the PRC are comprised of the Supreme People’s Court, the local people’s courts at all levels and special people’s courts. The local people’s courts at all levels are comprised of the primary people’s courts, the intermediate people’s courts and the higher people’s courts. The primary people’s courts may set up certain people’s tribunals based on the status of the region, population and cases. The Supreme People’s Court is the

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highest judicial organ in the PRC and shall supervise the judicial work of the local people’s courts at all levels and special people’s courts, and people’s courts at higher levels shall supervise the judicial work of people’s courts at lower levels.

According to the Constitution and the Organic Law of the People’s Procuratorates of the PRC (《中華人民共和國人民檢察院組織法》) (last amended by the NPC Standing Committee on 26 October 2018 and effective from 1 January 2019), the people’s procuratorates are the state organs for legal supervision and are comprised of the Supreme People’s Procuratorate, the local people’s procuratorates at all levels, military procuratorates and other special people’s procuratorates. The Supreme People’s Procuratorate is the highest procuratorial organ and shall direct the work of the local people’s procuratorates at all levels and special people’s procuratorates, and people’s procuratorates at higher levels shall direct the work of people’s procuratorates at lower levels.

The people’s courts employ a two-tier appellate system, that is, the judgments or rulings of the second instance at a people’s court are final. A party may appeal against the judgment or ruling of the first instance of a local people’s court. The people’s procuratorate may present a protest to the people’s court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people’s procuratorate within the stipulated period, the judgments or rulings of the people’s court are final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court, and judgments or rulings of the first instance of the Supreme People’s Court, are final. However, if the Supreme People’s Court finds some definite errors in a legally effective judgment, ruling or conciliation statement of the local people’s court at any level, or if the people’s court at a higher level finds such errors in a legally effective judgment, ruling or conciliation statement of the people’s court at a lower level, it has the authority to review the case itself or to direct the lower-level people’s court to conduct a retrial. If the chief judge of a people’s court at any level finds definite errors in a legally effective judgment, ruling, or conciliation statement of such court and considers a retrial necessary, the case shall be submitted to the adjudication committee for discussion and decision.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》), which was last amended on 1 September 2023 and took effect on 1 January 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the Civil Procedure Law of the PRC. Generally, a civil case is heard by the people’s court at the defendant’s domicile. The parties to disputes over contracts or other property rights may, by a written agreement, choose the people’s court for jurisdiction at the domicile of the plaintiff or the defendant, the place of performance of the contract, the place where the contract was signed, the place where the subject matter is located, and other places that have an actual connection with the dispute, provided that the provisions of this law on hierarchical jurisdiction and exclusive jurisdiction are not violated.

Foreigners, stateless persons, foreign enterprises and foreign organizations shall have the same litigation rights and obligations as citizens, legal persons and other organizations of the PRC when initiating or responding to legal proceedings in PRC people’s courts. If a foreign court imposes limitations on the civil litigation rights of citizens and enterprises of the PRC, the PRC people’s courts shall apply the principle of reciprocity to the civil litigation rights of the citizens and enterprises of that country. Where foreigners, stateless persons, foreign enterprises or foreign organizations institute or respond to legal proceedings in a PRC people’s court and need to appoint a lawyer to represent them in the litigation, they must appoint a lawyer from the PRC. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people’s court and a foreign court may request each other to serve

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documents, conduct investigation and collect evidence, and conduct other litigation acts on its behalf. A people’s court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people’s court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people’s court for the enforcement of the same within two years, subject to application for postponed enforcement or revocation. The provisions of the law regarding the suspension and interruption of limitation periods for litigation shall apply to the suspension and interruption of the limitation period for enforcement applications. If the party still fails to satisfy within the stipulated period the obligations established in the legal instruments according to the enforcement notice, the court may take corresponding enforcement measures.

If a party applies for execution of a legally effective judgment or ruling made by a people’s court and the party subject to execution or his/her property is not located within the territory of the PRC, the applicant may directly apply for recognition and enforcement of such judgment or ruling to the foreign court with relevant jurisdiction, or the people’s court may, in accordance with the provisions of the international treaties concluded or acceded to by the PRC or in accordance with the principle of reciprocity, request recognition and enforcement of such judgment or ruling by a foreign court. Similarly, if a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by a people’s court, the parties may directly apply to the intermediate people’s court with jurisdiction for recognition and enforcement, or the foreign court may request recognition and enforcement by the people’s court in accordance with the provisions of international treaties concluded or acceded to by the foreign country and the PRC or in accordance with the principle of reciprocity. However, if the judgment or ruling results in a contradiction of the basic principles of the PRC laws or violation of the PRC’s sovereignty, security or public interests, it shall not be recognized or enforced.

Company Law, Trial Measures and Guidelines for Articles of Association

A joint stock limited company incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations of the PRC.

The Company Law was adopted by the NPC Standing Committee on 29 December 1993, became effective on 1 July 1994 and was successively amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023, with the latest amendment coming into effect on 1 July 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) which were promulgated by the CSRC on 17 February 2023 and came into effect on 31 March 2023, along with the five supporting guidelines, apply to direct and indirect overseas issuance of securities or the listing and trading of securities overseas by domestic enterprises in China.

The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Guidelines for Articles of Association**”) (last amended by the CSRC on 28 March 2025 and effective from the same date) provide guidelines to the articles of association. According to the Trial Measures, domestic companies that directly offer and list securities in overseas markets shall formulate their articles of association in line with the Guidelines for Articles of Association and other relevant CSRC regulations concerning corporate governance to standardize corporate governance practices.

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Set out below is a summary of the major provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association which are applicable to the Company.

General Provisions

A joint stock limited company refers to a corporate legal person incorporated in the PRC under the Company Law which has independent corporate assets and enjoys corporate property rights, and its registered capital is divided into shares of equal nominal value. The company shall bear liability for its own debts with all its assets. The shareholders of the joint stock limited company shall bear liability for the company to the extent of the shares they subscribe for.

When engaging in business operations, a company shall comply with the laws and regulations, social morality and business ethics, be honest and faithful and accept the supervision of the government and the general public. A company may invest in other enterprises. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company shall have a minimum of one but no more than 200 people as its promoters, and over half of the promoters must be resident within the PRC.

For a joint stock limited company incorporated by way of promotion, the promoters shall subscribe in full for the shares to be issued by the company upon its establishment as provided in the company’s articles of association. Where a joint stock limited company is incorporated by subscription, the promoters shall subscribe for no less than 35% of the total number of shares to be issued by the company upon its establishment as provided in the company’s articles of association; unless otherwise stipulated by law or administrative regulations, in which case such provisions shall prevail.

In the case of a joint stock limited company established by subscription, the promoters shall convene the company’s inaugural meeting within 30 days from the date on which the full subscription price for all shares to be issued upon incorporation has been paid. The promoters shall inform the subscribers of or announce the date of the meeting 15 days before the inaugural meeting is convened. The inauguration meeting shall be attended by subscribers representing more than half of the voting rights. Where a joint stock limited company is incorporated by way of promotion, the convening and voting procedures for the inaugural meeting shall be governed by the company’s articles of association or the promoters’ agreement. The Board of Directors shall authorize a representative to file an application for incorporation with the company registration authority within 30 days after the conclusion of the inaugural meeting. Upon approval of the registration and issuance of a business license by the company registration authority, the company is formally established as a legal person.

Share Capital

A shareholder may make a capital contribution in money or in non-monetary property that can be valued in money and transferred in accordance with the law, such as physical assets, intellectual property rights, land-use rights, equity interests and creditor’s right, except for property which are prohibited from being contributed as capital by the laws or administrative regulations. The value of the non-monetary properties as capital contributions shall be assessed and verified.

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The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. Any subscriber shall pay the same price for each share subscribed. The offering price of par-value shares may be equal to or greater than their nominal value, but may not be less than their nominal value.

A domestic enterprise that offers and lists its securities overseas must, under the Trial Measures, file with the China Securities Regulatory Commission by submitting a filing report, legal opinion and other relevant materials that truthfully, accurately and completely disclose shareholder information, etc. Pursuant to the Trial Measures, and unless otherwise provided therein or by the State, the offering of securities by a domestic enterprise in an overseas listing may be made only to overseas investors.

Increase in Share Capital

Under the Company Law, when a company issues new shares, the shareholders’ meeting must resolve on: the class and number of the new shares; the offering price of the new shares; the start and end dates of the new share issue; and the class and number of new shares to be offered to existing shareholders. A company that offers shares to the public must register the offering with the securities regulatory authority under the State Council and publish a document. After the full subscription price for the shares has been received, the company must make a public announcement.

Reduction of Share Capital

When reducing its registered capital, the Company shall prepare a balance sheet and an inventory of property. The Company shall, within 10 days from the date on which the resolution on the reduction of registered capital is adopted at the shareholders’ meeting, notify its creditors and, within 30 days, make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System. A creditor may, within 30 days from the date of receipt of the notice or, if he/she did not receive a notice, within 45 days from the date of the announcement, require the Company to pay off debts or to provide a commensurate guarantee. The Company must apply for registration of a change for reducing registered capital with the relevant company registration authority.

When a company reduces its registered capital, it shall reduce the capital contributions or the number of shares held by the shareholders proportionally to their respective contributions or shareholdings, unless the law provides otherwise, all shareholders of a limited liability company agree otherwise, or the articles of association of a joint stock limited company provide otherwise.

Repurchase of Shares

The Company shall not buy back its own shares. However, this does not apply in any of the following circumstances:

- (1) decreasing the registered capital of the Company;
- (2) merging with another company that holds the Company’s shares;
- (3) using the shares for an employee stock ownership plan or equity incentive;
- (4) shareholders object to resolutions of the shareholders’ meeting concerning merger or division of the Company, requiring the Company to buy their shares;
- (5) using the shares to convert into the convertible corporate bonds issued by the Company;

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- (6) when it is necessary for a listed company to safeguard its own value and the rights and interests of shareholders.

Repurchase of its own shares by the Company under the circumstances specified in items (1) and (2) above shall be subject to resolution adopted by the shareholders’ meeting; repurchase of its own shares by the Company under the circumstances specified in items (3), (5) or (6) may be subject to a resolution at a board meeting attended by more than two thirds of the Directors in accordance with the Articles of Association or the authorization by the shareholders’ meeting.

Following the acquisition by the Company of its own shares as described above, such shares must be cancelled within 10 days of the date of the acquisition in the case of item (1) and transferred or cancelled within six months in the case of items (2) and (4); under the circumstance set forth in items (3), (5) or (6), the total number of the Company’s shares held by the Company itself shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years.

A listed company acquiring its own shares shall perform the obligation of information disclosure in accordance with the Securities Law of the People’s Republic of China (中華人民共和國證券法). A listed company acquiring its own shares under any of the circumstances set forth in items (3), (5) and (6) shall carry out trading in a public and centralized manner.

The Company shall not accept its shares as the subject matter of pledge.

Transfer of Shares

The shares held by the shareholders of a joint stock limited company may be transferred according to relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. Shares may be transferred by means of endorsement by shareholders or by such other means as provided for by laws or administrative regulations, and after such transfer, the company shall register the name or title and domicile of the transferee in the share register. The share register shall not be altered within 20 days before convening of a shareholders’ meeting or 5 days prior to the base date on which the company decides to distribute dividends. Where there are separate provisions by law, administrative regulation or the securities regulatory authority under the State Council on alternation of share register of listed companies, those provisions shall prevail.

Pursuant to the Company Law, the shares issued before the Company’s public offering of shares shall not be transferred within one year from the date when the Company’s shares are listed and traded on a stock exchange. Where there are separate provisions by law, administrative regulation or the securities regulatory authority under the State Council on transfer of the Company’s shares held by shareholders or actual controllers of listed companies, those provisions shall prevail. The Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of the total shares held by them in the Company per annum during their terms of office fixed at the time of their appointment; the shares they hold in the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded. Any of the aforesaid persons shall not transfer the shares of the Company held by him/her within half a year from his/her termination of the office. The Articles of Association may impose additional restrictive rules on the transfer of the Company’s shares held by its Directors, Supervisors and senior management members.

If shares are pledged during a period when laws or administrative regulations prohibit their transfer, the pledgee may not exercise its rights over the pledge during that prohibition period.

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Shareholder(s)

Pursuant to the Company Law and Guidelines for Articles of Association, the shareholders of the Company shall be entitled to the following rights:

- (1) to obtain dividends and other forms of profit distribution in proportion to the number of shares held by them;
- (2) to lawfully request, convene, preside over or attend shareholders' meetings either in person or by proxy and exercise the corresponding voting right;
- (3) to supervise the Company's business operations, propose recommendations or raise inquiries;
- (4) to transfer, give or pledge their shares in accordance with the laws, administrative regulations and the Articles of Association;
- (5) to inspect and copy the Articles of Association, share register, minutes of shareholders' meetings, resolutions of board meetings, and financial and accounting reports; shareholders who meet the relevant regulations may inspect the Company's accounting books and accounting vouchers;
- (6) in the event of termination or liquidation of the Company, to participate in the distribution of the Company's remaining assets in proportion to the number of shares they held;
- (7) with respect to a shareholder who votes against a resolution adopted at any shareholders' meetings on the merger or division of the Company, to request the Company to buy back his/her shares; and
- (8) to enjoy other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

The obligations of shareholders include the obligation to abide by the laws, administrative regulations, and the Articles of Association, to pay the subscription monies in respect of the shares subscribed for and the method of subscription, to be liable for the Company to the extent of the amount of his/her subscribed shares, and any other shareholder obligation specified in the Articles of Association.

Shareholders' Meeting

The shareholders' meeting is the Company's organ of power, which shall exercise its powers according to the Company Law. A shareholders' meeting shall exercise the following functions and powers:

- (1) to elect and replace Directors and Supervisors and to decide on matters relating to the remuneration of Directors and Supervisors;
- (2) to consider and approve reports of the Board;
- (3) to consider and approve reports of the Supervisory Committee;
- (4) to consider and approve the Company's profit distribution proposals and loss recovery proposals;

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- (5) to resolve on the increase or reduction of the registered capital of the Company;
- (6) to resolve on issuance of bonds of the Company;
- (7) to resolve on merger, division, dissolution and liquidation of the Company or change of its corporate form;
- (8) to amend the Articles of Association; and
- (9) to exercise other functions and powers specified in the Articles of Association.

The shareholders' meeting shall be convened once a year. In any of the following circumstances, an extraordinary shareholders' meeting shall be held within two months:

- (1) the number of Directors falls short of the quorum stipulated in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (2) the unrecovered losses of the Company amount to one third of the total amount of its share capital;
- (3) it is required by shareholder(s) individually or jointly holding more than 10% shares of the Company;
- (4) when deemed necessary by the Board;
- (5) when proposed by the Supervisory Committee; or
- (6) if any other circumstance as specified in the Articles of Association occurs.

A shareholders' meeting shall be convened by the Board of Directors and shall be presided over by the chairman. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly recommended by over half of the Directors. If the Board cannot or fails to fulfill its obligation to convene a shareholders' meeting, the Supervisory Committee shall duly convene and preside; if even the Supervisory Committee cannot or fails to convene a shareholders' meeting, shareholders severally or jointly holding more than 10% of the shares of the Company for over 90 days consecutively may convene and preside over the meeting.

According to the Company Law, for a shareholders' meeting to be held, a notice shall be given to each shareholder 20 days in advance, which shall state the time and venue of the meeting, and the matters to be deliberated at the meeting. For an extraordinary shareholders' meeting, a notice shall be given to each shareholder 15 days in advance.

Under the Company Law, each share held by a shareholder present at a shareholders' meeting carries one vote, except for holders of class shares. The Company has no voting rights for its own shares it holds.

Resolutions in respect of the election of Directors or Supervisors may be passed by way of cumulative voting pursuant to the Articles of Association or resolutions of the shareholders' meeting. Cumulative voting means that when Directors or Supervisors are being elected at a shareholders' meeting, each share has as many voting rights as the candidates for Directors or Supervisors, and the shareholders' voting rights may be used in a concentrated manner.

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Pursuant to the Company Law and the Guidelines for Articles of Association, any resolution of a shareholders' meeting shall be adopted by a simple majority of the voting rights held by shareholders present at the meeting. However, when the shareholders' meeting makes a resolution to modify the Articles of Association, or to increase or reduce the registered capital, or a resolution about the merger, division, dissolution or change of corporate form, such a resolution shall be adopted by shareholders representing more than two-thirds of the voting rights held by the shareholders present at the meeting.

A shareholders' meeting shall make the minutes for the decisions about the matters discussed at the meeting. The presider of the meeting and the Directors in presence shall affix their signatures to the minutes, which shall be preserved together with the book of signatures of the shareholders in presence as well as the power of attorney thereof.

Board of Directors

A joint stock limited company shall set up a board of directors, consisting of more than three members. The term of office of the directors shall be provided for by the articles of association, but each term of office shall not exceed three years. The directors may, after the expiry of their term of office, hold a consecutive term upon re-election. If no reelection is timely carried out after the expiry of the term of office of the directors, or if the number of the members of the board of directors is less than the quorum due to the resignation of some directors prior to the expiry of their term of office, the original directors shall, before the newly elected directors assume their posts, perform the powers of directors according to the laws, administrative regulations, as well as the articles of association.

Pursuant to the Company Law, a board of directors shall exercise the following functions and powers:

- (1) to convene shareholders' meetings and report its work to the shareholders;
- (2) to implement the resolutions passed at shareholders' meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the profit distribution plan and loss makeup plan of the Company;
- (5) to formulate plans for the increase or decrease of the registered capital of the Company and for the issuance of corporate bonds;
- (6) to formulate plans for the merger, division, dissolution or change of corporate form of the Company;
- (7) to resolve on the internal management setup of the Company;
- (8) to resolve on the appointment or dismissal of the Company's manager and his/her compensation, and, according to the nomination of the manager, decide on the appointment or dismissal of vice manager(s) and the persons in charge of finance as well as their compensations;
- (9) to formulate the basic management system of the Company; and
- (10) to exercise other functions and powers as specified in the Articles of Association or conferred by the shareholders' meetings.

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According to the Company Law, the Board shall convene at least two meetings each year. All Directors and Supervisors shall be notified 10 days prior to each meeting. Shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors, or the Supervisory Committee may propose to convene an interim meeting of the Board. The chairman shall convene and preside over the Board meeting within 10 days upon receipt of such proposal. When convening an interim meeting, the Board may separately set the notice method and time limit for the Board meeting. A meeting of the Board shall not be held unless more than half of the Directors are present. A resolution of the Board shall be adopted by more than half of all Directors. Each Director shall have one vote in the Board's decision-making. Directors shall attend Board meetings in person; if a Director is unable to attend for any reason, he/she may entrust another Director in writing to attend on his/her behalf. The letter of authorization shall specify the scope of the powers granted.

If a resolution of the Board violates laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meeting, causing serious losses to the Company, the Directors who have participated in the resolution shall be liable for compensation to the Company. A Director may be exempted from liability if it is proven that he/she expressed objection at the time of voting and such objection has been recorded in the meeting minutes.

According to the Company Law, any person involved in any of the following circumstances shall not serve as Director of the Company: (i) lacking or having limited capacity for civil conduct; (ii) having been sentenced to criminal punishment for corruption, bribery, embezzlement, misappropriation of property, or disrupting the socialist market economic order, or having been deprived of political rights due to a crime, where five years have not elapsed since the date on which execution of the sentence was completed, or where a suspended sentence was imposed, where less than two years has passed since the end of the probation period; (iii) serving as a director, factory chief, or manager of a company or enterprise undergoing bankruptcy liquidation, and being personally responsible for the bankruptcy of such company or enterprise, where three years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed; (iv) serving as the legal representative of a company or enterprise whose business license has been revoked or which is ordered to close down due to violations of law, and bearing personal responsibility, where three years have not elapsed since the date of license revocation or order to close; (v) being listed as a person subject to enforcement by a people's court for failing to repay a substantial amount of personal debt when due;

An election or appointment of a Director that violates the provisions above shall be invalid. If a Director is found to be involved in such circumstances during his/her term of office, the Company shall dismiss the Director.

According to the Company Law, the Board shall have one chairman, and may have a vice chairman.

The chairman and vice chairman shall be elected by more than half of all Directors. The chairman shall convene and preside over Board meetings and supervise the implementation of Board resolutions. The vice chairman shall assist the chairman in his/her work. If the chairman of the Board is unable to or fails to perform his/her duties, the vice chairman shall perform the duties. If the vice chairman of the Board is unable to or fails to perform his/her duties, a Director jointly elected by more than half of the Directors shall perform the duties.

Supervisory Committee

According to the Company Law, a joint stock limited company shall establish a Supervisory Committee, which shall consist of three or more members. The members of the Supervisory Committee shall include shareholder representatives and a proper proportion of employee representatives of the Company. The proportion of employee representatives shall not be less than

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one-third, and the specific proportion shall be stipulated in the Articles of Association. Employee representatives on the Supervisory Committee shall be democratically elected by the Company's employees through the employee representative congress, the employee congress, or any other means. Directors and senior management members shall not concurrently serve as Supervisors.

The term of office of a Supervisor shall be three years. Upon expiration of the term of office, the Supervisor may be re-elected for consecutive terms. If a Supervisor's term of office expires and no new Supervisor has been elected in a timely manner, or if the resignation of a Supervisor during his/her term of office causes the number of members of the Supervisory Committee to fall below the statutory quorum, the original Supervisor shall continue to perform his/her duties in accordance with laws, administrative regulations and the Articles of Association until the new Supervisor takes office.

The Supervisory Committee shall exercise the following functions and powers:

- (1) to review the financial affairs of the Company;
- (2) to supervise the acts of the Directors and senior management members in performing their duties and propose to remove any Director or senior management member who is in violation of the laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meeting;
- (3) to require any Director or senior management member who acts in any manner that damages the interests of the Company to make correction;
- (4) to propose for an extraordinary shareholders' meeting, and convene and preside over the shareholders' meeting when the Board fails to do the same according to the Company Law;
- (5) to submit proposals to the shareholders' meeting;
- (6) to file a lawsuit against the Directors or senior management members in accordance with the relevant provisions of the Company Law; and
- (7) other functions and powers as stipulated in the Articles of Association.

Supervisors may attend Board meetings without voting rights and may make inquiries or suggestions regarding the matters resolved by the Board. If the Supervisory Committee finds that the Company's operating conditions are abnormal, it may conduct an investigation; if necessary, it may engage an accounting firm or other entities to assist in its work, with expenses borne by the Company.

The Supervisory Committee shall have one chairman and may have a vice chairman. The chairman and vice chairman of the Supervisory Committee shall be elected by more than half of all Supervisors. The chairman of the Supervisory Committee shall convene and preside over meetings of the Supervisory Committee. If the chairman is unable to or fails to perform his/her duties, the vice chairman shall convene and preside over the meetings; if the vice chairman is unable or fails to perform his/her duties, a Supervisor jointly elected by more than half of the Supervisors shall convene and preside over the meetings.

A joint stock limited company may, under the articles of association, set up an audit committee composed of directors in the board of directors, which shall exercise the functions and powers of the supervisory committee as stipulated by the Company Law. It may not have a supervisory committee or supervisors.

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In accordance with the Guidelines for Articles of Association, the Company’s Board of Directors shall establish an audit committee to exercise the functions and powers of the Supervisory Committee as stipulated by the Company Law.

On 27 December 2024, the CSRC issued the Transitional Arrangements for the Implementation of Supporting Rules under the New Company Law (《關於新<公司法>配套制度規則實施相關過渡期安排》), requiring listed companies to stipulate in their articles of associations that an audit committee of the board of directors shall be set up to exercise the functions and powers of the supervisory committee as required by the Company Law and no supervisory committee or supervisor is required in accordance with the Company Law, the Provisions of the State Council on the Implementation of the Registration Management System for Registered Capital under the Company Law of the People’s Republic of China (《國務院關於實施<中華人民共和國公司法>註冊資本登記管理制度的規定》), and the supporting rules of the CSRC by 1 January 2026. Before a listed company adjusts its internal supervisory institution setup, the supervisor committee or supervisors shall continue to comply with the provisions in the original rules and regulations of the CSRC.

Manager and Senior Management Members

According to the Company Law, a joint stock limited company shall have a manager, who shall be appointed or dismissed by a resolution of the Board. The manager shall be accountable to the Board and shall exercise functions and powers in accordance with the Articles of Association or the authorization of the Board. The manager shall attend meetings of the Board without voting rights.

According to the Company Law, senior management members refer to the Company’s manager, deputy manager, chief financial officer, the Board secretary of a listed company, and other persons as stipulated in the Articles of Association.

Obligations of Directors, Supervisors and Senior Management Members

According to the Company Law, Directors, Supervisors and senior management members shall comply with laws, administrative regulations, and the Articles of Association, and shall owe duties of loyalty and diligence to the Company.

Directors, Supervisors and senior management members shall not have the following acts:

- (1) to misappropriate the Company’s property or embezzle the Company’s funds;
- (2) to deposit the Company’s funds in accounts opened in their own name or other individuals’ names;
- (3) to use their position to offer bribes or receive other illegal income;
- (4) to accept commissions from transactions between others and the Company for their own benefit;
- (5) to disclose the Company’s secrets without authorization; or
- (6) other acts in violation of the obligation of loyalty to the Company.

Where any Director, Supervisor or senior management member directly or indirectly directly or indirectly enters into a contract or conducts transactions with the Company, he/she shall report to the Board or the shareholders’ meeting on the matters concerning the contract or transactions and

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obtain approval by resolution of the Board or the shareholders' meeting in accordance with the Articles of Association. Where any of the near relatives of the Directors, Supervisors or senior management members, or any of the enterprises directly or indirectly controlled by the Directors, Supervisors or senior management members or any of their near relatives, or any of the related parties who has any other related-party relationship with the Directors, Supervisors or senior management members, enters into a contract or conducts transactions with the Company, the aforementioned provisions shall apply.

Directors, Supervisors or senior management members shall not use their position to seek business opportunities belonging to the Company for themselves or others, except under any of the following circumstances:

- (1) they have reported to the Board or the shareholders' meeting and obtained approval by resolution of the Board or the shareholders' meeting in accordance with the Articles of Association; or
- (2) the Company is unable to utilize the business opportunity in accordance with laws, administrative regulations or the Articles of Association.

Directors, Supervisors or senior management members shall not engage in the same business as the company they serve either for themselves or for others, without reporting to the Board or the shareholders' meeting and obtaining approval by resolution of the Board or the shareholders' meeting;

Any income obtained by a Director, Supervisor or senior management member in violation of the above provisions shall belong to the Company.

If a Director, Supervisor or senior management member, in the performance of his/her duties, violates any laws, administrative regulations, or the provisions of the Articles of Association and thereby causes losses to the Company, he/she shall bear the liability for compensation.

Finance and Accounting

The Company shall establish its own financial and accounting systems according to laws, administrative regulations and provisions of the financial department of the State Council. The Company shall prepare a financial accounting report at the end of each fiscal year and have it audited by an accounting firm in accordance with the law. The financial accounting report shall be made in accordance with the laws, administrative regulations and the provisions of the financial department of the State Council.

The financial accounting report of a joint stock limited company shall be made available for inspection by the shareholders at the company not later than 20 days before the annual shareholders' meeting; a joint stock limited company that has publicly issued shares shall announce its financial accounting report.

The premiums received by the Company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the Company. The reserve funds of the Company shall be used to make up for the Company's losses, expand the Company's production and operation, or be converted into an increase of the Company's registered capital. When the reserve funds are used to make up for the Company's losses, the discretionary reserve fund and statutory reserve fund shall be used first; if they are still

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insufficient, the capital reserve fund may be used in accordance with relevant provisions. When the statutory reserve fund is converted into registered capital, the remaining balance of the said reserve fund shall not be less than 25% of the Company's registered capital prior to such conversion.

The Company shall not keep any accounting books other than the statutory accounting books. No accounts shall be opened in the name of any individual for the storage of the Company's funds.

Appointment and Dismissal of Accounting Firms

According to the Company Law, the appointment or dismissal of an accounting firm undertaking the Company's auditing business shall be decided by the shareholders' meeting, the Board or the Supervisory Committee in accordance with the provisions of the Articles of Association. When the Company's shareholders' meeting, the Board or the Supervisory Committee votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its own opinions. The Company shall provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials, and shall not refuse to provide, conceal, or make false reports.

According to the Articles of Association Guidelines, the appointment and dismissal of accounting firms shall be decided by the shareholders' meeting. The Board of Directors shall not appoint an accounting firm before such decision is made by the shareholders' meeting. The audit fees of the accounting firm shall be determined by the shareholders' meeting.

Profit Distribution

According to the Company Law, when the Company distributes its profits for the current year after tax, it shall appropriate 10% of such profits to the statutory reserve fund. Where the accumulated amount of the statutory reserve fund has reached 50% or more of the Company's registered capital, no further appropriation is required. If the statutory reserve fund of the Company is insufficient to make up for losses incurred in previous years, the current year's profits shall first be used to make up for the losses before making appropriations to the statutory reserve fund in accordance with the provisions of the preceding paragraph. After the Company has appropriated the statutory reserve fund from its after-tax profits, it may, upon resolution of the shareholders' meeting, make appropriations to the discretionary reserve fund from its after-tax profits. The remaining after-tax profits after making up for losses and appropriations to the reserve funds shall be distributed by the joint stock limited company to shareholders in proportion to the number of shares held by them, save as otherwise specified in the Articles of Association. Shares held by the Company itself shall not participate in profit distribution.

Where the Company distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of such provisions to the Company. Where losses are caused to the Company, the shareholders and the Directors, Supervisors or senior management members who are responsible shall bear the liability for compensation.

If the shareholders' meeting makes a resolution to distribute profits, the Board shall carry out the distribution within six months from the date when the resolution of the shareholders' meeting is made.

Amendment to the Articles of Association

According to the Company Law, a resolution of the shareholders' meeting to amend the Company's Articles of Association shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

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According to the Guidelines for Articles of Association, the Company shall amend the Articles of Association under any of the following circumstances: (1) where the provisions of the Company Law or laws and administrative regulations are amended, and any provisions of the Articles of Association conflict with the amended laws or administrative regulations; (2) where the Company's information changes and becomes inconsistent with the facts stated in the Articles of Association; and (3) where the shareholders' meeting resolves to amend the Articles of Association.

Dissolution and Liquidation

Pursuant to the Company Law, a company shall be dissolved under any of the following circumstances:

- (1) the term of operation as specified in the articles of association expires, or other circumstances for dissolution as prescribed in the articles of association arise;
- (2) a resolution for dissolution is adopted by the shareholders' meeting;
- (3) dissolution is required due to merger or division of the company;
- (4) the company's business license is lawfully revoked, or the company is ordered to close down or deregistered; or
- (5) where the company encounters serious difficulties in its operations and management, and the continued existence of the company would cause substantial losses to the interests of the shareholders and such difficulties cannot be resolved through other means, shareholders holding 10% or more of the total voting rights of the company may petition the people's court to dissolve the company.

Where any of the above dissolution events occur, the company shall, within 10 days, make a public announcement of the cause of dissolution through the National Enterprise Credit Information Publicity System.

Where the circumstances set out in items (1) and (2) above occur and the company has not yet distributed its assets to the shareholders, it may continue to exist by amending the articles of association or upon resolution of the shareholders' meeting. The amendment to the articles of association or the resolution of the shareholders' meeting under the provisions above shall be approved by shareholders representing two-thirds or more of the voting rights present at the shareholders' meeting in the case of a joint stock limited company.

Where the company is dissolved under any of the circumstances set out in items (1), (2), (4), or (5) above, liquidation shall be carried out. The directors shall be the liquidation obligors and shall, within 15 days from the date on which the cause of dissolution arises, form a liquidation committee to carry out liquidation. The liquidation committee shall be composed of directors, unless otherwise provided in the articles of association or otherwise resolved by the shareholders' meeting. Where a liquidation obligor fails to perform his/her liquidation duties in a timely manner and thereby causes losses to the company or its creditors, such obligor shall bear the liability for compensation. If the liquidation committee is not formed to carry out liquidation within the prescribed period, or if it is formed but fails to perform liquidation, any interested party may apply to the people's court to appoint relevant personnel to form a liquidation committee to conduct liquidation. The people's court shall accept such application and promptly organize the liquidation committee to conduct liquidation.

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During the liquidation period, the liquidation committee shall exercise the following powers:

- (1) to take inventory of the company’s property and prepare a balance sheet and an inventory of assets, respectively;
- (2) to notify and announce to creditors;
- (3) to handle unfinished business related to liquidation;
- (4) to pay outstanding taxes and taxes arising during the liquidation process;
- (5) to verify and settle claims and debts;
- (6) to distribute the remaining property of the company after the settlement of debts; and
- (7) to represent the company in civil litigation activities.

The liquidation committee shall, within 10 days from its establishment, notify the creditors, and shall make a public announcement in newspapers or through the National Enterprise Credit Information Publicity System within 60 days.

Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notice, or within 45 days from the date of the public announcement if no notice has been received. Creditors declaring claims shall specify relevant details of their claims and provide supporting materials. The liquidation committee shall register the declared claims. During the period for the declaration of claims, the liquidation committee shall not make any repayment to creditors.

After taking inventory of the company’s property and preparing the balance sheet and inventory of assets, the liquidation committee shall formulate a liquidation plan, which shall be submitted to the shareholders’ meeting or the people’s court for confirmation. The company’s property, after payment of liquidation expenses, employee wages, social insurance expenses, and statutory compensation, settlement of outstanding taxes, and repayment of the company’s debts, shall be distributed among shareholders of a joint stock limited company in proportion to their shareholdings. During the liquidation period, the company shall continue to exist but shall not engage in any business activities unrelated to liquidation. The company’s property shall not be distributed to shareholders prior to the settlement of debts in accordance with the provisions above.

After taking inventory of the company’s property and preparing the balance sheet and inventory of assets, if the liquidation committee discovers that the company’s assets are insufficient to repay its debts, it shall apply to the people’s court for bankruptcy liquidation in accordance with the law. Upon acceptance of the bankruptcy application, the liquidation committee shall hand over liquidation matters to the bankruptcy administrator designated by the people’s court.

Upon completion of liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the shareholders’ meeting or the people’s court for confirmation, and then submitted to the company registration authority for cancellation of company registration. Members of the liquidation committee shall perform their duties of loyalty and diligence in conducting liquidation. Any member who neglects his/her duties and causes losses to the company shall be liable for compensation; where a creditor suffers losses due to the intentional misconduct or gross negligence of a member, such member shall also be liable for compensation.

Where a company is lawfully declared bankrupt, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

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Where a company’s business license has been revoked, it has been ordered to close down, or it has been revoked by law, and the company fails to apply to the company registration authority for cancellation of company registration within three years, the registration authority may make a public announcement through the National Enterprise Credit Information Publicity System, with an announcement period of not less than 60 days. Upon expiration of the announcement period, if no objection is raised, the registration authority may cancel the company registration.

Overseas Listing

Pursuant to the Trial Measures, where an issuer conducts an initial public offering or listing overseas, it shall file a record with the CSRC within three working days after submitting its application documents for the overseas offering and listing. After the issuer has completed its overseas offering and listing, if it subsequently issues securities in the same overseas market, it shall file a record with the CSRC within three working days after completion of such issuance. After the issuer has completed its overseas offering and listing, if it subsequently offers and lists securities in another overseas market, it shall make the filing in accordance with the provisions set out above.

Suspension and Termination of Listing

The Company Law has deleted provisions relating to suspension and termination of listing. The Securities Law has likewise deleted provisions concerning suspension of listing. For securities listed for trading, where any circumstance for termination of listing as stipulated by the stock exchange occurs, the stock exchange shall terminate the listing and trading of such securities in accordance with its business rules.

According to the Trial Measures, where an issuer voluntarily delists or is compulsorily delisted after an overseas offering and listing, it shall report the details of such matter to the CSRC within three working days from the date of occurrence and public announcement of the relevant event.

Merger and Division

In the case of a merger, the parties involved shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The company shall, within 10 days from the date on which the merger resolution is adopted, notify its creditors and, within 30 days, make a public announcement in newspapers or through the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no such notice has been received, request that the company repay its debts or provide corresponding security. When companies merge, the claims and debts of all parties to the merger shall be assumed by the surviving company or the newly established company.

Where a company is divided, its assets shall be divided accordingly, and it shall prepare a balance sheet and an inventory of assets. The Company shall, within 10 days from the date on which the resolution on division is adopted, notify its creditors and, within 30 days, make a public announcement in newspapers or through the National Enterprise Credit Information Publicity System. Debts incurred prior to the division of the company shall be jointly and severally assumed by the companies after the division, unless otherwise provided in a written agreement on debt repayment entered into between the company and its creditors prior to the division.

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PRC Securities Laws and Regulations

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee was responsible for organizing the drafting of securities regulatory legislation, formulating policies relating to securities, planning the development of the securities market, guiding, coordinating, and supervising all securities-related institutions in China, and managing the CSRC. The CSRC acted as the regulatory and executive body of the Securities Committee, responsible for drafting regulatory provisions for the securities market, supervising securities companies, regulating public offerings of securities by Chinese enterprises within and outside China, supervising securities trading, compiling securities-related statistical data, and conducting relevant research and analysis. In April 1998, the State Council merged and reorganized the two bodies into the CSRC.

On 22 April 1993, the State Council promulgated the Interim Provisions on the Management of the Issuing and Trading of Stocks (《股票發行與交易管理暫行條例》), which regulate the issuance and trading of shares, the acquisition of listed companies, the custody, settlement, and transfer of listed shares, information disclosure of listed companies, investigations and penalties, and arbitration of disputes.

On 25 December 1995, the State Council promulgated the Provisions of the State Council on Domestic Listing of Foreign-invested Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These provisions mainly regulate the issuance, subscription, trading, dividend distribution, and other allocations of domestically listed foreign shares, as well as the information disclosure obligations of joint stock limited companies holding domestically listed foreign shares.

The Securities Law was promulgated by the NPC Standing Committee on 29 December 1998 and came into effect on 1 July 1999. It was subsequently amended on 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014, and 28 December 2019, and the current version took effect on 1 March 2020. The Securities Law comprises 14 chapters and 226 articles, regulating, among other things, the issuance and trading of securities, the listing of securities, acquisitions of listed companies, stock exchanges, securities companies, securities registration and settlement institutions, and the responsibilities of securities regulatory authorities.

According to the Securities Law, where a domestic enterprise directly or indirectly issues securities or lists its securities for trading overseas, it shall comply with the relevant provisions of the State Council. The specific measures for the subscription and trading of shares of domestic companies in foreign currencies shall be separately prescribed by the State Council. Currently, the issuance and trading of securities overseas (including H shares) are primarily governed by regulations and rules promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the People’s Republic of China (《中華人民共和國仲裁法》) (the “PRC Arbitration Law”) was adopted by the NPC Standing Committee on 31 August 1994, came into effect on 1 September 1995, and was subsequently amended on 27 August 2009 and 1 September 2017. The PRC Arbitration Law applies, among others, to foreign-related economic disputes where the parties have entered into a written agreement to submit such disputes to arbitration by an arbitration commission established in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that, before the China Arbitration Association promulgates arbitration rules, arbitration commissions may, in accordance with the relevant provisions of the PRC Arbitration Law and the Civil Procedure Law of the People’s Republic of China, formulate provisional arbitration rules. Where parties choose arbitration as the means of dispute resolution,

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such arbitration must be conducted on a voluntary basis, and an arbitration agreement must be reached between the parties. Once an arbitration agreement has been concluded, if one party files a lawsuit before a people’s court, the court shall not accept the case, except where the arbitration agreement is invalid.

Pursuant to the PRC Arbitration Law, arbitration in China follows a system of finality in a single instance, which is binding upon the parties to the arbitration. If either party fails to comply with the arbitral award, the other party may apply to a people’s court for compulsory enforcement of the award. Where the arbitration procedure is found to be unlawful (including, but not limited to, circumstances where the composition of the arbitral tribunal or the arbitral proceedings contravene statutory procedures, or where the matters decided fall outside the scope of the arbitration agreement, or where the arbitration commission lacks jurisdiction), the people’s court shall, upon review by a collegiate panel, rule that the arbitral award rendered by the arbitration commission shall not be enforced.

For arbitral awards made within the territory of the PRC that have taken legal effect, where enforcement is sought but the respondent or its assets are located outside the PRC, the party may apply directly to a competent foreign court for recognition and enforcement. Likewise, for arbitral awards rendered outside the territory of the PRC that have taken legal effect and require recognition and enforcement by a people’s court of the PRC, the court shall handle such requests in accordance with international treaties concluded or acceded to by the PRC, or under the principle of reciprocity.

Pursuant to the Arrangement of the Supreme People’s Court Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) issued by the Supreme People’s Court on 24 January 2000 and effective from 1 February 2000, as well as the Supplemental Arrangement of the Supreme People’s Court Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People’s Court on 26 November 2020, arbitral awards rendered by arbitral institutions in mainland China may be enforced in Hong Kong, and arbitral awards rendered in Hong Kong may likewise be enforced in mainland China.

Judicial Judgments and Their Enforcement

According to the Arrangement of the Supreme People’s Court on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between the Parties (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “Arrangement”), promulgated by the Supreme People’s Court on 3 July 2008 and implemented on 1 August 2008, where a final and enforceable judgment requiring the payment of money is rendered in a civil or commercial case involving a written jurisdiction agreement between the parties, either party may apply for recognition and enforcement of the judgment in a people’s court of the mainland or in a court of the Hong Kong Special Administrative Region pursuant to the Arrangement. A “written jurisdiction agreement” refers to an agreement, made in writing between the parties for the purpose of resolving disputes that have arisen or may arise in relation to a specified legal relationship, expressly designating either the people’s courts of the mainland or the courts of the Hong Kong Special Administrative Region as having exclusive jurisdiction. Therefore, final judgments rendered in the mainland or Hong Kong that meet the above conditions may be submitted by the parties for recognition and enforcement to the relevant people’s courts in the mainland or to the courts of the Hong Kong Special Administrative Region. The Arrangement of the Supreme People’s Court on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters between the Courts of the Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和

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SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

執行民商事案件判決的安排》) (the “**New Arrangement**”) came into effect on 29 January 2024, replacing the Arrangement. However, “written jurisdiction agreements” concluded before 29 January 2024 pursuant to the Arrangement remain applicable. The New Arrangement aims to establish a clearer and more comprehensive mechanism for the recognition and enforcement of a wider range of civil and commercial judgments between the Hong Kong Special Administrative Region and the mainland.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

This appendix contains the summary of the principal provisions of the Articles of Association adopted by the Company on 10 October 2025, which will take effect from the date of listing of H Shares on the Stock Exchange. The main purpose of this appendix is to provide an overview of the Articles of Association for potential investors, so it may not necessarily contain all the information that is important to potential investors. The full text of the Articles of Association is available for inspection as mentioned in “Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display”.

GENERAL PROVISIONS

The Articles of Association regulate the Company’s organization and conduct guidance and are binding on the Company, the shareholders, Directors, Supervisors and senior management members. According to the Articles of Association, shareholders may sue shareholders; shareholders may sue the Directors, Supervisors, general manager (president) and other senior management members of the Company; shareholders may sue the Company, and the Company may sue shareholders, Directors, Supervisors, general manager (president) and other senior management members.

SHARES

Issuance of Shares

The shares of the Company shall take the form of share certificates. The share certificates shall be in registered form.

The issuance of shares by the Company shall adhere to the principles of openness, fairness and justice, and each share of the same class shall carry the same rights.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares it or he/she subscribes for.

Increase, Decrease and Buyback of Shares

The Company may, upon resolutions by shareholders’ meetings, adopt the following methods to increase its capital in accordance with its business and development needs and pursuant to the laws and regulations:

- (i) offering of shares to non-specific objects;
- (ii) offering of shares to specific objects;
- (iii) distribution of bonus shares to existing shareholders;
- (iv) conversion of funds in the capital reserve into share capital; and
- (v) other methods stipulated by the laws and administrative regulations and approved by the securities regulatory authorities of the place where the Company’s shares are listed.

The Company may decrease its registered capital. The reduction of the Company’s registered capital shall be carried out in accordance with the procedures stipulated by the Company Law, the Hong Kong Listing Rules and other relevant regulations as well as the Articles of Association.

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The Company shall not acquire its shares, except in any of the following circumstances:

- (i) decreasing the registered capital of the Company;
- (ii) merging with other companies holding shares of the Company;
- (iii) using shares for employee stock ownership plan or equity incentives;
- (iv) acquiring the shares of shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or demerger of the Company and request the Company to acquire their shares;
- (v) using shares for conversion of corporate bonds issued by the Company that are convertible into shares;
- (vi) acquiring shares in a manner as necessary for maintenance of the Company's value and shareholders' rights and interests;
- (vii) other methods approved by the laws, administrative regulations, departmental rules and the securities regulatory authorities of the place where the Company's shares are listed.

The Company may acquire its own shares through public centralized trading or other ways permissible under the laws, administrative regulations, and regulatory requirements of the listing place.

The repurchase of its shares by the Company under the circumstances set out in items (iii), (v) and (vi) above shall be conducted through public centralized trading.

Repurchase of its own shares by the Company under the circumstances specified in item (i) or (ii) above shall be subject to a resolution adopted by the shareholders' meeting; repurchase of its own shares by the Company under the circumstances specified item (iii), (v) or (vi) shall be subject to a resolution adopted at a Board meeting attended by more than two-thirds of the Directors in accordance with the provisions of the Articles of Association or the authorization of the shareholders' meeting.

After the Company repurchases its own shares, the following requirements shall apply: in the case of a repurchase under item (i), such shares shall be cancelled within 10 days from the date of repurchase; in the case of a repurchase under items (ii) and (iv), such shares shall be transferred or cancelled within six months; and in the case of a repurchase under items (iii), (v) and (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years.

Where the laws, regulations, and securities regulatory rules of the place where the Company's shares are listed have any other provisions in respect of the relevant matters concerning the share repurchase, such provisions shall prevail. When the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with the provisions of the stock exchange and other securities regulatory rules of the place where the Company's shares are listed.

After the Company repurchases its shares in the manner set forth above, the following requirements shall apply: in the case of a repurchase under item (i), such shares shall be cancelled within 10 days from the date of repurchase; in the case of a repurchase under items (ii) and (iv), such shares shall be transferred or cancelled within six months; and in the case of a repurchase under items (iii), (v) and (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years.

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Transfer of Shares

The shares of the Company shall be transferred in accordance with the law. All transfers of H Shares shall be effected by instruments of transfer in writing in an general or ordinary form or in any other forms acceptable to the Board (including the standard transfer format or form of transfer that the Hong Kong Stock Exchange may provide from time to time); the instruments of transfer may only be signed by hand or (where the transferor or transferee is a corporation) by the valid corporate seal. If the transferor or the transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its nominee, the instruments of transfer may be signed by hand or in printed form. All instruments of transfer shall be kept at the legal address of the Company or other place designated by the Board of Directors from time to time.

The Company shall not accept its shares as the subject matter of pledge.

The shares issued before the public issuance of shares by the Company shall not be transferred within one year of the date on which the Company’s shares are listed and traded on a stock exchange.

The Directors and senior management members of the Company shall declare to the Company their shareholdings (including preferred shares) in the Company and the changes thereof and shall not, per annum during their terms of office determined at their assumption of duty, transfer more than 25% of the total number of shares of the same class of the Company they hold; the shares they hold in the Company shall not be transferred within one year from the date on which the Company’s shares are listed and traded. The shares held by them in the Company shall not be transferred within half a year after such persons have left office. Where it is otherwise provided in the securities regulatory rules of the place where the Company’s shares are listed in respect of restrictions on the transfer of the Company’s shares, such provisions shall also be observed.

SHAREHOLDERS AND SHAREHOLDERS’ MEETING

Shareholders

Share Register

The Company shall make a share register in accordance with evidentiary documents provided by the securities registration authorities, which register bears adequate evidence of shareholders holding shares of the Company. Shareholders shall be entitled to relevant rights and assume the relevant obligations in accordance with the class of shares they hold; shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

Rights and Obligations of the Shareholders

The shareholders of the Company shall have the following rights:

- (i) to obtain dividends and other forms of profit distribution in proportion to the number of shares held;
- (ii) to legally require, convene, chair, attend or appoint a proxy to attend a shareholders’ meeting and exercise the corresponding voting rights;
- (iii) to supervise the Company’s business operations, propose recommendations or raise inquiries;
- (iv) to transfer, gift or pledge their shares in accordance with the laws, administrative regulations and the Articles of Association;

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- (v) to inspect and copy the Articles of Association, share register, minutes of shareholders' meetings, resolutions of Board meetings, and financial and accounting reports, while the qualified shareholders may inspect the Company's accounting books and vouchers;
- (vi) upon termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the quantity of shares held by them;
- (vii) to require the Company to repurchase their shares in the event of objection to resolutions of the shareholders' meetings concerning merger or demerger of the Company;
- (viii) to enjoy other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Shareholders demanding the inspection or copying of relevant materials of the Company shall comply with the Company Law and other relevant laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed, and provide the Company with written documents evidencing the class and number of shares of the Company held by them. The Company shall provide the said materials as requested by such shareholders upon verification of their identity.

If any resolution of the shareholders' meeting or the Board of the Company runs against the laws and administrative regulations, the shareholders shall have the right to request the people's court to invalidate the said resolution.

If the convening procedure or voting method of the shareholders' meetings or Board meetings violates the laws, administrative regulations or the Articles of Association or the contents of a resolution run counter to the Articles of Association, the shareholders shall have the right to request the people's court to cancel such resolution within 60 days after adoption of the resolution, unless there is only a slight defect in the convening procedure or voting method of shareholders' meetings or Board meetings, which has no substantive impact on the resolution.

Where the Board, shareholders and other relevant parties dispute the validity of the resolution of the shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a revocation of the resolution or other judgment or ruling, the relevant parties shall implement the resolution of the shareholders' meeting. The Company, the Directors and senior management members shall effectively perform their duties to ensure the normal operation of the Company.

Where the people's court renders a judgment or ruling on relevant matters, the Company shall fulfill the obligation of information disclosure in accordance with laws, administrative regulations, and securities regulatory rules of the place where the Company's shares are listed, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the obligation of information disclosure shall be fulfilled accordingly.

Where a resolution of the shareholders' meeting or the Board of Directors of the Company is declared null and void, cancelled or confirmed to be invalid by the people's court, the Company shall file an application with the company registration authority for cancelling the registration having been made pursuant to the said resolution.

Where a resolution of the shareholders' meeting or the Board of Directors is declared null and void, cancelled or confirmed to be invalid by the people's court, the civil legal relationship formed between the Company and any bona fide third party according to the said resolution shall not be affected.

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If any Director or senior management member violates the laws, administrative regulations or the Articles of Association in fulfilling his/her official duties, thereby incurring any loss of the Company, the shareholders individually or jointly holding 1% or more shares of the Company for more than 180 days consecutively shall have the right to request the Supervisory Committee in writing to institute legal proceedings to the people's court; if the Supervisory Committee violates the laws, administrative regulations or the Articles of Association in fulfilling its official duties, thereby incurring any loss of the Company, the shareholders may request the Board in writing to institute legal proceedings to the people's court.

If the Supervisory Committee or the Board refuses to institute legal proceedings after receipt of the aforesaid written request from the shareholders or does not institute legal proceedings within 30 days after receipt of the said request, or if the circumstances are urgent and failure to promptly institute legal proceedings would cause irreparable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names in the interests of the Company.

Where any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified in paragraph 1 of this Article may file a lawsuit with the people's court pursuant to the provisions of the preceding two paragraphs.

The shareholders of the Company shall undertake the following obligations:

- (i) to comply with the laws, administrative regulations and the Articles of Association;
- (ii) to make payment for shares subscribed for according to the number of shares subscribed for and the method of subscription;
- (iii) not to withdraw shares, except for circumstances stipulated by laws and regulations;
- (iv) not to abuse his/her rights to harm the interests of the Company or of any other shareholder; not to abuse the Company's independent legal-person status or the limited liability of shareholders to harm the interests of the Company's creditors. If a shareholder of the Company abuses its shareholder rights and causes losses to the Company or other shareholders, it shall bear compensation liability in accordance with the law. A shareholder of the Company who abuses the independent legal person status of the Company and shareholders' limited liability to evade debts and severely infringe upon interests of the Company's creditors shall assume joint and several liabilities for the Company's debts;
- (v) to fulfill other obligations stipulated by laws, administrative regulations and the Articles of Association.

Where a shareholder holding 5% or more of the voting shares of the Company pledges any shares in his/her possession, he/she shall make a written report to the Company on the day on which he/she pledges his/her shares.

Restrictions on the Rights of Controlling Shareholder

The controlling shareholder and actual controller of the Company shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the rules of the securities regulatory authorities and stock exchange(s) where the Company's shares are listed, so as to safeguard the interests of the Company.

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The controlling shareholder and actual controller of the Company shall comply with the following provisions:

- (i) to exercise shareholder rights in accordance with the law, and refrain from abusing control rights or using affiliated relationships to harm the legitimate rights and interests of the Company or other shareholders;
- (ii) to strictly fulfill all public statements and commitments made, and refrain from arbitrarily altering or exempting such obligations;
- (iii) to strictly comply with relevant regulations regarding information disclosure, actively cooperate with the Company in information disclosure work, and promptly inform the Company of any significant events that have occurred or are about to occur;
- (iv) to refrain from occupying the Company's funds in any manner;
- (v) to refrain from coercing, instructing, or demanding that the Company or its personnel provide guarantees in violation of laws or regulations;
- (vi) to refrain from using undisclosed material information of the Company for personal gain, disclosing any undisclosed material information related to the Company in any manner, or engaging in illegal activities such as insider trading, short-swing trading, or market manipulation;
- (vii) to refrain from harming the legitimate rights and interests of the Company and other shareholders through non-arm's length related-party transactions, profit distribution, asset restructuring, external investments, or any other means;
- (viii) to ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence, and refrain from affecting the Company's independence in any manner;
- (ix) to comply with other provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the controlling shareholder or actual controller of the Company do not serve as Director of the Company but actually execute the Company's affairs, the provisions of the Articles of Association regarding the fiduciary duties and duties of due diligence of Directors shall apply.

Where the controlling shareholder or actual controller of the Company instruct Directors or senior management members to engage in acts that damage the interests of the Company or its shareholders, they shall be jointly and severally liable with such Directors and senior management members.

Shareholders' Meeting

General Provisions on Shareholders' Meeting

The shareholders' meeting shall comprise all the shareholders. It is the highest authority of the Company and shall exercise the following functions and powers:

- (i) to elect and replace Directors and Supervisors who are not an employee representative and to determine matters relating to remuneration of the Directors and Supervisors;
- (ii) to consider and approve reports of the Board;

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- (iii) to consider and approve reports of the Supervisory Committee;
- (iv) to consider and approve the Company's profit distribution proposals and loss recovery proposals;
- (v) to resolve on the increase or reduction of the registered capital of the Company;
- (vi) to resolve on issuance of bonds of the Company;
- (vii) to resolve on merger, division, dissolution and liquidation of the Company or change of its corporate form;
- (viii) to amend the Articles of Association;
- (ix) to resolve on the engagement and dismissal of the accounting firm that undertakes the Company's auditing business;
- (x) to examine and approve matters relating to the guarantees that, under the Articles of Association, shall be decided by the shareholders' meeting;
- (xi) to consider matters regarding the Company's purchase or sale of material assets within one year in excess of 30% of the latest audited total assets of the Company;
- (xii) to consider and approve matters relating to the changes in the use of proceeds from share offerings;
- (xiii) to consider equity incentive plans and employee stock ownership plans;
- (xiv) to consider other issues that should be decided by the shareholders' meeting as stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The aforesaid functions and powers of shareholders' meeting shall not be exercised in proxy by the Board of Directors or other institution or individual, unless otherwise provided by laws, regulations or the securities regulatory rules of the place where the Company's shares are listed.

The following external guarantees (including mortgage, pledge or guarantee) of the Company shall be considered and approved by the shareholders' meeting:

- (i) any guarantee provided after the aggregate amount of external guarantees given by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets of the Company;
- (ii) any guarantee provided after the aggregate amount of external guarantees given by the Company exceeds 30% of the latest audited total assets of the Company;
- (iii) any guarantee provided by the Company within one year with a guaranteed amount exceeding 30% of the latest audited total assets of the Company;
- (iv) any guarantee provided for guarantee recipients with a debt-to-asset ratio exceeding 70%;

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- (v) a single guarantee whose amount exceeds 10% of the latest audited net assets of the Company;
- (vi) any guarantee provided to shareholders, the actual controller and their related parties;
- (vii) other guarantees that should be considered and approved by the shareholders' meeting as stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The guarantee in item (iii) above shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the shareholders' meeting deliberates on a proposal to provide a guarantee for a shareholder, the actual controller or their related persons, the shareholder or any shareholder controlled by such actual controller may not vote on that resolution; the resolution must be passed by a simple majority of the voting rights held by the other shareholders present at the shareholders' meeting.

Where the Company provides a guarantee for a wholly-owned subsidiary or a holding subsidiary and the other shareholders of that holding subsidiary provide guarantees on the same pro-rata basis as their equity interests, and the Company's interests are not thereby impaired, the provisions of items (i), (iii) to (v) of this Article may be waived.

The shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year, and be held within 6 months after the end of the previous fiscal year.

In any of the following circumstances, an extraordinary shareholders' meeting shall be held within two months:

- (i) the number of directors falls short of the quorum stipulated in the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (ii) when the unrecovered losses of the Company amount to one third of the total paid-up share capital;
- (iii) when shareholders severally or jointly holding more than 10% shares of the Company request in writing to hold such meeting;
- (iv) when deemed necessary by the Board;
- (v) when proposed by the Supervisory Committee;
- (vi) other circumstances stipulated by laws, administrative regulations, department rules or the Articles of Association.

The number of shares held as described in item (iii) above shall be calculated as per the shares of the Company held by the shareholder at the date on which such written request is made by such shareholder.

Convening of the Shareholders' Meeting

With the consent of more than half of all independent directors, independent directors have the right to propose in writing to the Board of Directors to convene an extraordinary shareholders' meeting of shareholders. The Board shall, pursuant to relevant laws, administrative regulations and

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the Articles of Association, give a written reply on whether to convene the extraordinary shareholders' meeting within 10 days after receipt of the proposal. Where the Board agrees to convene the extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within 5 days after the resolution is passed by the Board; where the Board does not agree to convene the extraordinary shareholders' meeting, it shall explain the reasons thereof and make an announcement. Where it is otherwise provided in the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

The Supervisory Committee is entitled to propose to the Board on convening of an extraordinary shareholders' meeting and such proposal shall be made in writing to the Board. The Board shall, pursuant to relevant laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the extraordinary shareholders' meeting within 10 days after receipt of the proposal. Where the Board agrees to convene the extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within 5 days after the resolution is passed by the Board, and the changes made to the original proposal in the notice shall be approved by the Supervisory Committee. Where the Board does not agree to convene the extraordinary shareholders' meeting, or fails to reply within 10 days upon the receipt of the proposal, the Board shall be deemed as not being able to perform or failing to perform its duty to convene the shareholders' meeting, and the Supervisory Committee may convene and preside over such meeting on its own.

Shareholders individually or in aggregate holding more than 10% of the Company's shares (including preferred shares with restored voting rights, etc.) shall have the right to request the Board to convene an extraordinary shareholders' meeting and such request shall be made in writing to the Board. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, reply in writing on whether or not to approve the convening of the extraordinary shareholders' meeting within 10 days upon the receipt of the request. Where the Board agrees to convene the extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within 5 days after the resolution is passed by the Board, and the changes made to the original request in the notice shall be approved by relevant shareholders. Where the Board does not agree to convene the extraordinary shareholders' meeting, or fails to reply within 10 days upon the receipt of the request, shareholders individually or in aggregate holding more than 10% of the Company's shares shall have the right to propose to the Supervisory Committee to convene the extraordinary shareholders' meeting and such request shall be made to the Supervisory Committee in writing. If the Supervisory Committee agrees to convene the extraordinary shareholders' meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request, and the changes made to the original proposal in the notice shall be approved by relevant shareholders. In the case of failure to issue the notice for the shareholders' meeting within the term stipulated, the Supervisory Committee shall be deemed as failing to convene and preside over the shareholders' meeting. In such case, the shareholders severally or jointly holding more than 10% shares of the Company for consecutively 90 days may convene and preside over the meeting by themselves.

Proposals and Notices of Shareholders' Meetings

The content of a proposal shall fall within the scope of the shareholders' meeting's powers, have a clear topic and specific resolution items, and comply with relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee, or shareholders who individually or jointly hold more than 1% of the Company's shares (including preferred shares with restored voting rights) have the right to submit proposals to the Company.

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The shareholders individually or jointly holding more than 1% of the Company's shares (including preferred shares with restored voting rights) may raise a temporary proposal and submit it to the convener in writing 10 days before the shareholders' meeting is held. The convener shall serve a supplementary notice of shareholders' meeting within 2 days after receipt of the proposals and announce the contents of the proposals, except where the temporary proposal violates laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or falls outside the scope of the powers of the shareholders' meeting.

Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of shareholders' meeting or add any new proposal after the said notice is served.

No proposal that is not set out in the notice of the shareholders' meeting or that does not comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association may be put to a vote or resolved upon at the shareholders' meeting.

The convener shall notify all shareholders at least 20 days prior to the date of convening an annual shareholders' meeting and at least 15 days prior to the date of convening an extraordinary shareholders' meeting. When the Company calculates the starting date, the date of the meeting shall be excluded. If the laws, regulations and securities regulatory authority of the place where the Company's shares are listed have other provisions, such provisions shall apply.

The notice of the shareholders' meeting shall include the following information:

- (i) the time, place, method, and duration of the meeting;
- (ii) matters and proposals to be submitted for deliberation at the meeting;
- (iii) a clear statement that all shareholders have the right to attend the shareholders' meeting and may authorize in writing a proxy to attend the meeting and vote, and such shareholder's proxy need not be a shareholder of the Company;
- (iv) the record date of shareholders entitled to attend the shareholders' meeting;
- (v) the name and telephone number of the permanent contact person for the meeting;
- (vi) time and procedures for voting via the Internet or any other method;
- (vii) other information that should be included in the notice according to laws, administrative regulations, departmental rules, the rules of the securities regulatory authority and stock exchange of the place where the Company's shares are listed, and the Articles of Association.

The notice and supplementary notice of the shareholders' meeting shall fully and completely disclose the specific content of all proposals.

After the notice of a shareholders' meeting is issued, the meeting shall not be postponed or cancelled without justifiable reason, and proposals listed in the notice of the shareholders' meeting shall not be cancelled. If a postponement or cancellation occurs, the convener shall explain the reason at least two working days prior to the originally scheduled meeting date. If the securities regulatory rules of the place where the Company's shares are listed have other provisions regarding the aforementioned matters, such provisions shall prevail, provided that they do not violate domestic regulatory requirements.

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Convening of Shareholders' Meetings

All registered ordinary shareholders (including holders of preferred shares whose voting rights have been restored) or their proxies are entitled to attend the shareholders' meeting and exercise their voting rights in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, unless specific shareholders are required by the securities regulatory rules of the place where the Company's shares are listed to waive their voting rights on specific matters. Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend and vote on their behalf.

If the shareholders' meeting requires Directors and senior management members to attend the meeting, the Directors and senior management members shall attend and be subject to shareholders' inquiries.

The shareholders' meeting shall be presided over by the chairperson of the Board. If the chairperson of the Board is unable to perform or fails to perform his/her duties, the vice chairperson of the Board shall preside. If the vice chairperson of the Board is unable to perform or fails to perform his/her duties, a Director jointly elected by more than half of the Directors shall preside.

The shareholders' meeting convened by the Supervisory Committee on its own shall be presided over by the chairperson of the Supervisory Committee. Where the chairperson of the Supervisory Committee is unable to perform or fails to perform his/her duties, a Supervisor jointly elected by more than half of the Supervisors shall preside.

The shareholders' meeting convened by shareholders on their own shall be presided over by a representative elected by the convener.

When a shareholders' meeting is convened, if the presider of the meeting violates the rules of procedure, making it impossible for the shareholders' meeting to continue, the shareholders' meeting may, with the consent of shareholders holding more than half of the voting rights present at the meeting, elect a person to serve as the new presider of the meeting to continue the meeting.

The Company shall formulate rules of procedure for shareholders' meetings, which shall detail the convening and voting procedures for shareholders' meetings, including notification, registration, deliberation of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and their signing, as well as the principles of authorization by the shareholders' meeting to the Board; the scope of authorization shall be clear and specific. The rules of procedure for shareholders' meetings shall be attached to the Articles of Association, drafted by the Board, and approved by the shareholders' meeting.

Voting and Resolutions of the Shareholders' Meeting

Resolutions of the shareholders' meeting are classified as ordinary resolutions and special resolutions. An ordinary resolution made at the shareholders' meeting shall be adopted by more than half of the voting rights held by shareholders (including proxies) present at the meeting. A special resolution made at the shareholders' meeting shall be adopted by more than two-thirds of the voting rights held by shareholders (including proxies) present at the meeting.

The following matters shall be approved by the shareholders' meeting through an ordinary resolution:

- (i) work reports of the Board of Directors and the Supervisory Committee;
- (ii) profit distribution plans and loss recovery plans formulated by the Board of Directors;

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- (iii) appointment and removal of members of the Board of Directors and the Supervisory Committee, as well as their remuneration and payment methods;
- (iv) matters other than those required by laws, administrative regulations or the Articles of Association to be approved by a special resolution.
- (v) The following matters shall be approved by the shareholders' meeting through a special resolution:
 - (vi) increase or decrease of the Company's registered capital;
 - (vii) merger, division, change of corporate form, dissolution and liquidation of the Company;
 - (viii) amendments to the Articles of Association;
 - (ix) repurchase of shares of the Company;
 - (x) the Company's purchase or sale of major assets or provision of guarantees to others in an amount exceeding 30% of the latest audited total assets of the Company within one year;
 - (xi) equity incentive plan;
 - (xii) other matters that, according to laws, administrative regulations or the Articles of Association, or as deemed to have a significant impact on the Company by the shareholders' meeting through an ordinary resolution, require approval by a special resolution.

If the Company's share capital includes shares of different classes, save as otherwise provided, any alteration of the rights attached to any class of shares shall be approved by a special resolution passed by the shareholders of that class present at the meeting and holding voting rights.

Shareholders (including proxies) shall exercise voting rights based on the number of voting shares they represent. Each share shall be entitled to one vote, except for the shareholders of class shares.

The shares held by the Company itself shall have no voting rights, and such shares shall not be included in the total number of voting shares held by shareholders present at the shareholders' meeting.

When the shareholders' meeting deliberates on related party transactions, the related shareholders may attend the meeting and may express their views to the attending shareholders in accordance with the meeting procedures, but shall not participate in voting. The number of voting shares represented by them shall not be included in the total number of valid votes; the voting results of non-related shareholders shall be fully disclosed in the resolution of the shareholders' meeting.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. Any person involved in any of the following circumstances shall not serve as Director of the Company:

- (i) lacking or having limited capacity for civil conduct;

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- (ii) having been sentenced to criminal punishment for corruption, bribery, embezzlement, misappropriation of property, or disrupting the socialist market economic order, or having been deprived of political rights due to a crime, where five years have not elapsed since the date on which execution of the sentence was completed, or where a suspended sentence was imposed, where less than two years has passed since the end of the probation period;
- (iii) serving as a director, factory chief, or manager of a company or enterprise undergoing bankruptcy liquidation, and being personally responsible for the bankruptcy of such company or enterprise, where three years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed;
- (iv) serving as the legal representative of a company or enterprise whose business license has been revoked or which is ordered to close down due to violations of law, and bearing personal responsibility, where three years have not elapsed since the date of license revocation or order to close;
- (v) being listed as a person subject to enforcement by a people's court for failing to repay a substantial amount of personal debt when due;
- (vi) having been prohibited from entering the securities market by the China Securities Regulatory Commission, where the prohibition period has not expired;
- (vii) having been publicly deemed unsuitable to serve as a director or senior management member of a listed company by a stock exchange, where the review period has not expired;
- (viii) other circumstances prescribed by laws, administrative regulations or departmental rules.

An election of a Director that violates the provisions above shall be invalid. If a Director is found to be involved in such circumstances during his/her term of office, the Company shall dismiss the Director and suspend his/her duties.

The Company's Board of Directors shall not include Directors who are employee representatives.

Directors shall be elected or replaced by the shareholders' meeting and may be dismissed by the shareholders' meeting before expiration of their term of office. The term of office of a Director is three years; upon expiration, the Director may be re-elected for consecutive terms.

The term of office of a Director shall start from the date on which he/she takes office and end on the expiration of the term of the current Board. If a Director's term of office expires and no new Director has been elected in a timely manner, the original Director shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the new Director takes office.

Directors shall abide by laws, administrative regulations and the Articles of Association, and owe a duty of loyalty to the Company. They shall take measures to avoid conflicts of interest between their own interests and the Company's interests and shall not exploit their position to obtain undue benefits. Directors owe the following duties of loyalty to the Company:

- (i) not to misappropriate the Company's property or embezzle the Company's funds;
- (ii) not to deposit the Company's funds in accounts opened in their own name or other individuals' names;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (iii) not to use their position to offer bribes or receive other illegal income;
- (iv) not to directly or indirectly enter into a contract or conduct transactions with the Company, without reporting to the Board or the shareholders' meeting and obtaining approval by resolution of the Board or the shareholders' meeting in accordance with the Articles of Association;
- (v) not to use their position to seek business opportunities belonging to the Company for themselves or others, unless they report to the Board or the shareholders' meeting and obtain approval by resolution of the shareholders' meeting, or the Company is unable to utilize the business opportunity in accordance with laws, administrative regulations or the Articles of Association;
- (vi) not to engage in the same business as the Company either for themselves or for others, without reporting to the Board or the shareholders' meeting and obtaining approval by resolution of the shareholders' meeting;
- (vii) not to accept commissions from transactions between others and the Company for their own benefit;
- (viii) not to disclose the Company's secrets without authorization;
- (ix) not to use their related party relationships to damage the interests of the Company;
- (x) other duties of loyalty prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

Any income obtained by a Director in violation of the above provisions shall belong to the Company; if it causes loss to the Company, the Director shall bear liability for compensation.

Directors shall comply with laws, administrative regulations and the Articles of Association, and owe a duty of diligence to the Company. When performing their duties, they shall exercise the reasonable care expected of a prudent manager for the best interests of the Company. Directors owe the following duties of diligence to the Company:

- (i) to exercise the rights conferred by the Company prudently, carefully, and diligently to ensure that the Company's commercial activities comply with national laws, administrative regulations, and the state's economic policies, and that commercial activities do not exceed the scope of business as specified in the business license;
- (ii) to treat all shareholders fairly;
- (iii) to keep abreast of the operational and management condition of the Company's business;
- (iv) to sign a written confirmation statement for the Company's periodic reports, ensuring that the information disclosed by the Company is true, accurate, and complete;
- (v) to truthfully provide relevant information and materials to the Supervisory Committee, and not to obstruct the Supervisory Committee or Supervisors in the exercise of their powers;
- (vi) other duties of diligence prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

If a Director fails to attend the Board meetings in person for two consecutive times and does not appoint another Director to attend on his/her behalf, it shall be deemed that the Director is unable to perform his/her duties, and the Board shall recommend to the shareholders’ meeting to dismiss the Director.

A Director may resign before the expiry of his/her term of office. Where a Director resigns, he/she shall submit a written resignation report to the Board. The resignation shall become effective on the date when the Company receives the resignation report. The Company shall disclose relevant information within two trading days.

Upon the resignation becoming effective or the expiry of the term of office, the Director shall complete all handover procedures with the Board. The duty of loyalty owed to the Company and shareholders shall continue beyond the expiry of his/her term of office and remain valid within a reasonable period specified in the Articles of Association. The responsibilities incurred to a Director during his/her term of office for performing duties shall not be waived or terminated upon his/her resignation. The Director’s obligation to keep confidential the Company’s business secrets shall remain in effect after the Director’s term of office ends, until such secrets become public information.

Unless otherwise stipulated in the Articles of Association or legally authorized by the Board, no Director shall act on behalf of the Company or the Board in their personal capacity. When a Director acts in his/her personal capacity while a third party reasonably believes that the Director is acting on behalf of the Company or the Board, the Director shall state his position and status in advance.

Independent Directors shall conscientiously perform their duties in accordance with relevant laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association. They shall play a role in decision-making, supervision and checks and balances, and professional consultation within the Board, safeguarding the overall interests of the Company and protecting the legitimate rights and interests of minority shareholders.

Board of Directors

The Company shall have a Board, which is accountable to the shareholders’ meeting. The Board shall consist of nine members, including three independent Directors. The Company shall have one chairperson and one vice chairperson, who shall be elected by the Board.

The Board shall exercise the following functions and powers:

- (i) to convene the shareholders’ meeting and report on work to the shareholders’ meeting;
- (ii) to execute the resolutions of the shareholders’ meeting;
- (iii) to decide on the Company’s business plans and investment plans;
- (iv) to formulate the Company’s profit distribution plans and loss recovery plans;
- (v) to formulate plans for the increase or reduction of the Company’s registered capital, and plans for issue of bonds or other securities and listing;
- (vi) to draft plans for material acquisitions, repurchase of the Company’s shares, merger, division, dissolution or change of corporate form of the Company;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (vii) to decide on matters such as external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related party transactions, and external donations, within the scope of authorization granted by the shareholders' meeting
- (viii) to decide on the setup of the Company's internal management bodies;
- (ix) to appoint or dismiss the general manager (or president), the Board secretary, and other senior management members of the Company, and to determine their remuneration and disciplinary matters; to appoint or dismiss the deputy general managers (or vice presidents), chief financial officer, and other senior management members of the Company upon the nomination of the general manager (or president), and to determine their remuneration and disciplinary matters;
- (x) to formulate the Company's fundamental management systems;
- (xi) to formulate proposals for amendments to the Articles of Association;
- (xii) to manage the Company's information disclosure matters;
- (xiii) to propose to the shareholders' meeting the appointment or replacement of the accounting firm responsible for auditing the Company;
- (xiv) to hear reports from the general manager (or president) and examine his/her work;
- (xv) to establish an Audit Committee and, where necessary, establish other specialized committees such as the Strategy Committee, Nomination Committee, and Remuneration and Appraisal Committee. These specialized committees shall be accountable to the Board and shall perform their duties in accordance with the Articles of Association and the authorization granted by the Board. Proposals made by such specialized committees shall be submitted to the Board for deliberation and decision. All members of the specialized committees shall be Directors, and independent Directors shall constitute the majority and act as conveners of the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee, with the convener of the audit committee being a professional accountant. The Board shall be responsible for formulating the rules of procedure of the specialized committees to standardize their operations;
- (xvi) to comply with other powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Board shall convene at least two meetings each year. Such meetings shall be convened by the chairperson, and all Directors and Supervisors shall be notified in writing at least 10 days prior to the meeting.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors, or the Supervisory Committee may propose to convene an interim meeting of the Board. The chairperson shall convene and preside over the Board meeting within 10 days upon receipt of such proposal.

A meeting of the Board shall not be held unless more than half of the Directors are present. A resolution of the Board shall be adopted by more than half of all Directors. Each Director shall have one vote in the Board's decision-making.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

If a Director has a connected relationship with an enterprise or individual involved in a matter under consideration by the Board, such Director shall promptly make a written report to the Board. A Director having a connected relationship shall not exercise voting rights on the resolution concerned, nor shall he/she vote on behalf of other Directors. The meeting of the Board may be held with the attendance of more than half of the disinterested Directors, and resolutions of the Board shall be passed by more than half of the disinterested Directors. Where the number of disinterested Directors present is fewer than three, the matter shall be submitted to the shareholders' meeting for deliberation.

The Company shall establish an Audit Committee under the Board. The Audit Committee shall comprise three members, all of whom shall be non-executive Directors, and at least two of whom shall be independent Directors. The convener of the Audit Committee shall be an independent Director who is a professional accountant. The Audit Committee shall be responsible for reviewing the Company's financial information, supervising and evaluating internal and external audit work, and overseeing internal control. The rules of procedure of the Audit Committee shall be formulated by the Board.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

The Company shall have one general manager (or president), who shall be appointed or dismissed by the Board of Directors.

The general manager (or president), deputy general manager (or vice president), chief financial officer, and Board secretary shall be the senior management members of the Company.

The circumstances under which a person is prohibited from serving as a Director as set out in the Articles of Association shall also apply to senior management members. The provisions regarding the fiduciary duties and diligence duties of Directors as stipulated in the Articles of Association shall likewise apply to senior management members. Any person holding any administrative position other than that of Director or Supervisor in the controlling shareholder of the Company shall not concurrently serve as a senior management member of the Company.

The term of office of the general manager (or president) shall be three years, renewable upon reappointment.

The general manager (or president) shall be accountable to the Board of Directors and shall exercise the following functions and powers:

- (i) to preside over the Company's production, operation, and management, organize the implementation of the resolutions of the Board of Directors, and report his/her work to the Board of Directors;
- (ii) to organize the implementation of the Company's annual business plans and investment proposals;
- (iii) to propose plans for the establishment of the Company's internal management structure;
- (iv) to propose the Company's fundamental management systems;
- (v) to formulate the Company's detailed rules and regulations;
- (vi) to propose to the Board of Directors the appointment or dismissal of the deputy general manager (or vice president) and chief financial officer of the Company;
- (vii) to decide on the appointment or dismissal of managerial personnel other than those whose appointment or dismissal shall be decided by the Board of Directors;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (viii) to formulate the Company's policies regarding employee remuneration, benefits, rewards, and penalties, and to decide on the employment or dismissal of the Company's employees;
- (ix) upon authorization of the Board of Directors, to represent the Company in external affairs and to sign contracts and other documents relating to the Company's ordinary business that should be signed by the Company's legal representative;
- (x) to exercise the powers of the Company's legal representative;
- (xi) to exercise any other powers granted by the Articles of Association or by the Board of Directors.

The Company shall appoint a Board secretary, who shall be responsible for the preparation of shareholders' and Board meetings, the custody of documents, and the management of the Company's shareholder records.

Where a senior management member, in the performance of his/her duties, causes loss or damage to others, the Company shall bear the liability for compensation; where a senior management member acts with intent or gross negligence, he/she shall also bear the corresponding liability for compensation. If a senior management member, in the performance of his/her duties, violates any laws, administrative regulations, departmental rules, or the provisions of the Articles of Association and thereby causes losses to the Company, he/she shall bear the liability for compensation. If a senior management member, without the approval of the Board of Directors or the shareholders' meeting, provides a guarantee for another party using the Company's assets without authorization, the Company shall remove him/her from all positions held within the Company; if such act causes losses to the Company, the said senior management member shall bear the liability for compensation.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION, AND AUDIT

Financial and Accounting System

The Company shall, in accordance with the laws, administrative regulations, and the relevant provisions of competent national authorities, establish its financial and accounting system.

The Company shall prepare its annual financial and accounting report within four months from the end of each fiscal year.

The above financial and accounting report shall be prepared in accordance with the relevant laws, administrative regulations, and departmental rules.

The Company shall not keep any accounting books other than the statutory accounting books. No accounts shall be opened in the name of any individual for the storage of the Company's funds.

Profit Distribution

When the Company distributes its profits for the current year after tax, it shall appropriate 10% of such profits to the statutory reserve fund. Where the accumulated amount of the statutory reserve fund has reached 50% or more of the Company's registered capital, no further appropriation is required. If the statutory reserve fund of the Company is insufficient to make up for losses incurred in previous years, the current year's profits shall first be used to make up for the losses before making appropriations to the statutory reserve fund in accordance with the provisions above.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

After the Company has appropriated the statutory reserve fund from its after-tax profits, it may, upon resolution of the shareholders’ meeting, make appropriations to the discretionary reserve fund from its after-tax profits. The remaining after-tax profits after making up for losses and appropriations to the reserve funds shall be distributed to shareholders in proportion to the number of shares held by them. Where the shareholders’ meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of such provisions to the Company. Where losses are caused to the Company, the shareholders and the Directors or senior management members who are responsible shall bear the liability for compensation. Shares held by the Company itself shall not participate in profit distribution.

The reserve funds of the Company shall be used to make up for the Company’s losses, expand the Company’s production and operation, or be converted into an increase of the Company’s registered capital. When the reserve funds are used to make up for the Company’s losses, the discretionary reserve fund and statutory reserve fund shall be used first; if they are still insufficient, the capital reserve fund may be used in accordance with relevant provisions. When the statutory reserve fund is converted into registered capital, the remaining balance of the said reserve fund shall not be less than 25% of the Company’s registered capital prior to such conversion.

Internal Audit

The Company shall implement an internal audit system and clearly define the leadership structure, responsibilities, authority, staffing, funding assurance, utilization of audit results, and accountability mechanisms for internal audit work. The internal audit system of the Company shall be implemented after approval by the Board of Directors.

The internal audit department of the Company shall conduct supervision and inspection over the Company’s business activities, risk management, internal controls, and financial information. The internal audit department shall be accountable to the Board of Directors.

Engagement of Accounting Firms

The Company shall engage an accounting firm “qualified to conduct securities-related business” to provide services including auditing of financial statements, verification of net assets, and other relevant consulting services. The term of engagement shall be one year, and such engagement may be renewed.

The appointment or dismissal of an accounting firm responsible for auditing the Company’s business must be decided by the shareholders’ meeting, and the Board of Directors shall not appoint an accounting firm before such decision is made by the shareholders’ meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials, and shall not refuse to provide, conceal, or make false reports.

The audit fees of the accounting firm shall be determined by the Board of Directors under the authorization of the shareholders’ meeting.

Where the Company dismisses or does not renew the engagement of an accounting firm, it shall give the accounting firm prior notice 10 days in advance. When the shareholders’ meeting votes on the dismissal of the accounting firm, the accounting firm shall be permitted to present its opinions. Where the accounting firm resigns, it shall explain to the shareholders’ meeting whether any improper circumstances exist in the Company.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

MERGER, DIVISION, INCREASE OR REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Merger, Division, Increase or Reduction of Capital

The Company may merge by way of absorption or by the establishment of a new entity.

Where one company absorbs another, such merger shall be an absorption merger, and the company being absorbed shall be dissolved. Where two or more companies merge to establish a new company, such merger shall be a new establishment merger, and each of the merging companies shall be dissolved.

In the case of a merger, the parties involved shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall, within 10 days from the date on which the merger resolution is adopted, notify its creditors and, within 30 days, make a public announcement in the newspaper designated in the Articles of Association or through the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no such notice has been received, request that the Company repay its debts or provide corresponding security.

Where the Company is to be divided, its assets shall be divided accordingly. In the case of a division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall, within 10 days from the date on which the resolution on division is adopted, notify its creditors and, within 30 days, make a public announcement in the newspaper designated in the Articles of Association or through the National Enterprise Credit Information Publicity System.

Where the Company intends to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets. The Company shall, within 10 days from the date on which the resolution on the reduction of registered capital is adopted, notify its creditors and, within 30 days, make a public announcement in the newspaper designated in the Articles of Association or through the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no such notice has been received, have the right to request that the Company repay its debts or provide corresponding security.

When the Company reduces its registered capital, it shall reduce the capital contributions or the number of shares held by the shareholders proportionally to their respective shareholdings, unless otherwise provided by law or the Articles of Association.

The registered capital of the Company after the reduction shall not fall below the statutory minimum amount.

Where the Company increases or reduces its registered capital, it shall complete the change registration with the company registration authority in accordance with the law.

Dissolution and Liquidation of the Company

The Company shall be dissolved under any of the following circumstances:

- (i) the term of operation as specified in the Articles of Association expires, or other circumstances for dissolution as prescribed in the Articles of Association arise;
- (ii) a resolution for dissolution is adopted by the shareholders' meeting;
- (iii) dissolution is required due to merger or division of the Company;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (iv) the Company's business license is lawfully revoked, or the Company is ordered to close down or deregistered; or
- (v) where the Company encounters serious difficulties in its operations and management, and the continued existence of the Company would cause substantial losses to the interests of the shareholders and such difficulties cannot be resolved through other means, shareholders holding 10% or more of the total voting rights of the Company may petition the people's court to dissolve the Company.

Where any of the above dissolution events occurs, the Company shall, within 10 days, make a public announcement of the cause of dissolution through the National Enterprise Credit Information Publicity System.

Where the circumstances set out in items (i) and (ii) above occur and the Company has not yet distributed its assets to the shareholders, it may continue to exist by amending the Articles of Association or upon resolution of the shareholders' meeting. The amendment to the Articles of Association or the resolution of the shareholders' meeting under the provisions above shall be approved by shareholders representing two-thirds or more of the voting rights present at the shareholders' meeting.

Where the Company is dissolved under any of the circumstances set out in items (i), (ii), (iv), or (v) above, liquidation shall be carried out. The Directors shall be the liquidation obligors and shall, within 15 days from the date on which the cause of dissolution arises, form a liquidation committee to carry out liquidation. The liquidation committee shall be composed of Directors, unless otherwise provided in the Articles of Association or otherwise resolved by the shareholders' meeting. Where a liquidation obligor fails to perform his/her liquidation duties in a timely manner and thereby causes losses to the Company or its creditors, such obligor shall bear the liability for compensation.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

- (i) where the provisions of the Company Law or relevant laws and administrative regulations are amended, and any provisions herein conflict with the amended laws or administrative regulations;
- (ii) where any changes occur in the Company's circumstances that are inconsistent with the matters recorded in the Articles of Association; or
- (iii) where the shareholders' meeting resolves to amend the Articles of Association.

Where any amendment to the Articles of Association approved by the shareholders' meeting is subject to approval by the competent authority, such amendment shall be submitted to the competent authority for approval; where such amendment involves registration matters of the Company, change registration shall be completed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting and the approval opinions of the relevant competent authority.

Where the amendments to the Articles of Association involve information required by laws and regulations to be disclosed, such information shall be announced in accordance with the applicable provisions.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

We were established under the laws of the PRC as a limited liability company on March 7, 2003 with an initial registered capital of RMB10 million. On August 12, 2020, we were converted to a joint stock company with limited liability under the PRC Company Law. The registered address and headquarter of our Company in the PRC is at No. 201, Office Building No.1, Feilaixia Section 189, Yinying Highway, Qingcheng District, Qingyuan City, Guangdong Province, the PRC. A summary of our Articles is set out in “Appendix V — Summary of the Articles of Association”.

We have established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, and has submitted an application to the Companies Registry in Hong Kong for registration as a non-Hong Kong company under Part 16 of the Companies Ordinance. Ms. Ho Wing Nga (何詠雅), has been appointed as the authorized representative of our Company for the acceptance of service of process and notice in Hong Kong. Our address for acceptance of service of process in Hong Kong is the same as our place of business in Hong Kong.

As we were incorporated in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in Appendix IV and V, respectively.

2. Changes in the Share Capital of our Company

We were incorporated on March 7, 2003 with registered capital of RMB10 million under the laws of the PRC as a limited liability company. Save as disclosed in the section headed “History, Development and Corporate Structure — Development and Major Shareholding Changes of the Company” and “— Pre-[REDACTED] Investments” in this document, there has been no alteration in our total issued share capital within the two years immediately preceding the date of this document.

3. Changes in the Share Capital of our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in “History, Development and Corporate Structure — Major Subsidiaries of the Company” and the Accountants’ Report as set out in Appendix I to this document.

The following subsidiaries have been incorporated within the two years immediately preceding the date of this document:

Name of Subsidiary	Place of Incorporation	Date of Incorporation	Registered Capital
Guangdong Fengzhonghuang E-commerce Co., Ltd. (廣東鳳中皇電商有限公司)	PRC	September 4, 2025	RMB5.00 million
Chongqing Riquan Ecological Technology Group Co., Ltd. (重慶日泉生態科技集團有限公司)	PRC	July 24, 2025	RMB120.00 million
Chongqing Riquan Fresh Foods Co., Ltd. (重慶市日泉鮮生食品有限公司)	PRC	July 29, 2025	RMB50.00 million

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Name of Subsidiary	Place of Incorporation	Date of Incorporation	Registered Capital
Guangdong Riquan Agriculture and Animal Husbandry Co., Ltd. (廣東日泉農牧有限公司) . .	PRC	September 5, 2025	RMB10.00 million
Chongqing Riquan Foods Co., Ltd. (重慶日泉食品有限公司) . .	PRC	October 21, 2025	RMB50.00 million
Shenzhen Tianxing New Energy Management Co., Ltd. (深圳天星新能源管理有限公司)	PRC	February 25, 2025	RMB10.00 million
Guizhou Tianxing Times New Energy Management Co., Ltd. (貴州天星時代新能源管理有限公司)	PRC	February 27, 2025	RMB0.50 million

The following subsidiaries have been deregistered within the two years immediately preceding the date of this document:

Name of Subsidiary	Place of Incorporation	Date of Incorporation	Date of Cancellation
Yangshan Tinoos Agriculture and Animal Husbandry Co., Ltd. (陽山天農牧業有限公司)	PRC	January 20, 2020	May 30, 2024
Qingyuan Zhongshi Hengye Agricultural Development Co., Ltd. (清遠中植恒業農業發展有限公司)	PRC	November 29, 2021	December 5, 2024
Shenzhen Tianxing New Energy Management Co., Ltd. (深圳天星新能源管理有限公司)	PRC	February 25, 2025	July 30, 2025
Guizhou Tianxing Times New Energy Management Co., Ltd. (貴州天星時代新能源管理有限公司)	PRC	February 27, 2025	June 11, 2025
連南桐展農業投資諮詢中心(有限合夥)	PRC	October 29, 2020	January 6, 2026
連南桐匯農業投資諮詢中心(有限合夥)	PRC	November 6, 2020	December 29, 2025
連南桐合農牧技術中心(有限合夥)	PRC	January 22, 2021	December 29, 2025
臨海天農食品有限公司	PRC	Mya 6, 2020	December 17, 2025

The followings are changes in the share capital of the Company’s subsidiaries during the two years immediately preceding the date of this document:

On October 17, 2025, the registered capital of Guizhou Tongzi Riquan Agriculture and Animal Husbandry Co., Ltd. was increased from RMB200.00 million to RMB230.00 million.

On April 15, 2025, the registered capital of Guangdong Tinoos Ecological Foods Co., Ltd. was increased from RMB10.00 million to RMB100.00 million.

On September 24, 2025, the registered capital of Guangdong Tinoos Ecological Foods Co., Ltd. was increased from RMB100.00 million to RMB150.00 million.

Save as disclosed above, there has been no change in the share capital of our subsidiaries during the two years immediately preceding the date of this document.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

4. Resolutions of our Shareholders in relation to the [REDACTED]

Pursuant to the resolutions passed at the fourth extraordinary general meeting of our Shareholders duly convened on October 10, 2025, it was resolved, among others:

- (a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares to be [REDACTED] on the Stock Exchange;
- (b) the number of H Shares to be issued pursuant to the [REDACTED], and the grant to the [REDACTED] of the [REDACTED] of not more than 15% of the number of H Shares issued pursuant to the [REDACTED];
- (c) the net [REDACTED] from the [REDACTED] shall be applied for the purposes as disclosed in the section headed “Future Plans and Use of [REDACTED]” of this document;
- (d) subject to the CSRC’s approval, upon completion of the [REDACTED], [REDACTED] Domestic Unlisted Shares in aggregate of our Company will be converted into H Shares;
- (e) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association which shall become effective upon the [REDACTED]; and
- (f) authorization of our Board or/and its authorized persons to handle all matters relating to, among other things, the [REDACTED] and the [REDACTED].

5. Restrictions on Repurchase

See “Appendix IV — Summary of Principal Legal and Regulatory Provisions” and “Appendix V — Summary of the Articles of Association” for details.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us within the two years preceding the date of this document and are or may be material:

- (a) [REDACTED];
- (b) the Share Purchase Agreement dated August 31, 2025 between the Company and our Shareholders and Guizhou Zhongken, pursuant to which, Guizhou Zhongken shall invest RMB200.00 million to subscribe for RMB14.03 million in the newly added registered capital of the Company;
- (c) the Investment Cooperation Agreements for Digital Agricultural Product Processing and Agricultural Culture and Tourism Industrial Park Projects dated June 25, 2025 between the Company and Chongqing Dadukou District Urban Operation Management Co., Ltd. (“**Dadukou Urban Operation**”), pursuant to which, both parties shall jointly construct the Digital Agricultural Intensive Processing Industrial Park covering approximately 209 mu (equivalent to approximately 139,333 square meter) and the Agricultural Culture and Tourism Leisure and Sightseeing Base covering approximately 1,000 mu (equivalent to approximately 666,667 square meter) in Dadukou District, Chongqing; and
- (d) the Asset Repurchase Agreement for Digital Agricultural Product Processing Project dated July 23, 2025 between the Company and Dadukou Urban Operation, which stipulates that Dadukou Urban Operation shall be responsible for the construction of the

APPENDIX VI STATUTORY AND GENERAL INFORMATION

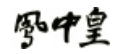
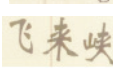
digital agricultural intensive processing industrial park, and the Company promises to repurchase all assets constructed by Dadukou Urban Operation according to the agreement after 10 years from the date thereof.

2. Intellectual Property Rights of Our Group

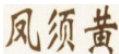
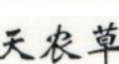
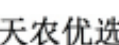
Save as disclosed below, as of the Latest Practicable Date, there were no other intellectual property rights which were or would be material to our business.

(a) Trademarks

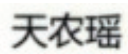
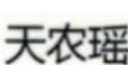
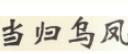
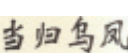
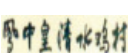
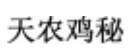
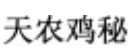
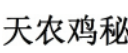
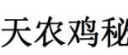
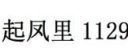
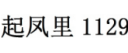
As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
1. . . .		29	The PRC	1314026	Our Company	2029.9.13
2. . . .		31	The PRC	1309699	Our Company	2029.8.27
3. . . .		35	The PRC	6426408	Our Company	2030.7.6
4. . . .		43	The PRC	6426409	Our Company	2030.4.13
5. . . .		31	The PRC	6323501	Our Company	2029.10.6
6. . . .		29	The PRC	6323500	Our Company	2029.10.6
7. . . .		31	The PRC	5539979	Our Company	2029.5.20
8. . . .		29	The PRC	6323526	Our Company	2029.10.6
9. . . .		31	The PRC	6323527	Our Company	2029.10.6
10. . .		29	The PRC	3568380	Our Company	2034.10.27
11. . .		5	The PRC	3568379	Our Company	2035.6.6
12. . .		29	The PRC	3508607	Our Company	2034.11.20
13. . .		5	The PRC	3525540	Our Company	2035.5.20
14. . .		29	The PRC	4480201	Our Company	2027.8.27

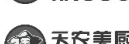
APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
15. . .		31	The PRC	4480202	Our Company	2027.8.27
16. . .		43	The PRC	6426411	Our Company	2030.4.13
17. . .		29	The PRC	6323502	Our Company	2029.10.6
18. . .		29	The PRC	6916444	Our Company	2030.3.27
19. . .		29	The PRC	7433989	Our Company	2030.10.27
20. . .		29	The PRC	7777378	Our Company	2031.3.6
21. . .		29	The PRC	8299239	Our Company	2031.9.6
22. . .		31	The PRC	8299265	Our Company	2031.9.6
23. . .		29	The PRC	12893621	Our Company	2034.12.27
24. . .		31	The PRC	12893561	Our Company	2034.11.27
25. . .		29	The PRC	14702253	Our Company	2035.6.27
26. . .		29	The PRC	19948157	Our Company	2027.6.27
27. . .		11	The PRC	19948065	Our Company	2027.6.27
28. . .		29	The PRC	21137383	Our Company	2027.10.27
29. . .		29	The PRC	22523397	Our Company	2028.2.13
30. . .		29	The PRC	22523238	Our Company	2028.4.6
31. . .		29	The PRC	27716293	Our Company	2028.11.13
32. . .		29	The PRC	27719162	Our Company	2028.11.13
33. . .		29	The PRC	32357409	Our Company	2029.4.6

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
34. . .		31	The PRC	4480196	Our Company	2027.8.27
35. . .		31	The PRC	5002274	Our Company	2028.9.20
36. . .		31	The PRC	6916441	Our Company	2030.3.27
37. . .		31	The PRC	25456786	Our Company	2028.7.20
38. . .		29	The PRC	25466536	Our Company	2028.7.20
39. . .		35	The PRC	7940292	Our Company	2031.3.6
40. . .		43	The PRC	7940465	Our Company	2031.3.6
41. . .		35	The PRC	7070849	Our Company	2031.6.13
42. . .		35	The PRC	11471181	Our Company	2034.2.13
43. . .		43	The PRC	8780490	Our Company	2031.11.27
44. . .		43	The PRC	33198431	Our Company	2029.6.20
45. . .		29	The PRC	33183296	Our Company	2029.6.27
46. . .		35	The PRC	33190169	Our Company	2029.6.20
47. . .		40	The PRC	33186127	Our Company	2029.6.20
48. . .		40	The PRC	34595240	Our Company	2029.7.13
49. . .		43	The PRC	34594153	Our Company	2029.7.13
50. . .		43	The PRC	46763563	Our Company	2031.1.13
51. . .		29	The PRC	46783821	Our Company	2031.1.13
52. . .		31	The PRC	46778173	Our Company	2031.1.20
53. . .		43	The PRC	60781129	Our Company	2032.5.20
54. . .		35	The PRC	60787512	Our Company	2032.5.20
55. . .		35	The PRC	60785193	Our Company	2032.5.13

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
56. . .		31	The PRC	60789248	Our Company	2032.5.13
57. . .	香漫园	31	The PRC	60773868	Our Company	2032.5.13
58. . .	田蜜田	31	The PRC	60787832	Our Company	2032.5.13
59. . .	田蜜田	35	The PRC	60767457	Our Company	2032.5.6
60. . .		43	The PRC	60787540	Our Company	2032.5.13
61. . .		29	The PRC	60765569	Our Company	2032.5.13
62. . .	 天安美厨 TINOOS	43	The PRC	56361905	Our Company	2031.12.27
63. . .	 天安美厨 TINOOS	31	The PRC	56364682	Our Company	2031.12.27
64. . .	 天安美厨 TINOOS	30	The PRC	56327887	Our Company	2032.3.6
65. . .	 天安美厨 TINOOS	32	The PRC	56358332	Our Company	2031.12.27
66. . .	 天安美厨 TINOOS	29	The PRC	56351621	Our Company	2031.12.27
67. . .	 FENG ZHONG HUANG	34	The PRC	55792223	Our Company	2032.2.6
68. . .	 FENG ZHONG HUANG	42	The PRC	55821588	Our Company	2032.2.13
69. . .	 FENG ZHONG HUANG	37	The PRC	55814587	Our Company	2032.2.13
70. . .	 FENG ZHONG HUANG	39	The PRC	55798024	Our Company	2032.2.13
71. . .	 FENG ZHONG HUANG	40	The PRC	55821547	Our Company	2032.4.6

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
72. . .		11	The PRC	55752281	Our Company	2032.3.27
73. . .		28	The PRC	55750356	Our Company	2032.3.27
74. . .		29	The PRC	55729786	Our Company	2032.4.7
75. . .		19	The PRC	55756049	Our Company	2032.3.27
76. . .		18	The PRC	55733109	Our Company	2032.3.27
77. . .		10	The PRC	55752231	Our Company	2032.4.6
78. . .		16	The PRC	55765456	Our Company	2032.3.27
79. . .		2	The PRC	55732583	Our Company	2032.3.27
80. . .		5	The PRC	55732905	Our Company	2032.4.6
81. . .		13	The PRC	55735045	Our Company	2031.12.27
82. . .		1	The PRC	55738359	Our Company	2032.4.6
83. . .		17	The PRC	55730259	Our Company	2032.4.6

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
84. . .		8	The PRC	55749386	Our Company	2032.3.27
85. . .		22	The PRC	55739721	Our Company	2032.3.27
86. . .		20	The PRC	55754330	Our Company	2032.3.27
87. . .		6	The PRC	55760014	Our Company	2032.3.27
88. . .		21	The PRC	55750694	Our Company	2032.3.27
89. . .		9	The PRC	55743611	Our Company	2032.4.6
90. . .		7	The PRC	55742933	Our Company	2032.5.6
91. . .		29	The PRC	55703642	Our Company	2031.12.3
92. . .		21	The PRC	55719754	Our Company	2031.12.6
93. . .		32	The PRC	55695072	Our Company	2031.12.6
94. . .		20	The PRC	55719726	Our Company	2031.12.6
95. . .		42	The PRC	55708330	Our Company	2032.2.13
96. . .		37	The PRC	55690472	Our Company	2031.11.27

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
97. . .		31	The PRC	55689097	Our Company	2032.4.6
98. . .		23	The PRC	55719923	Our Company	2031.12.6
99. . .		40	The PRC	55721749	Our Company	2031.12.6
100. . .		30	The PRC	55703681	Our Company	2031.12.6
101. . .		27	The PRC	55690370	Our Company	2032.3.27
102. . .		43	The PRC	55709512	Our Company	2031.12.6
103. . .		22	The PRC	55691292	Our Company	2031.11.27
104. . .		24	The PRC	55719942	Our Company	2032.3.13
105. . .		26	The PRC	55693147	Our Company	2031.11.27
106. . .		41	The PRC	55727596	Our Company	2031.12.6
107. . .		25	The PRC	55718942	Our Company	2032.2.13
108. . .		36	The PRC	55696345	Our Company	2031.12.6
109. . .		28	The PRC	55719004	Our Company	2031.12.6
110. . .		44	The PRC	55709527	Our Company	2031.12.6

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
111.		45	The PRC	55690652	Our Company	2031.12.6
112.	TINOO'S ORANGE	35	The PRC	55703928	Our Company	2031.11.20
113.		38	The PRC	55701164	Our Company	2031.11.20
114.	TINOO'S ORANGE	31	The PRC	55704328	Our Company	2032.1.20
115.		39	The PRC	55707973	Our Company	2031.12.6
116.		15	The PRC	55431313	Our Company	2031.11.20
117.		16	The PRC	55447707	Our Company	2031.11.13
118.		17	The PRC	55429095	Our Company	2031.11.20
119.		12	The PRC	55429752	Our Company	2031.11.13
120.		19	The PRC	55430577	Our Company	2031.11.13
121.		13	The PRC	55419236	Our Company	2031.11.13
122.		11	The PRC	55451023	Our Company	2032.1.20
123.		18	The PRC	55437762	Our Company	2032.1.20
124.		10	The PRC	55436164	Our Company	2031.11.20
125.		14	The PRC	55414776	Our Company	2032.1.13

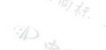
APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
126.		8	The PRC	55301071	Our Company	2031.12.27
127.		7	The PRC	55293389	Our Company	2031.10.27
128.		6	The PRC	55296249	Our Company	2031.2.20
129.		9	The PRC	55283519	Our Company	2032.3.6
130.		1	The PRC	55290457	Our Company	2031.10.27
131.		3	The PRC	55303068	Our Company	2031.10.27
132.		2	The PRC	55305949	Our Company	2031.12.13
133.		4	The PRC	55298076	Our Company	2031.10.27
134.		5	The PRC	55306112	Our Company	2031.12.27
135.	天农	29	The PRC	55206883	Our Company	2032.1.6
136.	天农	38	The PRC	55205113	Our Company	2032.1.20
137.	天农	26	The PRC	55203009	Our Company	2031.11.6
138.	天农	12	The PRC	55223632	Our Company	2032.1.6
139.	天农	40	The PRC	55230642	Our Company	2032.1.6
140.	天农	14	The PRC	55225156	Our Company	2031.10.27
141.	天农	28	The PRC	55206876	Our Company	2031.10.27
142.	天农	32	The PRC	55209356	Our Company	2032.1.6
143.	天农	39	The PRC	55231475	Our Company	2032.1.6
144.	天农	23	The PRC	55222858	Our Company	2031.10.27

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
145.	天衣	22	The PRC	55217407	Our Company	2031.10.27
146.	天衣	15	The PRC	55203323	Our Company	2031.10.27
147.	天衣	24	The PRC	55200926	Our Company	2032.1.6
148.	天衣	41	The PRC	55224859	Our Company	2032.1.6
149.	天衣	34	The PRC	55209947	Our Company	2031.10.27
150.	天衣	36	The PRC	55224764	Our Company	2032.1.6
151.	天衣	43	The PRC	55212537	Our Company	2032.1.6
152.	天衣	13	The PRC	55200678	Our Company	2031.10.27
153.	天衣	27	The PRC	55203020	Our Company	2031.10.27
154.	天衣	25	The PRC	55205535	Our Company	2032.1.6
155.	天衣	30	The PRC	55201989	Our Company	2031.1.20
156.	天衣	20	The PRC	55206834	Our Company	2031.10.27
157.	天衣	21	The PRC	55204352	Our Company	2031.11.13
158.	天衣	17	The PRC	55200766	Our Company	2032.1.20
159.	天衣	16	The PRC	55205849	Our Company	2031.10.27
160.	天衣	37	The PRC	55214149	Our Company	2032.1.6
161.	天衣	18	The PRC	55200783	Our Company	2031.11.6
162.	天衣	19	The PRC	55219029	Our Company	2032.1.6
163.	天衣	44	The PRC	55202241	Our Company	2032.1.6
164.	天衣	42	The PRC	55231020	Our Company	2032.1.20
165.	天衣	45	The PRC	55223767	Our Company	2031.10.27
166.	天衣	35	The PRC	55235313	Our Company	2032.1.6
167.	天衣	4	The PRC	55175102	Our Company	2031.11.6
168.	天衣	7	The PRC	55185310	Our Company	2031.12.13
169.	天衣	11	The PRC	55191968	Our Company	2031.11.6
170.	天衣	1	The PRC	55178843	Our Company	2032.1.6

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No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
171.		10	The PRC	55184162	Our Company	2031.11.6
172.		2	The PRC	55188692	Our Company	2031.12.13
173.		5	The PRC	55166189	Our Company	2032.1.6
174.		8	The PRC	55160905	Our Company	2032.1.6
175.		9	The PRC	55196639	Our Company	2032.1.6
176.		6	The PRC	55178178	Our Company	2032.1.6
177.		3	The PRC	55193272	Our Company	2031.11.6
178.	TINOO'S ORCHARD	35	The PRC	53803298	Our Company	2031.10.6
179.		35	The PRC	53797553	Our Company	2031.9.27
180.		31	The PRC	53807361	Our Company	2031.10.6
181.	TINOO'S ORCHARD	31	The PRC	53797522	Our Company	2031.9.27
182.	天农久养	31	The PRC	52440872	Our Company	2031.8.13
183.	凤中王	29	The PRC	52465248	Our Company	2031.8.21
184.	凤中王	35	The PRC	52437541	Our Company	2031.8.20
185.		43	The PRC	48686905	Our Company	2031.3.27
186.		30	The PRC	41814145	Our Company	2030.8.6
187.		29	The PRC	39714113	Our Company	2030.3.6
188.		43	The PRC	48682941	Our Company	2031.4.6

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
189.		29	The PRC	34841544	Our Company	2029.11.27
190.		30	The PRC	32794933	Our Company	2029.5.6
191.	凤中凰	35	The PRC	52466453	Our Company	2031.11.27
192.	凤中凰	31	The PRC	52445595	Our Company	2031.8.20
193.	天农久养	35	The PRC	52442393	Our Company	2031.8.20
194.	凤中凰	29	The PRC	52468046	Our Company	2031.12.20
195.	凤中王	31	The PRC	52459924	Our Company	2031.8.20
196.	天农久养	29	The PRC	52459046	Our Company	2031.8.20
197.	天农九养	29	The PRC	47866316	Our Company	2031.3.27
198.	凤仪	31	The PRC	46766368	Our Company	2031.3.13
199.	天农一品鲜	43	The PRC	64444723	Our Company	2032.11.20
200.		31	The PRC	64307551	Our Company	2032.10.20
201.		35	The PRC	64307602	Our Company	2032.10.13
202.		43	The PRC	64330240	Our Company	2032.10.13
203.		29	The PRC	64315074	Our Company	2032.10.20
204.	凤中皇168	43	The PRC	64172172	Our Company	2032.12.6

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
205.	 凤中皇168	29	The PRC	64176623	Our Company	2033.2.6
206.	 凤中皇168	35	The PRC	64170466	Our Company	2033.2.6
207.	凤中皇158	43	The PRC	64164238	Our Company	2032.12.6
208.	 凤中皇158	35	The PRC	64158007	Our Company	2033.2.6
209.	凤中皇238	43	The PRC	64176766	Our Company	2032.12.6
210.	 凤中皇238	35	The PRC	64180854	Our Company	2033.2.6
211.	凤中皇158	29	The PRC	64184169	Our Company	2032.12.6
212.	凤中皇238	29	The PRC	64184202	Our Company	2032.12.6
213.	TINOO'S	31	The PRC	64139584	Our Company	2032.10.13
214.	凤中皇1972	43	The PRC	64144172	Our Company	2032.10.20
215.	天农臻品	43	The PRC	64135303	Our Company	2032.10.13
216.	天农广府盐焗	43	The PRC	64144863	Our Company	2032.10.27
217.	凤中皇蒸香	43	The PRC	64149883	Our Company	2032.10.13
218.	TINOO'S	32	The PRC	64128530	Our Company	2032.10.13
219.	TINOO'S	30	The PRC	64149406	Our Company	2032.10.20.
220.	TINOO'S	9	The PRC	64143484	Our Company	2032.12.13
221.	TINOO'S	38	The PRC	64136168	Our Company	2032.10.20
222.	天农蒸香	43	The PRC	64152766	Our Company	2032.10.13
223.	TINOO'S	25	The PRC	64124674	Our Company	2032.12.13
224.	凤中皇臻品	43	The PRC	64138254	Our Company	2032.10.13

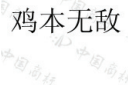
APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
225.		35	The PRC	64149101	Our Company	2033.11.13
226.		43	The PRC	64135439	Our Company	2033.7.13
227.		35	The PRC	64135117	Our Company	2033.11.13
228.		42	The PRC	64129061	Our Company	2033.7.13
229.	天农广府盐焗	35	The PRC	64102400	Our Company	2032.10.13
230.	天农138	29	The PRC	64112661	Our Company	2032.12.13
231.	凤中皇138	43	The PRC	64107130	Our Company	2032.10.20
232.	天农蒸香	35	The PRC	64117457	Our Company	2032.12.13
233.	天农158	29	The PRC	64115467	Our Company	2032.12.13
234.	天农乌凤鸡	35	The PRC	64123791	Our Company	2032.12.13
235.	凤中皇198	29	The PRC	64107792	Our Company	2032.10.13
236.	天农蒸香	29	The PRC	64113788	Our Company	2032.12.13
237.	天农158	35	The PRC	64104162	Our Company	2032.12.20
238.	天农乌凤鸡	29	The PRC	64098754	Our Company	2032.12.20
239.	凤中皇1972	29	The PRC	64113638	Our Company	2032.10.13
240.	TINOOS	29	The PRC	64105527	Our Company	2032.10.13
241.	天农广府盐焗	29	The PRC	64104149	Our Company	2032.10.13
242.	TINOOS	35	The PRC	64116693	Our Company	2032.10.13
243.	凤中皇138	35	The PRC	64114107	Our Company	2032.12.13
244.	凤中皇198	35	The PRC	64099532	Our Company	2032.12.20

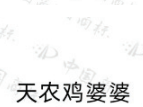
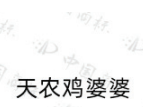
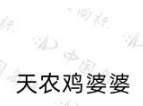
APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
245.	凤中皇臻品	29	The PRC	64107984	Our Company	2032.10.13
246.	天农臻品	35	The PRC	64119009	Our Company	2032.12.20
247.	凤中皇138	29	The PRC	64121902	Our Company	2032.12.13
248.	天农臻品	29	The PRC	64115194	Our Company	2032.10.13
249.	凤中皇蒸香	35	The PRC	64114154	Our Company	2032.10.13
250.	凤中皇臻品	35	The PRC	64115721	Our Company	2032.12.13
251.	凤中皇蒸香	29	The PRC	64106220	Our Company	2032.10.13
252.	天农咸香	31	The PRC	62198985	Our Company	2032.7.13
253.	天农咸香	35	The PRC	62187268	Our Company	2032.7.13
254.	天农茶香	43	The PRC	62208131	Our Company	2032.9.20
255.	天农五香	35	The PRC	62232979	Our Company	2032.7.13
256.	天农五香	31	The PRC	62198984	Our Company	2032.7.13
257.	天农五香	43	The PRC	62199081	Our Company	2032.9.20
258.	天农五香	29	The PRC	62187251	Our Company	2022.9.21
259.	天农咸香	43	The PRC	62189986	Our Company	2032.9.20
260.	天农茶香	31	The PRC	62208886	Our Company	2032.7.13
261.	天农咸香	29	The PRC	62232884	Our Company	2032.9.20
262.	天农泉香猪	29	The PRC	60769111	Our Company	2032.7.27
263.	天农泉香猪	31	The PRC	60782976	Our Company	2032.7.20
264.		35	The PRC	57528402	Our Company	2032.10.13
265.	天农蒸鸡	43	The PRC	65124181	Our Company	2033.1.13
266.	飞来峡	29	The PRC	66225561	Our Company	2033.1.20

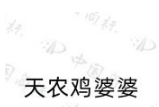
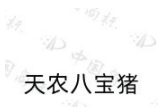
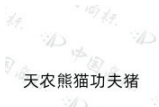
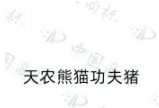
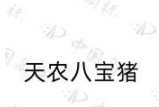
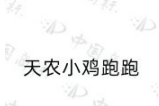
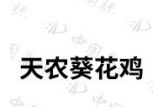
APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
267.		31	The PRC	66242015	Our Company	2033.1.20
268.		29	The PRC	66214834	Our Company	2033.1.27
269.		31	The PRC	66236841	Our Company	2033.1.27
270.		43	The PRC	26236407	Our Company	2028.8.27
271.		29	The PRC	17978180	Our Company	2026.11.6
272.		31	The PRC	15702221	Our Company	2035.12.27
273.	焗里夫人说	29	The PRC	26702298	Our Company	2028.9.20
274.	焗理公举	29	The PRC	26710798	Our Company	2028.9.20
275.	我家焗里夫人	29	The PRC	26723279	Our Company	2028.9.20
276.	焗理家族	29	The PRC	26718741	Our Company	2028.9.20
277.	焗里夫人	29	The PRC	26714312	Our Company	2028.9.20
278.	焗理先生	29	The PRC	26718745	Our Company	2028.9.20
279.	焗理王子	29	The PRC	26707127	Our Company	2028.9.20
280.	天农味十分	31	The PRC	25359414	Our Company	2028.7.13
281.	蛋贵高原	35	The PRC	25359432	Our Company	2028.7.20
282.	五步快厨	35	The PRC	25368090	Our Company	2028.7.13
283.	蛋心安	31	The PRC	25353674	Our Company	2028.7.13
284.	蛋贵高原	29	The PRC	25353645	Our Company	2029.7.13

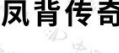
APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
285.	五步快厨	29	The PRC	25357266	Our Company	2029.10.20
286.	天农味十分	29	The PRC	25361484	Our Company	2028.7.13
287.	蛋心安	29	The PRC	25371266	Our Company	2028.7.13
288.	蛋贵高原	31	The PRC	25350196	Our Company	2028.7.13
289.	五步快厨	31	The PRC	25350211	Our Company	2028.7.13
290.	天农味十分	35	The PRC	25355791	Our Company	2028.7.13
291.	蛋心安	35	The PRC	25350225	Our Company	2028.7.13
292.		31	The PRC	12178259	Our Company	2034.9.13
293.		31	The PRC	81518060	Guangdong Tinoos Ecology Food Co., Ltd. (廣東天農生態食品股份有限公司) (“ Tinoos Ecology ”)	2035.4.20
294.		29	The PRC	79087126	Tinoos Ecology	2035.3.6
295.		29	The PRC	79085639	Tinoos Ecology	2035.2.27
296.		29	The PRC	81865742	Our Company	2035.5.20
297.		43	The PRC	81858559	Our Company	2035.5.20
298.		31	The PRC	81854430	Our Company	2035.5.20

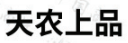
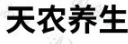
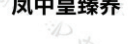
APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
299.		35	The PRC	81848128	Our Company	2035.5.13
300.		29	The PRC	80772993	Our Company	2035.5.20
301.		29	The PRC	80767742	Our Company	2035.5.20
302.		31	The PRC	80759923	Our Company	2035.5.13
303.		31	The PRC	80759467	Our Company	2035.5.13
304.		29	The PRC	80658874	Our Company	2035.2.2
305.		29	The PRC	76758300	Our Company	2034.10.13
306.		43	The PRC	74346487	Our Company	2034.3.27
307.		43	The PRC	73236777	Our Company	2034.1.27
308.		29	The PRC	73236670	Our Company	2034.1.27

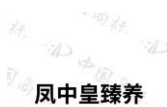
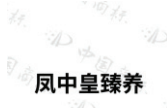
APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
309.		31	The PRC	73220467	Our Company	2034.1.27
310.		30	The PRC	73220436	Our Company	2034.1.27
311.		29	The PRC	72967820	Our Company	2034.10.6
312.		29	The PRC	72115224	Our Company	2034.12.21
313.		35	The PRC	72111419	Our Company	2033.11.27
314.		31	The PRC	72101225	Our Company	2033.12.6
315.		35	The PRC	72096258	Our Company	2033.12.6
316.		35	The PRC	72094357	Our Company	2033.12.6
317.		29	The PRC	72092398	Our Company	2033.12.6
318.		43	The PRC	72091001	Our Company	2033.12.6

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No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
319.		31	The PRC	70104627	Our Company	2033.9.6
320.		31	The PRC	70089934	Our Company	2033.11.13
321.		29	The PRC	70087426	Our Company	2033.9.6
322.		43	The PRC	68864880	Our Company	2033.7.20
323.		29	The PRC	68861822	Our Company	2033.10.6
324.		43	The PRC	68858706	Our Company	2033.7.20
325.		29	The PRC	68855642	Our Company	2033.7.20
326.		43	The PRC	67970073	Our Company	2033.7.13
327.		43	The PRC	67970063	Our Company	2033.7.13
328.		35	The PRC	67969963	Our Company	2033.9.6

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No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
329.	 凤中皇臻养	29	The PRC	67968487	Our Company	2033.7.6
330.	 飞来峡纯种	35	The PRC	67960301	Our Company	2033.10.6
331.	 凤中皇臻养	43	The PRC	67958116	Our Company	2033.7.6
332.	 凤中皇臻养	31	The PRC	67950938	Our Company	2033.7.6
333.	 天农食品 TINOOS	29	The PRC	67673957	Our Company	2033.11.6
334.	 天农食品	29	The PRC	67667599	Our Company	2033.11.6
335.	 凤中皇 FENG ZHONG HUANG	29	The PRC	67623971	Our Company	2033.9.6
336.	 天农生鲜	43	The PRC	67621823	Our Company	2033.9.6
337.	 凤中皇 FENG ZHONG HUANG	35	The PRC	67621788	Our Company	2033.11.6

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No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
338.		43	The PRC	67616316	Our Company	2033.9.6
339.		29	The PRC	67609982	Our Company	2033.6.13
340.		28	The PRC	67201795	Our Company	2033.3.13
341.		32	The PRC	67195981	Our Company	2033.3.13
342.		35	The PRC	67188475	Our Company	2033.4.6
343.		29	The PRC	67182601	Our Company	2033.4.13
344.		43	The PRC	67180521	Our Company	2033.4.13
345.		29	The PRC	66970292	Our Company	2033.3.13
346.		31	The PRC	66966761	Our Company	2033.3.13
347.		43	The PRC	66962894	Our Company	2033.3.13

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Place of Registration	Registration No.	Registered Owner	Expiry Date (yyyy/mm/dd)
348.	天农凤成龙门	35	The PRC	66960523	Our Company	2033.3.13
349.	粤鲜凤	35	The PRC	66811873	Our Company	2033.2.20
350.		35	The PRC	66806551	Our Company	2033.3.6
351.	粤鲜凤	29	The PRC	66804666	Our Company	2033.2.20
352.		29	The PRC	66799284	Our Company	2033.3.6
353.		43	The PRC	66798859	Our Company	2033.3.6
354.	粤鲜凤	43	The PRC	66796536	Our Company	2033.2.20

(b) Patents

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following patents in the PRC which we consider to be or may be material to our business:

No.	Patent	Patentee	Patent Number	Grant Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
1.	An isolated pedigree chick hatching crate (一種隔離式家系鷄苗出雛框)	Our Company	ZL201821536181.X	2019.5.14	2029.5.13

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Patentee	Patent Number	Grant Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
2.	A combined crank tool for manure clearing in traditional A-frame chicken coops (一種適用於傳統A型籠架雞舍的清糞曲柄組合工具)	Our Company	ZL201821514605.2	2019.5.14	2029.5.13
3.	A suspended type heat preservation flue (一種懸空式保溫煙道)	Our Company	ZL201821514986.4	2019.5.14	2029.5.13
4.	A simple forklift for transporting chicken cages and live chickens (一種轉運雞籠及雞隻的簡易叉車)	Our Company	ZL201821514608.6	2019.5.14	2029.5.13
5.	A device for cleaning water pipes in breeding farms (一種用於養殖場水管清潔的裝置)	Our Company	ZL2020206574636	2020.12.18	2030.12.17
6.	An intelligent feeding system for breeding farms and its working process (一種養殖場智能投餵系統及其工作流程)	Our Company	ZL2023100575879	2023.9.12	2043.9.11
7.	A chick rearing and health-keeping package for green farmed chickens and its usage method (一種綠色養殖雞用的育雛保健包及其使用方法)	Our Company	ZL201510305444.0	2018.5.29	2038.5.28
8.	A efficient energy-saving floor heating system for pig houses (一種豬舍高效節能地暖系統)	Chongqing Riquan	ZL201921648628.7	2020.6.2	2030.6.1
9.	(A high-pressure cleaning system for pig houses) (一種豬舍高壓清洗系統)	Chongqing Riquan	ZL201921648598.X	2020.7.14	2030.7.13

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Patentee	Patent Number	Grant Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
10. . .	A fully automatic trench ventilation system for pig houses (一種豬舍全自動地溝通風系統)	Chongqing Riquan	ZL201921647185.X	2020.6.2	2030.6.1
11. . .	A fully automatic environmental control system for pig houses (一種豬舍全自動環控系統)	Chongqing Riquan	ZL201921649450.8	2020.4.10	2030.4.9
12. . .	A fully automatic feeding system for pig houses (一種豬舍全自動餵料系統)	Chongqing Riquan	ZL201921647181.1	2020.6.2	2030.6.1
13. . .	A cooling and heat-stress reducing breeding house equipped with a fermentation bed (一種帶有發酵床的防暑降溫養殖舍)	Chongqing Riquan	ZL201922264183.9	2020.8.18	2030.8.17
14. . .	A novel solid-liquid separation device for pig manure (一種新型豬糞便乾濕分離裝置)	Chongqing Riquan	ZL201922264153.8	2020.11.3	2030.11.2
15. . .	A modern pig house (一種現代化豬舍)	Chongqing Riquan	ZL201910937464.8	2021.10.1	2041.9.30
16. . .	A gizzard cutting device (一種雞胗切開裝置)	Tinoos Ecology	ZL2024208871211	2024.12.17	2024.12.16
17. . .	A cleaning device for automatic feeding troughs (一種用於自動餵料槽的清潔裝置)	Guangdong Tinoos Poultry Breeding Co., Ltd. (廣東天農家禽育種有限公司) (“Tinoos Poultry”)	ZL201920860627.2	2020.1.24	2030.1.23
18. . .	A set of sealed manure cleaning equipment for traditional chick rearing coops (一套用於傳統籠架育雛雞舍的密封清糞設備)	Tinoos Poultry	ZL202021800722.2	2021.3.26	2031.3.25

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No.	Patent	Patentee	Patent Number	Grant Date (yyyy/mm/dd)	Expiry Date (yyyy/mm/dd)
19. . .	A fly killing device for breeding farms (一種適用於養殖場舍內的滅蠅裝置)	Tinoos Poultry	ZL202021675332.7	2021.3.26	2031.3.25
20. . .	A device for bulk dumping of medicinal solutions in breeding farms (一套適用於養殖場批量傾倒藥水的裝置)	Tinoos Poultry	ZL202021436704.0	2021.3.26	2031.3.25
21. . .	An artificial insemination handcart for H-type stacked chicken coops (一套適用於H型層疊籠種雞舍的人工輸精板車)	Tinoos Poultry	ZL202021800609.4	2021.5.25	2031.5.24

(c) Copyrights

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following copyrights which we consider to be or may be material to our business:

No.	Copyright Name	Registered Owner	Copyright Number	Registration Date (yyyy/mm/dd)	Place of Registration
1. . .	Phoenix (鳳凰)	Our Company	GuoZuoDengZi (國作登字)-2019-F-00830937	2019.7.22	The PRC
2. . .	Salt-baked Qingyuan Chicken (鹽焗清遠雞)	Our Company	GuoZuoDengZi (國作登字)-2018-F-00651157	2018.10.23	The PRC
3. . .	Tian Nong Feng Zhong Huang Purebred Qingyuan Chicken (天農鳳中皇原種清遠雞)	Our Company	GuoZuoDengZi (國作登字)-2018-F-00597166	2018.8.14	The PRC
4. . .	Tian Nong Eggs (天農雞蛋)	Our Company	GuoZuoDengZi (國作登字)-2018-F-00597165	2018.8.14	The PRC
5. . .	Fresh Product Packaging Series 1 (鮮品包裝系列1)	Our Company	GuoZuoDengZi (國作登字)-2015-F-00226508	2015.8.31	The PRC
6. . .	Fresh Product Packaging Series 2 (鮮品包裝系列2)	Our Company	GuoZuoDengZi (國作登字)-2015-F-00226509	2015.8.31	The PRC

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No.	Copyright Name	Registered Owner	Copyright Number	Registration Date (yyyy/mm/dd)	Place of Registration
7. . .	Tian Nong Feng Zhong Huang Qingyuan Chicken (天農鳳中皇清遠 雞)	Our Company	YueZuoDengZi (粵作登 字)-2015-L-00000214	2015.5.13	The PRC
8. . .	Tian Nong Qingyuan Chicken (天農清遠 雞)	Our Company	YueZuoDengZi (粵作登 字)-2015-G-00000276	2015.5.13	The PRC
9. . .	Feng Zhong Huang: The Mark of Authentic Qingyuan Chicken (正宗清遠雞認准 鳳中皇)	Our Company	YueZuoDengZi (粵作登 字)-2021-F-00004074	2021.1.29	The PRC
10. . .	Feng Xiao Huang Series (鳳小皇系 列)	Our Company	YueZuoDengZi (粵作登 字)-2022-F-00012490	2022.6.6	The PRC
11. . .	Qingyuan Chicken 1972 (清遠雞1972)	Our Company	YueZuoDengZi (粵作登 字)-2022-F-00007667	2022.4.27	The PRC
12. . .	Feng Zhong Huang Catering Chain IP Image (鳳中皇餐 飲連鎖IP形象)	Our Company	YueZuoDengZi (粵作登 字)-2022-F-00027188	2022.9.23	The PRC
13. . .	Feng Xiao Huang Series (鳳小凰系 列)	Our Company	YueZuoDengZi (粵作登 字)-2022-F-00025872	2022.9.17	The PRC
14. . .	Phoenix Crown (鳳 凰皇冠)	Our Company	YueZuoDengZi (粵作登 字)-2022-F-00025337	2022.9.9	The PRC
15. . .	Soaring Phoenix (展 翅鳳凰)	Our Company	YueZuoDengZi (粵作登 字)-2022-F-00025132	2022.9.8	The PRC
16. . .	Quan Xiang Little Pig Series (泉香小 豬系列)	Our Company	YueZuoDengZi (粵作登 字)-2022-F-00025133	2022.9.8	The PRC
17. . .	Tian Nong Steamed Chicken (天農蒸 雞)	Our Company	YueZuoDengZi (粵作登 字)-2022-F-00021600	2022.8.15	The PRC
18. . .	Feng Zhong Huang Crown Chicken (鳳中皇皇冠雞)	Our Company	YueZuoDengZi (粵作登 字)-2022-F-00027747	2022.9.29	The PRC
19. . .	Feng Zhong Huang Premium (鳳中皇 宴貴人)	Our Company	YueZuoDengZi (粵作登 字)-2023-F-00018894	2023.07.24	The PRC
20. . .	Fei Lai Xia (飛來峽)	Our Company	YueZuoDengZi (粵作登 字)-2023-F-00018461	2023.07.24	The PRC
21. . .	Feng Huang (鳳皇)	Our Company	YueZuoDengZi (粵作登 字)-2023-F-00024031	2023.08.23	The PRC
22. . .	Tian Nong Sunflower Qingyuan Chicken (天農葵花清遠雞)	Our Company	YueZuoDengZi (粵作登 字)-2023-L-00002965	2023.10.27	The PRC

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Copyright Name	Registered Owner	Copyright Number	Registration Date (yyyy/mm/dd)	Place of Registration
23. . .	Qingyuan Chicken Series Photo (清遠雞系列照片)	Our Company	GuoZuoDengZi (國作登字)-2025-G-00046484	2025.02.18	The PRC
24. . .	Jin Yu Xian (金羽鮮)	Our Company	YueZuoDengZi (粵作登字)-2025-F-00013673	2025.06.23	The PRC
25. . .	Qingyuan Chicken: A Mom’s Craving, a Family’s Bliss (滴滴清遠雞太太愛吃,全家樂)	Tinoos Ecology	GuoZuoDengZi (國作登字)-2025-F-00030941	2025.01.27	The PRC
26. . .	Purebred Tian Nong Qingyuan Chicken: The Essence of Original Flavor (天農原種清遠雞原汁)	Tinoos Ecology	GuoZuoDengZi (國作登字)-2024-F-00361099	2024.12.13	The PRC

(d) Domain Names

As of the Latest Practicable Date, we had registered and maintained ownership to the following domain names in the PRC which we consider to be or may be material to our business:

No.	Domain	Owner	Expiry Date (yyyy/mm/dd)
1. . . .	www.tnong.com/	Our Company	2035.04.22

Save as aforesaid, as of the Latest Practicable Date, there were no other intellectual property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors’ and Supervisors’ Service Contracts and Appointment Letters

We have entered into a service contract or letter of appointment with each of our Directors and Supervisors. The principal particulars of these service contracts and letters of appointment include (i) the term of service, and (ii) are subject to termination in accordance with their respective term. The service contracts and letters of appointment may be renewed in accordance with our Articles of Association and the applicable listing rules.

Save as disclosed above, none of the Directors or Supervisors has entered into any service contracts or letters of appointment as a director or a supervisor with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

2. Remuneration of Directors

For details of the remuneration or benefits in kind paid to our Directors during the Track Record Period, see “Directors and Senior Management” and Note 8 and Note 9 to the Accountants’ Report in Appendix I to this document.

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During the Track Record Period, no fees were paid by our Group to any of our Directors, Supervisors or the five highest paid individuals as an inducement to join us or as compensation for loss of office, and there has been no arrangement under which a Director or Supervisor has waived or agreed to waive any emoluments.

3. Disclosure of interests

(a) Disclosure of interests of Directors, Supervisors and chief executive of our Company

Save as disclosed below, immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED]) and the conversion of the Domestic Unlisted Shares into H Shares, so far as the Directors are aware, none of the Directors, Supervisors or chief executive of the Company will have any interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of the Company or any of our associated corporation (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to the Company and the Stock Exchange, once the H Shares are listed on the Stock Exchange.

Name	Position	Nature of interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of share interest held in the Company immediately following the completion of the [REDACTED] ⁽²⁾
Dr. Zhang . . .	Executive Director, vice chairperson of the Board and the president of the Company	Beneficial owner	Domestic Unlisted Shares	129,508,618	28.85%
		Interest held by controlled corporation ⁽³⁾	Domestic Unlisted Shares	11,118,200	2.48%
		Interest held by controlled corporation ⁽³⁾	H Shares	2,085,500	0.46%
		Interest of spouse ⁽³⁾	Domestic Unlisted Shares	59,041,413	13.15%
		Interest of spouse ⁽³⁾	H Shares	3,638,255	0.81%
Mr. Xiao . . .	Executive Director and chairperson of the Board	Beneficial owner	Domestic Unlisted Shares	40,060,224	8.92%
		Interest held by controlled corporation ⁽³⁾	Domestic Unlisted Shares	18,981,189	4.23%
		Interest held by controlled corporation ⁽³⁾	H Shares	3,638,255	0.81%
		Interest of spouse ⁽³⁾	Domestic Unlisted Shares	140,626,818	31.33%
		Interest of spouse ⁽³⁾	H Shares	2,085,500	0.46%
Mr. Zhang Yuanhua (張遠華) . . .	Non-executive Director	Beneficial owner	Domestic Unlisted Shares	24,001,313	5.35%
		Beneficial owner	H Shares	5,000,000	1.11%

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Name	Position	Nature of interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of share interest held in the Company immediately following the completion of the [REDACTED] ⁽²⁾
Mr. Zhang Dali (張大立) . .	Executive Director, and the vice president of the Company	Beneficial owner	Domestic Unlisted Shares	9,486,779	2.11%
		Beneficial owner	H Shares	1,970,683	0.44%
Mr. Deng Xuqing (鄧旭清) . .	Executive Director, and the vice president of the Company	Beneficial owner	Domestic Unlisted Shares	3,583,980	0.80%
		Beneficial owner	H Shares	744,498	0.17%
Mr. Wei Zhuangli (韋壯立) . .	Supervisor	Beneficial owner	Domestic Unlisted Shares	644,298	0.14%
		Beneficial owner	H Shares	133,840	0.03%

Notes:

- (1) All the interests stated are long positions.
- (2) The calculation is based on the assumption that the [REDACTED] is not exercised, and that there are no other changes in the issued share capital of the Company between the Latest Practicable Date and the [REDACTED].
- (3) For details, please refer to the section headed “Substantial Shareholders”.

(b) Disclosure of interests of substantial Shareholders

Save as disclosed in the section headed “Substantial Shareholders” in this document, immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED]) and the conversion of the Domestic Unlisted Shares into H Shares, our Directors are not aware of any person (other than the Directors, Supervisors or chief executive of our Company) who will have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company or any other members of our Group.

4. Agency Fees or Commissions Received

Save as disclosed in the section headed “[REDACTED]”, no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this document in connection with the issue or sale of any capital or security of any member of our Group.

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STATUTORY AND GENERAL INFORMATION

5. Disclaimers

- (a) save as disclosed in the paragraph headed “B. Further Information about our Business — 3. Disclosure of interests”, none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of our associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed;
- (b) none of our Directors, Supervisors or any of the experts referred to under paragraph headed “E. Other Information — 12. Qualification of Experts” in this appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (c) save as disclosed in the paragraph headed “B. Further Information about our Business — 3. Disclosure of interests”, so far as is known to our Directors, Supervisors or the chief executive of our Company, no person (not being a Director or chief executive of our Company) will, immediately following the completion of the [REDACTED], have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and
- (d) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group in each year during the Track Record Period.

D. EMPLOYEE SHARE SCHEME

As of the Latest Practicable Date, we established three Employee Shareholding Platforms, namely Qingyuan Quanwang, Qingyuan Quanxing, and Qingyuan Quanfa. As of the same date, the Employee Shareholding Platforms, in aggregate, held 4,285,800 Domestic Unlisted Shares, representing approximately 1.09% of the issued share capital of our Company. For further details of the Employee Shareholding Platforms, see the section headed “History, Development and Corporate Structure — Employee Shareholding Platforms”.

We have adopted the Employee Share Scheme in respect of the Employee Shareholding Platforms. The Employee Share Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve the grant of options or share awards by our Company to subscribe for the Shares after the [REDACTED]. Given the underlying Shares under the Employee Share Scheme had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the awards under the Employee Share Scheme.

APPENDIX VI STATUTORY AND GENERAL INFORMATION

(a) Purpose

The purpose of the Employee Share Scheme is to recognize the contribution to our Group by our employees.

(b) Eligible participants

The management team at the officer level and above of the Company and our subsidiaries (including branches), including employee investors who previously participated in the equity investment of Guizhou Tongzi Riquan Agriculture & Animal Husbandry Co., Ltd. (貴州桐梓日泉農牧有限公司), “Hard-workers” and “pre-qualified hard-workers” will be given priority; or the business advisors and professional advisors providing services for the Company’s livestock and poultry business.

(c) Details of the Awards granted

Below is the list of the grantees under the Employee Share Scheme that are granted with awards:

			As of the Latest Practicable Date and immediately prior to the [REDACTED]	
			Approximate number of Shares corresponding to the Awards held by the grantee ^(Note)	Approximate shareholding percentage corresponding to the Awards held by the grantee in the total number of Shares in issue
Name of participants	Position(s) held within our Group	Platform		
Directors				
Dr. Zhang	Executive Director, vice chairperson of the Board and the president of the Company	Qingyuan Quanxing	20,000	0.005%
Mr. Xiao	Executive Director, and chairperson of the Board	Qingyuan Quanfa	59,999	0.02%
Supervisor				
Ms. Chen Yanping	Supervisor	Qingyuan Quanzhang	10,000	0.003%
Other Participants				
Other 114 Participants . .	Employees and external advisors	Qingyuan Quanzhang, Qingyuan Quanxing, and Qingyuan Quanfa	4,195,801	1.07%
Total			4,285,800	1.09%

Note: For illustrating the indirect interests of grantees in our Company, the number of Shares are presented and calculated by multiplying their respective percentage of limited partnership interests by the total number of Shares held by the relevant Employee Shareholding Platforms.

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E. OTHER INFORMATION

1. Estate Duty

We have been advised that no material liability for estate duty under PRC law is likely to fall upon the Group.

2. Litigation

Except as disclosed in this document, as of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our Group’s results of operations or financial condition, taken as a whole.

3. Application for [REDACTED]

The Sole Sponsor [has] made an application on behalf of our Company to the Listing Committee for the [REDACTED] of, and permission to [REDACTED], the H Shares. All necessary arrangements have been made to enable the securities to be admitted into [REDACTED].

4. Sole Sponsor’s Independence

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Sole Sponsor in connection with the [REDACTED] by our Company is US\$0.4 million.

5. Compliance Advisor

We have appointed WRISE Capital Limited as our compliance advisor in compliance with Rules 3A.19 and 19A.05 of the Listing Rules.

6. Preliminary Expenses

As of the Latest Practicable Date, we had not incurred material preliminary expenses.

7. Promoter

See “History, Development and Corporate Structure — Development and Major Shareholding Changes of the Company — Establishment and Early Development of the Company” for details of our promoters when we were established as a joint stock limited company.

Within the two years immediately preceding the date of this document, no cash, securities or other benefit have been paid, allotted or given or have been proposed to be paid, allotted or given to the above promoters in connection with the [REDACTED] or related transactions herein.

8. Consents of Experts

Each of the experts as referred to in “E. Other Information — 12. Qualification of Experts” in this appendix has given and has not withdrawn its consent to the issuance of this document with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

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9. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

10. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This document is written in the English language and contains a Chinese translation for information purposes only. Should there be any discrepancy between the English language of this document and the Chinese translation, the English language version of this document shall prevail.

11. Taxation of Holders of H Shares

(a) *Hong Kong*

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the [REDACTED] of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

(b) *Consultation with Professional Advisors*

Intending holders of the H Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of [REDACTED] for, purchasing, holding or disposing of or [REDACTED] in the H Shares. It is emphasized that none of our Company, our Directors, Supervisors or the other parties involved in the [REDACTED] will accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their [REDACTED] for, purchase, holding or disposal of or [REDACTED] in the H Shares or exercise of any rights attaching to them.

12. Qualification of Experts

The followings are the qualifications of the experts who have given opinion or advice which are contained herein:

Name	Qualifications
China Merchants Securities (HK) Co., Limited	A licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO

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Name	Qualifications
King & Wood	Legal advisors as to PRC laws
KPMG	Certified Public Accountants
	Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Jones Lang LaSalle Corporate Appraisal and Advisory Limited . .	Independent valuer of biological assets

13. No Material Adverse Change

Our Directors believe that there has been no material adverse change in the financial or trading position since December 31, 2025 (being the date to which the latest audited consolidated financial statements of the Group were prepared).

14. Miscellaneous

- (a) within the two years immediately preceding the date of this document, we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue founder, management or deferred shares or any deferred debentures;
- (d) we have no outstanding convertible debt securities or debentures;
- (e) within the two years immediately preceding the date of this document, no commission, discount, brokerage or other special term has been granted or agreed to be granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries;
- (f) within the two years immediately preceding the date of this document, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;
- (g) there is no arrangement under which future dividends are waived or agreed to be waived;
- (h) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and
- (i) we are not presently listed on any stock exchange, and our shares are not traded on any trading system.

APPENDIX VII

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “B. Further Information about Our Business — 1. Summary of Material Contracts” in Appendix VI to this document; and
- (b) the written consents referred to in the section headed “E. Other Information — 8. Consents of Experts” in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of our Company at www.tnong.com and on the website of the Stock Exchange at www.hkexnews.hk during a period of 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report from KPMG, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for the three years ended December 31, 2023, 2024 and 2025;
- (d) the report from KPMG on the [REDACTED] financial information of our Group, the text of which is set forth in Appendix II to this document;
- (e) the industry report issued by Frost & Sullivan referred to in the section headed “Industry Overview” in this document;
- (f) the PRC legal opinions issued by King & Wood, our PRC Legal Advisors;
- (g) the material contracts referred to in the paragraph headed “B. Further Information about Our Business — 1. Summary of Material Contracts” in Appendix VI to this document;
- (h) the service contracts referred to in “C. Further Information about Our Directors, Supervisors and Substantial Shareholders — 1. Particulars of Directors’ and Supervisors’ Service Contracts and Appointment Letters” in Appendix VI to this document;
- (i) the written consents referred to in the paragraph headed “E. Other Information — 8. Consents of Expert” in Appendix VI to this document;
- (j) the valuation report on the fair value of the biological assets owned by the Group prepared by JLL; and
- (k) the PRC Company Law, the PRC Securities Law, the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, together with unofficial English translations thereof.