

SUMMARY

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

OVERVIEW

Who We Are

We are a leading buffalo dairy company in China, strategically focusing on the buffalo dairy products segment. Through years of dedicated development, we have grown into a national leader in the buffalo dairy products industry, with a diversified product portfolio and fully integrated supply chain operations. According to Frost & Sullivan, our core brand, Baifeilao (百菲酪), ranked No. 1 in China’s buffalo dairy products industry, in terms of retail sales value of buffalo liquid milk in China in 2025, with a market share of 30.1%.

We were among the first companies in China to achieve fully integrated operations across the entire value chain of buffalo dairy products from upstream breeding and dairy product development to advanced processing and omni-channel sales, according to Frost & Sullivan. We are also a pioneer in transforming buffalo dairy products from a regional specialty into a nationwide dairy category, according to the same source. From 2023 to 2025, our revenue grew at a CAGR of 22.7%, significantly outpacing the growth of market size of both the dairy products industry and the buffalo dairy products market in China, positioning us as a benchmark in China’s buffalo dairy products industry.

Buffalo milk, produced by dairy buffalos, differs from conventional cow milk, which is typically sourced from Holstein dairy cows. Buffalo milk is a premium dairy source known for its thick and creamy taste and premium nutritional profile, generally containing higher levels of milk protein and certain other nutrients such as calcium, albeit with a lower yield. Buffalo dairy products are generally made with buffalo raw milk and Holstein cow milk in varying proportions to scientifically balance nutritional composition and enhance palatability, thereby better aligning with consumer preferences. Buffalo milk is used to produce a wide range of dairy products globally, such as pasteurized milk, yogurt, cream, cheese and condensed milk.

Leveraging deep consumer insights and dedicated R&D capabilities, we have captured growth opportunities in the buffalo dairy products market. We have built a differentiated brand portfolio led by Baifeilao (百菲酪) and complemented by Chunfei (醇菲) and Baixiaofei (百小菲), spanning five core categories: sterilized milk, formulated milk, pasteurized milk, milk-containing beverages and fermented dairy products, with buffalo dairy products as our primary products in each category. According to Frost & Sullivan, we ranked No.1 in China’s buffalo dairy products industry in 2025 in terms of retail sales value across various key metrics: (i) No.1 for buffalo liquid milk, with a market share of 31.0%; (ii) No. 1 for ambient buffalo liquid milk, with a market share of 31.8%; and (iii) No.1 for online sales of buffalo liquid milk, with a market share of 39.1%.

According to the consumer survey conducted by Frost & Sullivan in July 2026, Baifeilao ranked first among buffalo liquid milk brands in China in consumer awareness, purchase penetration and consumer satisfaction, demonstrating its strong brand recognition, purchase conversion and consumer loyalty.

SUMMARY

Our market leadership across key metrics⁽¹⁾

No.1 for buffalo liquid milk in China	No.1 for ambient buffalo liquid milk in China	No.1 for online sales of buffalo liquid milk in China	“Baifeilao 3.8g Buffalo Milk” recognized as No. 1 core single product in China’s buffalo dairy products industry
Market share	Market share	Market share	Accumulative sales:
31.0% ⁽¹⁾	31.8% ⁽¹⁾	39.1% ⁽¹⁾	1+ billion packs

“Baifeilao” ranked among buffalo liquid milk brands in China⁽²⁾

No.1 ⁽²⁾ Consumer Awareness	No.1 ⁽²⁾ Purchase Penetration	No.1 ⁽²⁾ Consumer Satisfaction
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Notes:

- (1) In terms of retail sales value in China in 2025, according to Frost & Sullivan.
- (2) In July 2026, Frost & Sullivan conducted an online questionnaire survey with 1,000 participants randomly selected across ten cities in China, covering first-tier, new first-tier and second-tier cities, to better understand the market from a consumer perspective.

Our Brands and Products

Our core brand, Baifeilao, maintains a comprehensive market presence with strong brand recognition among consumers. Our premium brand, Chunfei, targets the premium market with its flagship “4.3g Carat Dream Cap Buffalo Milk,” while our value-oriented brand Baixiaofei effectively achieves broad coverage of mass market.

As buffalo milk has naturally rich and full-bodied characteristics, we craft our dairy products using a calibrated proportion of buffalo milk and Holstein cow milk to balance nutrition, taste and product positioning, with the buffalo milk proportion varying by product category and formulation.

SUMMARY

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

	Year Ended December 31,						Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(unaudited)										
(RMB in thousands, except for percentages)										
Sterilized milk	831,747	77.6	1,087,477	76.4	1,207,617	74.7	258,865	76.7	357,131	72.5
Formulated milk	221,449	20.7	302,298	21.3	333,332	20.7	66,060	19.6	101,441	20.6
Pasteurized milk	3,427	0.3	15,659	1.1	40,858	2.5	7,495	2.2	12,924	2.6
Milk-containing beverages	12,715	1.2	13,607	1.0	15,342	1.0	3,139	0.9	2,444	0.5
Fermented dairy products	1,779	0.2	1,005	0.1	5,655	0.4	1,029	0.3	1,339	0.3
Other products ⁽¹⁾	1,261	0.1	994	0.1	10,802	0.7	1,056	0.3	17,268	3.5
Total	1,072,378	100.0	1,421,040	100.0	1,613,606	100.0	337,644	100.0	492,547	100.0

Note:

- (1) Primarily included Bird’s Nest Buffalo Milk and buffalo milk ice cream series.

The following table sets forth a breakdown of our sales volume and average selling price by product category for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,	
	2023		2024		2025		2026	
	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP
(Sales volumes in tonnes, with ASP in RMB/tonne)								
Sterilized milk	52,692	15,785	73,371	14,822	82,393	14,657	24,547	14,549
Formulated milk	21,442	10,328	29,073	10,398	31,752	10,498	9,652	10,510
Pasteurized milk	260	13,183	1,144	13,686	2,787	14,659	814	15,878
Milk-containing beverages	1,544	8,235	1,656	8,215	1,985	7,730	320	7,646
Fermented dairy products	132	13,523	77	13,048	465	12,160	112	11,908
Other products ⁽¹⁾	214	5,892	43	22,992	288	37,451	230	75,236
Total	76,283	14,058	105,365	13,487	119,670	13,484	35,675	13,807

Note:

- (1) Primarily included Bird’s Nest Buffalo Milk and buffalo milk ice cream series.

Our Market Opportunity

As consumer health awareness rises and demand for specialty dairy products increases, the buffalo dairy products market is growing rapidly, significantly outpacing the broader dairy products industry and emerging as one of the fastest-growing segments. According to Frost & Sullivan, in terms of retail sales value, the size of China’s buffalo dairy products market reached RMB8.5 billion in 2025, with a CAGR of 8.9% from 2021 to 2025, and is expected to reach RMB15.3 billion by 2030, at an expected CAGR of 12.5% from 2025 to 2030.

China’s buffalo dairy products industry is still at a relatively early stage of development, with low market penetration and rapidly increasing consumer awareness. At the same time, leading brands benefit from meaningful first-mover advantages and strong brand recognition. According to Frost & Sullivan, in 2025, the penetration rate of buffalo liquid milk in China’s overall liquid milk market was only 2.4%, while buffalo liquid milk accounted

SUMMARY

for approximately 15% of the global liquid milk market, according to data published by the OECD-FAO. The relatively low penetration rate in China indicates potential for further development of the buffalo dairy products market. As consumption levels rise and new retail channels continue to evolve, buffalo milk, with its rich nutritional profile and distinctive taste, demonstrates substantial growth potential. As an industry leader, we are well positioned to capture the opportunities arising from the continued expansion of the buffalo dairy products market.

RESEARCH AND DEVELOPMENT

We attach great importance to in-house R&D and continuous innovation in buffalo dairy products. We are among the few dairy companies in China with full-value-chain R&D capabilities in buffalo dairy products. We conduct in-depth industry-academia collaboration with academic and research institutions including China Agricultural University, the Guangxi Buffalo Research Institute and the National Research Institute in Wenzhou. Our R&D system spans the entire value chain, encompassing dairy buffalo breeding, feeding management, dairy product formulation and processing technology innovation.

We have successfully applied advanced technologies, including membrane-filtration technology, industry-leading steam infusion (“INF”) 0.09-second flash sterilization and UHT sterilization technologies in our dairy product production process. As of the Latest Practicable Date, we had a total of 35 granted patents, including 13 invention patents in China and three invention patents overseas, as well as ten patent applications pending approval in China. We also had 174 registered trademarks and four domain names in China as at the Latest Practicable Date. These proprietary technologies and intellectual property portfolio support product innovation and help enhance the flavor profile and nutrient retention of our dairy products.

RAW MILK SOURCING AND PRODUCTION

We have adopted a diversified raw milk sourcing model under which we source raw milk from third-party suppliers, including third-party breeding cooperatives and dairy farms, and supplement such external sourcing with raw milk produced at our self-operated dairy farms. This model supports supply stability, traceability and quality control while providing us with flexibility to scale production.

SUMMARY

SALES AND DISTRIBUTION

We have established a nationwide omni-channel sales and distribution network spanning online and offline channels, enabling broad coverage across major retail formats in China. During the Track Record Period, we sold our products primarily through (i) offline distributors, (ii) online distributors, (iii) retailers across both online and offline retail channels, including snack bulk stores, e-commerce platforms, supermarkets, convenience-store chains and premium membership stores, and (iv) direct-to-consumer, or DTC, channels, including our online self-operated flagship stores and offline corporate group purchase and employee purchase arrangements. Our distributorship allows us to leverage our distributors’ local market knowledge, established customer relationships and channel resources, thereby facilitating efficient market penetration and broad product reach. Our DTC channels further enlarge our sales network by enabling direct engagement with consumers and selected corporate customers, supporting consistent brand presentation and providing timely market feedback. This omni-channel approach allows us to serve varied customer groups across different geographies, retail formats and consumption scenarios nationwide.

The following table sets forth a breakdown of our revenue by sales channel in absolute amounts and as percentages of our total revenue for the periods indicated.

	Year Ended December 31,						Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(unaudited)</i>										
<i>(RMB in thousands, except for percentages)</i>										
Distributors										
– Offline distributors	711,277	66.3	792,680	55.8	777,582	48.2	182,205	54.0	205,967	41.9
– Online distributors	–	–	8,177	0.6	25,605	1.6	6,644	2.0	5,114	1.0
Direct sales										
– Retailers	152,615	14.2	324,821	22.8	435,774	27.0	78,733	23.3	140,883	28.6
– DTC	208,486	19.5	295,362	20.8	374,645	23.2	70,062	20.7	140,583	28.5
Total	1,072,378	100.0	1,421,040	100.0	1,613,606	100.0	337,644	100.0	492,547	100.0

COMPETITION

According to Frost & Sullivan, the industry has relatively high entry barriers, including limited availability of buffalo milk sources, the need for strong brand recognition, comprehensive online and offline sales channels, and advanced production, quality control and cold-chain management capabilities. See “Industry Overview.”

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (i) a leader in buffalo dairy products industry in China with first-mover advantages; (ii) unique geographic and sourcing advantages securing premium raw milk supply; (iii) nationwide brand equity forged through precise omni-channel marketing; (iv) quality control and digital efficiency anchored by fully integrated infrastructure; (v) a nationwide distribution and retail network driving market penetration, and (vi) a seasoned management team with deep industry insights and a strategic vision for sustainable growth. See “Business — Our Strengths.”

SUMMARY

OUR STRATEGIES

We will pursue the following strategies to strengthen our business: (i) expand raw milk supply source and optimize supply chain infrastructure to enhance operational efficiency; (ii) product upgrades and portfolio expansion through sustained R&D investment; (iii) strengthen omni-channel distribution and accelerate nationwide expansion; (iv) enhance brand equity and strengthen leadership in the dairy products market, and (v) practice ESG and sustainable development principles to support responsible growth and long-term value creation. See “Business — Our Strategies.”

KEY RISK FACTORS

There are certain risks and uncertainties involved in [REDACTED] in our H Shares, some of which are beyond our control. See “Risk Factors.” Some of the major risk factors we face include: (i) we operate in a highly competitive and evolving market and may lose our market share if we fail to compete successfully; (ii) our business and financial results are sensitive to the market selling prices of dairy products; (iii) we may fail to adapt to changes in consumer preferences and market trends, or to develop and successfully commercialize new products; (iv) fluctuations in prices and instability in supply of direct materials could harm our financial condition and results of operations; (v) we may not be able to effectively manage our sales and distribution network, which could materially and adversely affect our business, reputation and results of operations; (vi) if our distributors are not able to operate successfully or we fail to maintain good relationships with such distributors, our business, financial condition and results of operations could be adversely affected; and (vii) the continued appeal of our brands is important to our success. Any damage to our reputation or any of our brands may materially and adversely affect our business and results of operations. If we are unable to effectively manage these risks, our business, financial condition, results of operations and prospects may be materially and adversely affected.

CUSTOMERS AND SUPPLIERS

Our customers primarily consisted of distributors, retailers including snack bulk stores, e-commerce platforms, supermarkets, convenience-store chains and premium membership stores, and individual consumers who purchase through our DTC channels. During the Track Record Period, revenue from our five largest customers for each year or period during the Track Record Period was RMB183.0 million, RMB335.6 million, RMB414.9 million and RMB125.7 million in 2023, 2024 and 2025 and the three months ended March 31, 2026, accounting for 17.2%, 23.6%, 25.7% and 25.5% of our total revenue for the same periods, respectively. Revenue from our largest customer for each year or period during the Track Record Period was RMB56.7 million, RMB130.3 million, RMB169.2 million and RMB49.3 million, accounting for 5.3%, 9.2%, 10.5% and 10.0% of our total revenue for the same periods, respectively. See “Business — Our Customers.”

During the Track Record Period, we engaged suppliers in China for procurement of (i) raw materials mainly including buffalo raw milk, cow raw milk and dairy ingredients; (ii) packaging materials; and (iii) logistics services. During the Track Record Period, purchases from our five largest suppliers for each year or period during the Track Record Period were RMB222.1 million, RMB273.8 million, RMB306.9 million and RMB95.5 million in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively, accounting for 33.7%, 27.8%, 25.5% and 28.2% of our total purchases for the same periods, respectively. Purchases from our largest supplier for each year or period during the Track Record Period were RMB64.2 million, RMB78.8 million, RMB79.2 million and RMB25.7 million, respectively, accounting for 9.7%, 8.0%, 6.6% and 7.6% of our total purchases for the same periods, respectively. See “Business — Our Suppliers.”

SUMMARY

SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31,				Three months ended March 31,			
	2023		2024		2025		2026	
	Results before biological assets fair value adjustment	Biological assets fair value adjustments	Results before biological assets fair value adjustment	Biological assets fair value adjustments	Results before biological assets fair value adjustment	Biological assets fair value adjustments	Results before biological assets fair value adjustment	Biological assets fair value adjustments
	Total		Total		Total		Total	
	<i>(RMB in thousands, except for percentages)</i>							
Revenue	1,072,378	–	1,421,040	–	1,613,606	–	337,644	–
Cost of sales	(687,185)	(10,981)	(851,744)	(25,787)	(1,003,705)	(111,272)	(219,882)	(33,493)
Gains arising on initial recognition of agricultural produce at fair value less costs to sell at the point of harvest	–	12,148	–	24,081	–	108,931	–	33,190
Gross profit	385,193	1,167	569,296	(1,706)	609,901	(2,341)	117,762	(303)
Gains/(losses) arising from changes in fair value less costs to sell of biological assets	–	5,518	–	13,220	–	(2,200)	–	3,302
Other income	5,296	–	8,649	–	18,454	–	4,202	–
Other gains or losses, net	(3,262)	(19)	(4,519)	(252)	(8,165)	(4,930)	(2,886)	(157)
Selling and distribution expenses	(107,391)	–	(193,458)	–	(280,687)	–	(52,168)	–
Administrative expenses	(45,720)	–	(70,595)	–	(88,567)	–	(14,129)	–
Research and development expenses	(4,569)	–	(8,213)	–	(9,107)	–	(1,094)	–
Finance costs	(228)	–	(120)	–	(521)	–	(71)	–
Profit before tax	229,319	6,666	301,040	11,262	241,308	(9,471)	51,616	2,842
Income tax credit/(expense)	(3,033)	–	(1,923)	–	2,956	–	(674)	–
Profit and total comprehensive income for the year/period	226,286	6,666	299,117	11,262	244,264	(9,471)	50,942	2,842
Profit for the year/period, excluding unrealized fair value gains/losses of biological assets	226,267	–	298,865	–	239,334	–	48,978	–

SUMMARY

Revenue

Our total revenue increased by 32.5% from RMB1,072.4 million in 2023 to RMB1,421.0 million in 2024, and further increased by 13.6% to RMB1,613.6 million in 2025. Our total revenue increased by 45.9% from RMB337.6 million for the three months ended March 31, 2025 to RMB492.5 million for the three months ended March 31, 2026. The increases in our total revenue throughout the Track Record Period were primarily driven by growth in revenue from our two major product categories, comprising sterilized milk and formulated milk, which together accounted for approximately 98.3%, 97.8%, 95.5%, 96.3% and 93.1% of our total revenue in 2023, 2024 and 2025 and the three months ended March 31, 2025 and 2026, respectively.

Revenue from our other products, principally comprising our Bird’s Nest Buffalo Milk and buffalo milk ice cream series, increased significantly from RMB1.1 million in the three months ended March 31, 2025 to RMB17.3 million in the three months ended March 31, 2026. The increases were primarily driven by the rapid scale-up in sales of our Bird’s Nest Buffalo Milk products since its launch in the second half of 2025, reflecting growing market demand in such products.

See “Financial Information — Description of Selected Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue.”

Cost of Sales

The following table sets forth a breakdown of our cost of sales for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(unaudited)										
(RMB in thousands, except for percentages)										
Direct Materials	555,092	79.5	663,976	75.7	777,543	69.7	171,852	74.5	244,656	70.9
Freight	54,846	7.9	81,005	9.2	106,129	9.5	18,535	8.0	31,476	9.1
Manufacturing Overhead	42,313	6.1	68,996	7.9	76,445	6.9	18,621	8.1	23,525	6.8
Direct Labor	34,934	5.0	37,767	4.3	43,588	3.9	10,874	4.7	12,038	3.5
Cost of Sales before Biological Assets Fair Value Adjustment . .	687,185	98.5	851,744	97.1	1,003,705	90.0	219,882	95.3	311,695	90.3
Biological Assets Fair Value Adjustment	10,981	1.5	25,787	2.9	111,272	10.0	10,819	4.7	33,493	9.7
Total	698,166	100.0	877,531	100.0	1,114,977	100.0	230,701	100.0	345,188	100.0

SUMMARY

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product category for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Amount	GPM	Amount	GPM	Amount	GPM	Amount	GPM	Amount	GPM
	(unaudited)									
	(RMB in thousands, with GPM in percentages)									
Sterilized milk	335,360	40.3	477,393	43.9	494,816	41.0	111,434	43.0	140,356	39.3
Formulated milk	46,492	21.0	83,997	27.8	92,510	27.8	11,464	17.4	28,019	27.6
Pasteurized milk	602	17.6	4,608	29.4	12,800	31.3	2,430	32.4	3,257	25.2
Milk-containing beverages	3,203	25.2	1,832	13.5	2,809	18.3	623	19.9	295	12.0
Fermented dairy products	516	29.0	315	31.4	877	15.5	187	18.2	236	17.6
Other products ⁽¹⁾	187	14.9	(555)	(55.8)	3,748	34.7	(194)	(18.4)	8,386	48.6
Total	386,360	36.0	567,590	39.9	607,560	37.7	125,944	37.3	180,549	36.7

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	March 31, 2026
<i>(RMB in thousands)</i>				
Non-current assets	705,036	914,679	1,011,626	1,024,629
Current assets	375,126	640,725	920,306	843,777
Total assets	1,080,162	1,555,404	1,931,932	1,868,406
Non-current liabilities	4,749	11,450	33,872	31,563
Current liabilities	123,560	237,602	325,254	206,960
Total liabilities	128,309	249,052	359,126	238,523
Net current assets	251,566	403,123	595,052	636,817
Net assets	951,853	1,306,352	1,572,806	1,629,883

See “Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Current Assets and Current Liabilities.”

SUMMARY

Summary of Consolidated Cash Flow Statements

The following table sets forth a summary of our consolidated cash flow statements for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
				(unaudited)	
	(RMB in thousands)				
Net cash from/(used in) operating activities	374,263	342,931	241,079	(8,641)	(48,858)
Net cash used in investing activities	(247,003)	(310,598)	(267,807)	(67,575)	(115,545)
Net cash from/(used in) financing activities	(30,211)	31,418	31,260	4,562	(281)
Net (decrease)/increase in cash and cash equivalents	97,049	63,751	4,532	(71,654)	(164,684)
Cash and cash equivalents at beginning of the year/period	125,674	222,723	286,474	286,474	291,006
Cash and cash equivalents at end of the year/period	222,723	286,474	291,006	214,820	126,322

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods or years indicated:

	As off/for the year ended December 31,			As off/for the three months ended March 31,
	2023	2024	2025	2026
Gross profit margin (%)	36.0	39.9	37.7	36.7
Net profit margin (%)	21.7	21.8	14.6	11.6
Current ratio <i>(times)</i>	3.0	2.7	2.8	4.1
Gearing ratio <i>(times)</i>	0.1	0.2	0.2	0.1

BIOLOGICAL ASSETS AND VALUATION

Pursuant to Chapter 4.10 under the Guide for New Listing Applicants published by the Stock Exchange, the following table sets forth the fair value of our biological assets as measured by the Valuer as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Biological assets				
Milkable cows/buffalos	16,458	72,329	66,671	70,061
Heifers and calves	2,065	3,597	31,714	39,439
Breeding bulls and young male cattle	709	1,060	2,181	1,236
Total	19,232	76,986	100,566	110,736
Less: current portion classified under current assets	(126)	(408)	(1,670)	(659)
Non-current portion classified under non-current assets	19,106	76,578	98,896	110,077

SUMMARY

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK\$[REDACTED] per H Share	Based on an [REDACTED] of HK\$[REDACTED] per H Share
Market capitalization of our H Shares (approximate) ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Market capitalization of our Shares (approximate) ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of our Company per H Share as at March 31, 2026 ⁽³⁾	HK\$[REDACTED] (RMB[REDACTED])	HK\$[REDACTED] (RMB[REDACTED])

Notes:

- (1) The calculation is based on [REDACTED] H Shares expected to be in [REDACTED] immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised).
- (2) The calculation is based on [REDACTED] Shares expected to be in [REDACTED] immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised).
- (3) See “Appendix II — Unaudited [REDACTED] Financial Information” for further details regarding the assumptions used and the calculation method.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED], approximately HK\$[REDACTED], after deducting the [REDACTED], fees and other estimated expenses paid and payable by us in connection with the [REDACTED], assuming that the [REDACTED] is not exercised and the [REDACTED] is HK\$[REDACTED] per H Share, being the midpoint of the indicative [REDACTED] range of HK\$[REDACTED] and HK\$[REDACTED]. We currently intend to apply the net [REDACTED] from the [REDACTED] for the purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market conditions: (i) approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] will be used to expand and upgrade our supply chain to enhance raw milk quality, strengthen supply security, optimize our product portfolio and improve warehousing efficiency over the next three years; (ii) approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] will be used to strengthen our brand positioning and marketing execution; (iii) approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] will be used to enhance our R&D capabilities, advance scientific research and accelerate product innovation; and (iv) approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] will be used for working capital and other general corporate purposes. See “Future Plans and Use of [REDACTED] — Use of [REDACTED].”

DIVIDENDS

During the Track Record Period, we declared and paid dividends of RMB20.0 million to our Shareholders in 2023. Pursuant to the approval at the shareholder meeting in May 2026, we declared dividends of RMB60.1 million to our Shareholders, which were fully paid in June 2026. Pursuant to the Articles of Association, our Board may declare dividends after taking into account our development stage, profitability, operating performance and capital expenditure requirement, subject to the approval of our Shareholders. We do not currently have any fixed dividend pay-out ratio. Any future declaration and payment, as well as the number of dividends, will be subject to our Articles of Association and the relevant PRC laws. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

[REDACTED]

Our [REDACTED] mainly include (i) [REDACTED] expenses, such as [REDACTED] fees and commissions, and (ii) non-[REDACTED] expenses, comprising professional fees paid

SUMMARY

and payable to our legal advisors and reporting accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] Range), we estimate that the total [REDACTED] payable by us will be approximately RMB[REDACTED] (HK\$[REDACTED]), comprising (i) [REDACTED] expenses of approximately RMB[REDACTED] (HK\$[REDACTED]), (ii) fees and expenses of legal advisors and reporting accountants of approximately RMB[REDACTED] (HK\$[REDACTED]); and (iii) other fees and expenses of approximately RMB[REDACTED] (HK\$[REDACTED]). Our estimated total [REDACTED] represent approximately [REDACTED]% of the total gross [REDACTED] that we will receive from the [REDACTED], of which approximately RMB[REDACTED] (HK\$[REDACTED]) will be charged to our consolidated statements of profit or loss and other comprehensive income and approximately RMB[REDACTED] million (HK\$[REDACTED]) will be deducted from equity as such amount is directly attributable to the [REDACTED] of H Shares.

OUR CONTROLLING SHAREHOLDERS

Pursuant to the Concert Party Agreement, the Concert Party Group, namely Mr. Wu Shouyun and Mr. Wu Lianqiao (the son of Mr. Wu Shouyun), agreed to act in concert since December 22, 2023 and if the Concert Party Group would not reach consensus on certain issues in respect of the material matters of our Company, Mr. Wu Shouyun’s decisions shall prevail. See “History, Development and Corporate Structure — Concert Party Agreement.”

As of the Latest Practicable Date, the Concert Party Group was entitled to control the exercise of approximately 88.39% of the voting rights at the general meeting of our Company: (i) approximately 87.97% of our Shares directly held by Baifei Investment, which was in turn owned as to approximately 99.59% by Mr. Wu Shouyun and 0.41% by Mr. Wu Lianqiao; (ii) approximately 0.25% of our Shares directly held by Mr. Wu Shouyun; and (iii) approximately 0.17% of our Shares directly held by Mr. Wu Lianqiao. Accordingly, Mr. Wu Shouyun and Mr. Wu Lianqiao together with Baifei Investment are considered as our Controlling Shareholders.

Immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholders will control [REDACTED]% of the voting rights at the general meeting of our Company. Therefore, Mr. Wu Shouyun, Mr. Wu Lianqiao and Baifei Investment will remain as our Controlling Shareholders under the Listing Rules. See “Relationship with Our Controlling Shareholders” in this document for details.

PRE-[REDACTED] INVESTMENT

We have conducted the Pre-[REDACTED] Investment by capital increase in 2021. For further details about our Pre-[REDACTED] Investors, see “History, Development and Corporate Structure — Pre-[REDACTED] Investment” in this document.

QUOTATION OF OUR DOMESTIC SHARES ON THE NEEQ

Since June 28, 2024, our Domestic Shares have been quoted for trading on the NEEQ under the stock code 874376. Our Directors confirmed that, during the period of quotation on the NEEQ, (i) our Company had been in compliance in all material respects with all applicable rules and regulations of the NEEQ; (ii) our Company had not been subject to any administrative penalty or disciplinary action by the NEEQ; and (iii) there has not been any matter that should be brought to the attention of the Stock Exchange and potential [REDACTED].

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

After the Track Record Period, our buffalo dairy business experienced steady growth and expansion. After due and careful consideration, our Directors confirm that, subsequent to the Track Record Period and up to the Latest Practicable Date, there had been no material adverse change in our financial or trading position and there is no event subsequent to the Track Record Period which would materially affect the information shown in our consolidated financial statements included in the Accountants’ Report in Appendix I to this document.