

A. FURTHER INFORMATION ABOUT THE COMPANY**1. Incorporation**

The Company was established on 17 December 2010 in the PRC as a joint stock limited liability company. The Company has established a principal place of business in Hong Kong at 14/F, Golden Centre, 188 Des Voeux Road Central, Hong Kong and the Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 21 August 2019. Ms. Mok Ming Wai has been appointed as the authorised representative of the Company for acceptance of service of process and notices on behalf of the Company in Hong Kong. The address for acceptance of service of process and notices on the Company in Hong Kong is the same as its registered place of business in Hong Kong.

As the Company is established in the PRC, the operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of PRC laws and principal regulatory provisions is set out in Appendix V to this prospectus. A summary of the Articles of Association is set out in Appendix VI to this prospectus.

2. Changes in the Registered Capital of the Company

The Company's registered capital has undergone the following changes since its establishment.

On 14 December 2010, being the date of the establishment, the registered capital was RMB86,000,000, which had been fully paid up and was owned as to 60% and 40% by GMK Holdings and Fengxiang Investment, respectively.

On 22 November 2011, the then Shareholders, GMK Holdings and Fengxiang Investment resolved to increase the registered capital of the Company from RMB86,000,000 to RMB215,000,000. The increased registered capital of RMB129,000,000 was fully paid up by Fengxiang Group at a consideration of RMB129,000,000. The registration of such increase of registered capital with the Administration for Industry and Commerce was completed on 29 November 2011.

On 26 March 2012, the then Shareholders, Fengxiang Group, GMK Holdings and Fengxiang Investment, resolved to increase the registered capital of the Company from RMB215,000,000 to RMB485,000,000. The increased registered capital of RMB270,000,000 was fully paid up by Fengxiang Group, GMK Holdings and Fengxiang Investment at a consideration of RMB162,000,000, RMB64,800,000, and RMB43,200,000, respectively. The registration of such increase of registered capital with the Administration for Industry and Commerce was completed on 28 March 2012.

On 3 December 2012, the then Shareholders, Fengxiang Group, GMK Holdings and Fengxiang Investment, resolved to increase the registered capital of the Company from RMB485,000,000 to RMB685,000,000. The increased registered capital of RMB200,000,000 was fully paid up by Fengxiang Group, GMK Holdings and Fengxiang Investment at a consideration of RMB120,000,000, RMB48,000,000, and RMB32,000,000, respectively. The registration of such increase of registered capital with the Administration for Industry and Commerce was completed on 20 December 2012.

On 6 August 2013, the then Shareholders, Fengxiang Group, GMK Holdings and Fengxiang Investment, resolved to increase the registered capital of the Company from RMB685,000,000 to RMB1,045,000,000. The increased registered capital of RMB360,000,000 was fully paid up by Fengxiang Group, GMK Holdings and Fengxiang Investment at a consideration of RMB216,000,000, RMB86,400,000, and RMB57,600,000, respectively. The registration of such increase of registered capital with the Administration for Industry and Commerce was completed on 9 August 2013. Save as

disclosed above, as at the Latest Practicable Date, there has been no further change to the registered capital of the Company.

Immediately upon completion of the Global Offering, the registered capital of the Company will be RMB1,400,000,000, made up of 1,045,000,000 Domestic Shares and 355,000,000 H Shares, with nominal value of RMB1.00 each, assuming the Over-allotment Option is not exercised, and RMB1,453,250,000, made up of 1,045,000,000 Domestic Shares and 408,250,000 H Shares, with nominal value of RMB1.00 each, assuming the Over-allotment Option is exercised in full.

For further details, please refer to “History and Development”.

3. Resolutions Passed at the Company’s Extraordinary General Meeting on 8 August 2019 and 4 June 2020

At the extraordinary general meeting held on 8 August 2019 and 4 June 2020, among other things, the following resolutions were passed by the Shareholders:

- (a) approving the issue of the H Shares by the Company and the Listing, whereby the number of H Shares to be issued shall not exceed 25.36% of the total issued share capital of the Company; the issue price of the H Shares will be decided upon completion of the book building process for the Listing; and the granting of the Over-allotment Option in respect of no more than 15% of the number of H Shares issued pursuant to the Global Offering;
- (b) subject to the Listing, the Articles of Association has been approved and conditionally adopted, which shall only become effective on the Listing Date and the Board has been authorised to amend the Articles of Association according to the relevant laws and regulations and requirements of relevant regulatory authorities; and
- (c) authorising the Board to handle all matters relating to, among other thing, the issue of the H Shares and the Listing.

B. THE SUBSIDIARIES

The Company’s subsidiaries include those referred to in the Accountants’ Report, the text of which is set out in Appendix I to this prospectus.

Save as disclosed in “History and Development”, there has not been any changes in the share capital to any of the subsidiaries within the two years preceding to the date of this prospectus.

C. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of Material Contracts

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

- (a) a merger agreement dated 12 March 2019 entered into between Fengxiang Industrial and Yanggu Golden Phoenix Colour Printing & Packing Co., Ltd. (陽穀金鳳彩印包裝有限公司), pursuant to which Fengxiang Industrial was the subsisting entity and Yanggu Golden Phoenix Colour Printing & Packing Co., Ltd. (陽穀金鳳彩印包裝有限公司) was dissolved and merged upon completion of such merger;
- (b) a trust deed constituting a share award scheme of the Company dated 22 June 2020 entered into by the Company as settlor and Bank of Communications Trustee Limited as trustee;

- (c) the Undertaking of Indemnity;
- (d) the Non-competition Undertaking; and
- (e) the Hong Kong Underwriting Agreement.






2. The Intellectual Property Rights

As at the Latest Practicable Date, the Group had registered or applied for registration of the following intellectual property rights which are material to its business:

(a) Trademarks

- (1) As at the Latest Practicable Date, the Group had registered the following trademarks which, in the opinion of the Directors, are material to our business:

No.	Trademark	Type and class	Registered owner	Place of registration	Registration number	Validity period
1.		29	The Company	PRC	761200	14 August 2015 – 13 August 2025
2.		29	The Company	PRC	30621181	14 February 2019 – 13 February 2029
3.		29	The Company	PRC	16538005	7 May 2016 – 6 May 2026
4.	 	29, 35, 40, 43	The Company	Hong Kong	304943638	30 May 2019 – 29 May 2029
5.	 	29, 35, 40, 43	The Company	Hong Kong	304943638	30 May 2019 – 29 May 2029
6.		29, 30	The Company	Hong Kong	305043771	2 September 2019 – 1 September 2029
7.		29	Fengxiang Food Development	PRC	3368931	7 November 2013 – 6 November 2023
8.		30	Fengxiang Food Development	PRC	12807110	7 February 2015 – 6 February 2025

No.	Trademark	Type and class	Registered owner	Place of registration	Registration number	Validity period
9.		30	Fengxiang Food	PRC	21947676	28 December 2018 – 27 December 2028
10.		29	Fengxiang Food	PRC	21947677	28 December 2018 – 27 December 2028
11.		30	Fengxiang Food	PRC	21947678	14 February 2018 – 13 February 2028
12.		29	Fengxiang Food	PRC	21947679	7 January 2018 – 6 January 2028
13.	莫斯先生	29	Fengxiang Food	PRC	23026530	28 May 2018 – 27 May 2028
14.		29	Fengxiang Food	PRC	23112466	28 May 2018 – 27 May 2028
15.	速享机智包	29	Fengxiang Food	PRC	28658528	7 December 2018 – 6 December 2028
16.	速享机智包	30	Fengxiang Food	PRC	28658527	7 December 2018 – 6 December 2028

(2) As at the Latest Practicable Date, we had applied for registration of the following trademarks which, in the opinion of the Directors, is material to our business:

No.	Trademark	Type and class	Applicant	Place of application	Application number	Application date
1.		29, 30	The Company	Hong Kong	305043780	2 September 2019

(b) Domain Names

As at the Latest Practicable Date, the Group had registered the following domain name which, in the opinion of the Directors, are material to our business:

Domain name	Registered owner	Date of registration	Expiry date
fengxiang.com	The Company	12 February 1998	12 February 2028
fovofood.com	The Company	3 July 2016	3 July 2022

(c) Patents

(1) As at the Latest Practicable Date, the Group had registered the following patents which, in the opinion of the Directors, are material to the business:

No.	Patent number	Patent name	Patent type	Patent holder	Place of registration	Patent registration date
1.	ZL201110376298.2	A type of modern breeding heating device (一種現代化養殖取暖裝置)	Invention	The Company	PRC	2 October 2013
2.	ZL201110411419.2	A type of automatic breeding control system (一種養殖自動控制系統)	Invention	The Company	PRC	16 October 2013
3.	ZL201310030193.0	Control method and system of broiler farm environment (雞舍環境的控制方法及系統)	Invention	The Company	PRC	20 May 2015

No.	Patent number	Patent name	Patent type	Patent holder	Place of registration	Patent registration date
4.	ZL201310039150.9	A type of broiler farm (一種雞舍)	Invention	The Company	PRC	31 August 2016
5.	ZL201310044720.3	A type of grilling machine and food support rack (一種碳烤機及食品支撐架)	Invention	The Company	PRC	28 October 2015
6.	ZL201310052778.2	A type of henhouse (一種雞舍)	Invention	The Company	PRC	4 March 2015
7.	ZL201310057139.5	A method for removing chicken leg bones (一種雞腿骨的剔除方法)	Invention	The Company	PRC	4 March 2015
8.	ZL201310311076.1	A method for extracting chicken visceral (一種雞的內臟掏取方法)	Invention	The Company	PRC	18 May 2016
9.	ZL201310359642.6	A type of poultry house and its evaporative cooling pad system (養禽舍及其濕簾降溫系統)	Invention	The Company	PRC	4 February 2015
10.	ZL201310404639.1	A type of poultry feed addictive and poultry feed (一種禽類飼料添加劑及禽類飼料)	Invention	The Company	PRC	10 December 2014
11.	ZL201310660880.0	A type of gristle ball and its preparation method (一種脆骨丸及其製備方法)	Invention	The Company	PRC	12 August 2015
12.	ZL201310664248.3	A type of chicken cube and its preparation method (一種雞肉粒及其製備方法)	Invention	The Company	PRC	12 August 2015
13.	ZL201310667307.2	A type of sliced chicken with corn and its preparation method (一種玉米雞柳及其製備方法)	Invention	The Company	PRC	20 January 2016
14.	ZL201310662341.0	A type of coating flour (一種裹粉)	Invention	The Company	PRC	4 May 2016
15.	ZL201310661530.6	A type of popcorn chicken and its preparation method (一種鹽酥雞及其製備方法)	Invention	The Company	PRC	11 May 2016
16.	ZL201510027849.2	A type of chicken cage cleaning and disinfection system (一種雞籠清洗消毒系統)	Invention	The Company	PRC	4 January 2017
17.	ZL201510028220.x	A type of waterless cleaning system for broiler farm (一種禽舍無水清潔系統)	Invention	The Company	PRC	19 April 2017
18.	ZL201510029238.1	A scientific method for cage free chicken to exit the fence and a type of blocking net (一種地養雞隻科學出欄方法和擋網)	Invention	The Company	PRC	19 April 2017
19.	ZL201510027847.3	A type of feeding method to increase craw saturation of chicks (一種提高雛雞嗉囊飽和度的開食飼餵方法)	Invention	The Company	PRC	23 June 2017

No.	Patent number	Patent name	Patent type	Patent holder	Place of registration	Patent registration date
20.	ZL201510028291.x	A type of meat product transmitting device with slurry spraying and collecting function (一種具有料漿噴淋收集功能的肉製品傳送裝置)	Invention	The Company	PRC	24 October 2017
21.	ZL201510205678.8	An early-stage brooder box brooding device and a type of brooding method (一種早期箱體育雛裝置和育雛方法)	Invention	The Company	PRC	23 February 2018
22.	ZL201510955069.4	A type of brooding system using stereoscopic and high-intensity brooder box (立體高密度箱體育雛系統)	Invention	The Company	PRC	19 June 2018
23.	ZL201610031524.6	A type of modern brooding ventilation system (一種現代化育雛通風系統)	Invention	The Company	PRC	29 March 2019
24.	ZL201610648187.5	A type of steriliser and sterilising method used for broiler farm bedding (一種用於雞舍墊料的消毒機和消毒方法)	Invention	The Company	PRC	28 May 2019
25.	ZL201710403888.7	A type of claw removing machine for poultry (一種家禽類卸爪機構)	Invention	The Company	PRC	28 May 2019
26.	ZL201210540247.3	A type of flavoured smoked chicken cooking method (一種風味熏雞的製作工藝)	Invention	Fengxiang Food	PRC	5 November 2014
27.	ZL201220738774.0	A type of cutting device for processing poultry (一種用於加工禽體的切割裝置)	Utility Model	The Company	PRC	24 July 2013
28.	ZL201320095227.X	A type of feed tray (一種料塔)	Utility Model	The Company	PRC	24 July 2013
29.	ZL201320095289.0	A type of feed tray (一種料塔)	Utility Model	The Company	PRC	24 July 2013
30.	ZL201320445484.1	A type of broiler farm and its heating device (一種雞舍及其加熱裝置)	Utility Model	The Company	PRC	28 May 2014
31.	ZL201420535167.3	A type of material transmitting device (一種物料傳送裝置)	Utility Model	The Company	PRC	7 January 2015
32.	ZL201520039108.1	A type of foam sterilisation system (一種泡沫消毒系統)	Utility Model	The Company	PRC	29 July 2015
33.	ZL201520039208.4	A new type of highly efficient electric broiler stunning machine (一種新型高效肉雞電擊暈設備)	Utility Model	The Company	PRC	29 July 2015
34.	ZL201520146593.2	A system for deodorising exhaust air in broiler farms (一種雞舍廢氣除臭系統)	Utility Model	The Company	PRC	29 July 2015

No.	Patent number	Patent name	Patent type	Patent holder	Place of registration	Patent registration date
35.	ZL201520262718.8	A system for detecting faults in heaters (一種加熱器故障監測系統)	Utility Model	The Company	PRC	16 September 2015
36.	ZL201520261685.5	A type of basket for chicks that is suitable for high density brooding (一種適於高密度育雛的雞籠)	Utility Model	The Company	PRC	16 September 2015
37.	ZL201520262033.3	An early-stage brooder box brooding device and a type of brooding method (一種早期箱體育雛裝置和育雛方法)	Utility Model	The Company	PRC	16 September 2015
38.	ZL201520264274.1	A type of automatic water fountain (一種自動飲水系統)	Utility Model	The Company	PRC	16 September 2015
39.	ZL201520364435.4	A type of feeding trough for brooding (一種育雛料槽)	Utility Model	The Company	PRC	18 November 2015
40.	ZL201520430901.4	A type of car for transfer of early-stage brooding (一種早期育雛轉移車)	Utility Model	The Company	PRC	18 November 2015
41.	ZL201520547241.8	A type of broiler farm temperature zone control system (一種雞舍溫度分區控制系統)	Utility Model	The Company	PRC	18 November 2015
42.	ZL201520874451.8	A type of indoor cleaning device for livestock farms (用於畜禽舍內清潔的清洗裝置)	Utility Model	The Company	PRC	9 March 2016
43.	ZL201521063253.x	A type of stereoscopic and high intensity brooder basket (立體高密度箱體育雛籠)	Utility Model	The Company	PRC	11 May 2016
44.	ZL201521065182.7	A lighting system for stereoscopic and high intensity brooder box brooding (立體高密度箱體育雛光照系統)	Utility Model	The Company	PRC	11 May 2016
45.	ZL201521063571.6	A type of car for stereoscopic and high intensity brooder box brooding (立體高密度箱體育雛車)	Utility Model	The Company	PRC	18 May 2016
46.	ZL201620246361.9	A type of brooding water supply system (一種育雛供水系統)	Utility Model	The Company	PRC	17 August 2016
47.	ZL201620261174.8	A control system for brooder box brooding (箱體育雛控制系統)	Utility Model	The Company	PRC	17 August 2016
48.	ZL201620270921.4	A type of chicken skin dehydrator (一種雞皮脫水機)	Utility Model	The Company	PRC	14 September 2016
49.	ZL201620270903.6	A distributing device for fried non-forming products before freezing (油炸非成型類產品速凍前布料裝置)	Utility Model	The Company	PRC	14 September 2016

No.	Patent number	Patent name	Patent type	Patent holder	Place of registration	Patent registration date
50.	ZL201620269598.9	A impingement separator for fried non-forming products (油炸非成型類產品撞擊分離裝置)	Utility Model	The Company	PRC	17 September 2016
51.	ZL201620868755.8	A type of air exhaust system for brooder box (一種育雛室用箱體式排風系統)	Utility Model	The Company	PRC	22 February 2017
52.	ZL201621492351.X	A type of air distribution device to prevent condensation on the roof (一種防止頂板出現冷凝水的布風裝置)	Utility Model	The Company	PRC	11 August 2017
53.	ZL201720629190.2	A type of correction device used during the belt transmitting process (一種應用於傳送帶傳動過程中的糾偏裝置)	Utility Model	The Company	PRC	9 February 2018
54.	ZL201721155307.4	A type of tunnel immersing cleaning machine for poultry cage (一種禽籠隧道式浸泡清洗機)	Utility Model	The Company	PRC	10 April 2018
55.	ZL201721378410.5	A type of feed collection device for chicken stomach and chicken gastric gland processing (一種雞胗和雞腺胃加工用內容飼料收集裝置)	Utility Model	The Company	PRC	12 June 2018
56.	ZL201721377763.3	A type of full leg operation system (一種全腿運轉系統)	Utility Model	The Company	PRC	12 June 2018
57.	ZL201721627523.4	A type of livestock innocuous pre-cutting machine (一種禽畜無害化處理預切機)	Utility Model	The Company	PRC	21 August 2018
58.	ZL201821179055.3	A type of high intensity brooder (一種高密度育雛器)	Utility Model	The Company	PRC	29 March 2019
59.	ZL201821179053.4	A type of brooder basket and system that is suitable for chicks drinking water (一種適合雛雞飲水的育雛筐及系統)	Utility Model	The Company	PRC	2 April 2019
60.	ZL201821270140.0	A type of water supply device that increases solar power utilisation rate (一種提高太陽能熱水利用率的供水裝置)	Utility Model	The Company	PRC	26 March 2019
61.	201821179052.X	Broiler disinfection and sterilisation machine (平養禽舍消毒除菌機器)	Utility Model	The Company	PRC	11 October 2019
62.	ZL201710135465.1	A type of chicken leg bone removal device (一種雞腿脫骨裝置)	Invention	The Company	PRC	6 December 2019

No.	Patent number	Patent name	Patent type	Patent holder	Place of registration	Patent registration date
63.	ZL201710352359.9	A type of pollution-free method for transporting bags of fermented chicken manure in the bedding out of the broiler farms (一種墊料雞糞舍內發酵、裝袋外運無污染處理方法)	Invention	The Company	PRC	6 December 2019
64.	ZL201920100502.X	A type of waste oil filter tank (一種廢油過濾池)	Utility Model	The Company	PRC	3 December 2019

Under PRC laws, a granted invention patent has a validity period of 20 years from the date of its application and a granted utility model has a validity period of ten years from the date of its application.

- (2) As at the Latest Practicable Date, we made the following patent applications which, in the opinion of the Directors, are material to our business:

No.	Application number	Patent name	Patent type	Applicant	Place of application	Patent application date
1.	201510540622.8	A type of instant meat product for leisure at room temperature and its preparation method (一種常溫休閒即食肉製品及其製備方法)	Invention	Fengxiang Food	PRC	28 August 2015
2.	201510549087.2	A type of gristle chicken and its preparation method (一種脆骨雞及其製備方法)	Invention	The Company	PRC	31 August 2015
3.	201611257890.X	A type of automatic chicken tail cutting device (一種全自動雞尾切割機)	Invention	The Company	PRC	30 December 2016
4.	201710353808.1	A type of chicken gastric gland cutting device (一種腺胃切割機構)	Invention	The Company	PRC	18 May 2017
5.	201710471227.8	A type of electronically roasted chicken breast suitable for the fitness crowd and its preparation method (一種適合健身人群食用的電烤雞胸肉及其製備方法)	Invention	Fengxiang Food	PRC	20 June 2017
6.	201710538138.0	A type of chicken clavicle chain conveyor processing method (一種雞叉骨鏈條輸送線加工方法)	Invention	The Company	PRC	4 July 2017
7.	201710538794.0	A type of chicken wing cutting device (一種雞翅切割機)	Invention	The Company	PRC	4 July 2017

No.	Application number	Patent name	Patent type	Applicant	Place of application	Patent application date
8.	201711001687.0	A type of chicken stomach and chicken lung separation device (一種雞胗雞肺分離裝置)	Invention	The Company	PRC	24 October 2017
9	201810820705.6	A type of obscure control method of brooding box temperature, obscure controller and brooding box (一種育雛箱的溫度模糊控制方法、模糊控制器和育雛箱)	Invention	The Company	PRC	24 July 2018
10.	201910430318.6	A type of minced meat recombinant meat product and its preparation method (一種碎肉重組肉製品及其製作工藝)	Invention	The Company	PRC	22 May 2019
11.	201930298775.5	Packing box (Wu Genglu smoked chicken) (包裝套盒(五更爐熏雞))	Exterior Design	The Company	PRC	11 June 2019
12.	201910670947.6	A type of method to prepare processed meat products at low temperature and its application (一種低溫肉製品的製作方法及其應用)	Invention	The Company	PRC	24 July 2019
13.	201930299095.5	Packaging bag (for salt-baked chicken) (包裝袋(鹽焗雞))	Exterior Design	The Company	PRC	11 June 2019

D. FURTHER INFORMATION ABOUT THE DIRECTORS AND THE SUPERVISORS

1. Particulars of Directors' and Supervisors' Contracts

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, each of the Directors and Supervisors has entered into a contract in respect of, among other things, compliance of relevant laws and regulations, observations of the Articles of Association and provision on arbitration with the Company.

Each of the Directors and Supervisors has entered into a service contract with the Company on 25 June 2020. The principal particulars of these service contracts are: (i) for a term of three years commencing from the Listing Date; and (ii) subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules or regulations.

None of the Directors or Supervisors has or is proposed to have a service contract with us (other than contracts expiring or determinable by the employer within one year without the payment of compensation other than statutory compensation).

2. Remuneration of Directors and Supervisors

For the four years ended 31 December 2016, 2017, 2018 and 2019, the aggregate amount of fees, salaries, allowances, benefits in kind and pension scheme contributions (if applicable) paid by us to the Directors and Supervisors were approximately RMB1.9 million, RMB2.1 million, RMB7.4 million and RMB7.4 million, respectively.

Save as disclosed above, no other payments have been paid or are payable by the Group to the Directors and Supervisors in respect of the four years ended 31 December 2016, 2017, 2018 and 2019.

There is no arrangement under which any Director or Supervisor has waived or agreed to waive future emoluments, nor has there been any waiver of emoluments by any Director or Supervisor during the current financial year.

Under the current arrangements, the Directors and Supervisors will be entitled to receive compensation (including salaries and benefits in kind) from the Company for the year ending 31 December 2020 under arrangement in force as at the date of this prospectus which is expected to be approximately RMB7.5 million in aggregate.

Each of the Directors and Supervisors is entitled to reimbursement for all reasonable expenses properly incurred in the performance of his or her duties.

3. Miscellaneous

Mr. Xiao Dongsheng, an executive Director, was a supervisor of Qingdao Shinview International Trade Co., Ltd. (青島新惠遠國際貿易有限公司), which was a limited liability company established in the PRC engaged in the wholesaling and retailing of pet supplies, textiles, daily necessities and building materials. According to Mr. Xiao, such company had no actual operation and had not conducted annual inspection and therefore its business licence was revoked on 5 November 2008. Mr. Xiao confirmed that the said company was solvent and dormant with no outstanding liabilities at the time of it being revoked and as far as he is aware, the revocation of the said company has not resulted in any liability or imposed any obligation against him.

Mr. Zhang Ye, an independent non-executive Director, was an executive director and the legal representative of Shanghai Saishi Industry Co., Ltd. (上海賽世實業有限公司), which was a limited liability company established in the PRC engaged in the import and sales of plastic particles. According to Mr. Zhang, as such company was planned to discontinue and its operation had been ceased, such company had not conducted the annual inspection and therefore its business licence was revoked on 28 June 1999. Mr. Zhang confirmed that the said company was solvent and dormant with no outstanding liabilities at the time of it being revoked and as far as he is aware, the revocation of the said company has not resulted in any liability or imposed any obligation against him.

Mr. Zhang Chuanli, a non-executive Director, was an executive director and the legal representative of Beijing Tiantianjian Biotechnology Co., Ltd. (北京天天健生物技術有限責任公司), which was a limited liability company established in the PRC engaged in sales of condiments and health care products. According to Mr. Zhang, as such company was planned to discontinue and its operation had been ceased, such company had not conducted the annual inspection and therefore its business licence was revoked on 12 December 2007. Mr. Zhang confirmed that the said company was solvent and dormant with no outstanding liabilities at the time of it being revoked and as far as he is aware, the revocation of the said company has not resulted in any liability or imposed any obligation against him.

E. DISCLOSURE OF INTERESTS

1. Disclosure of the Directors' and Supervisors' Interests in the Registered Capital of the Company and its Associated Corporations.

Immediately following the completion of the Global Offering and assuming the Over-allotment Option is not exercised, the interests or short positions of the Directors, Supervisors and chief executives in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which once the H Shares are listed, will be required (a) to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of Part XV of the SFO, to be entered in the register required to be kept therein once the H Shares are listed; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the H Shares are listed are as follows:

(a) The Company

Director/Supervisor	Number and class of Shares held immediately following the Global Offering	Nature of interest	Approximate percentage of interest in the relevant class of Shares of the Company immediately following the Global Offering ⁽¹⁾	Approximate percentage of interest in the total share capital of the Company immediately following the Global Offering ⁽²⁾
Mr. Liu ZG ^{(3),(4)}	52,145,500 Domestic Shares (L)	Interest in controlled corporation	4.99%	3.72%
	992,854,500 Domestic Shares (L)	Interests held jointly with another person	95.01%	70.92%
Mr. Liu XJ ⁽³⁾	992,854,500 Domestic Shares (L)	Interest in controlled corporation	95.01%	70.92%
Mr. Xiao Dongsheng ⁽⁵⁾	300,000 H Shares (L)	Beneficiary of a trust	0.085%	0.021%
Mr. Ow Weng Cheong ⁽⁵⁾	200,000 H Shares (L)	Beneficiary of a trust	0.056%	0.014%
Mr. Wang Jinsheng ⁽⁵⁾	200,000 H Shares (L)	Beneficiary of a trust	0.056%	0.014%
Mr. Lian Xianmin ⁽⁵⁾	50,000 H Shares (L)	Beneficiary of a trust	0.014%	0.004%

Notes:

- (1) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares of the Company after the Global Offering assuming the Over-allotment Option is not exercised.
- (2) The calculation is based on the total number of 1,045,000,000 Domestic Shares and 355,000,000 H Shares in issue after the Global Offering.
- (3) The Company is owned as to 19.01% by GMK Holdings, as to 60.00% by Fengxiang Group, 16.00% by Fengxiang Investment and 4.99% by Guangdong Hengqin. Fengxiang Group and Fengxiang Investment are wholly owned by GMK Holdings and in turn held as to 51.00% by Mr. Liu XJ, and as to 9.00% by Ms. Zhang XY, spouse of Mr. Liu XJ. Guangdong Hengqin is a limited partnership established in the PRC on 13 April 2015 which is indirectly held as to 50.00% by Mr. Liu ZG and 50.00% by Mr. Liu ZM. Xinfengxiang Guangming, which is owned as to 50% by Mr. Liu ZG and 50% by Mr. Liu ZM, is the general partner of Guangdong Hengqin, and each of Mr. Liu ZG and Mr. Liu ZM is deemed to be interested in the Shares held by Guangdong Hengqin. By virtue of the SFO, Mr. Liu XJ is deemed to be interested in the Shares directly and indirectly held by GMK Holdings.

- (4) Guangdong Hengqin is a limited partnership established in the PRC on 13 April 2015 which is indirectly held as to 50% by Mr. Liu ZG and 50% by Mr. Liu ZM. Xinfengxiang Guangming, which is owned as to 50% by Mr. Liu ZG and 50% by Mr. Liu ZM, is the general partner of Guangdong Hengqin. By virtue of the SFO, Mr. Liu ZG is deemed to be interested in the Shares held by Guangdong Hengqin. For details, see “History and Development — Group Structure”.
- (5) Mr. Xiao Dongsheng, Mr. Ow Weng Cheong, Mr. Wang Jinsheng and Mr. Lian Xianmin have been granted the Awarded Shares under the Share Award Scheme, none of which have been vested as at the Latest Practicable Date. Therefore, they are deemed to be interested in the issued share capital of the Company for the Awarded Shares which have been granted to them pursuant to Part XV of the SFO.

(b) Associated Corporation

Director	Nature of interest	Associated corporation	Percentage of shareholding in associated corporation
Mr. Liu ZG	Beneficial owner	GMK Holdings	20.00%
Mr. Liu XJ	Beneficial owner	GMK Holdings	51.00%
	Interest in controlled corporation (L) ^(Note)	Fengxiang Investment	100.00%
	Interest in controlled corporation (L)	Fengxiang Group	100.00%

Note: Fengxiang Investment and Fengxiang Group are wholly-owned by GMK Holdings.

2. Interests and Short Positions of Substantial Shareholders in the Shares and Underlying Shares

Save as disclosed in “Substantial Shareholders”, the Directors are not aware of any other person who will, immediately following the Global Offering, have an interest or short position in the Shares or underlying shares which are required to be disclosed to the Company 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 the general meetings of the Company.

3. Agency Fees or Commissions Paid or Payable

Save as disclosed in “Underwriting”, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of the subsidiaries within the two years ended on the date of this prospectus.

4. Related Party Transactions

The Group entered into the related party transactions within the two years immediately preceding the date of this prospectus as mentioned in “Connected Transactions” and in Note 35 to “Appendix I — Accountants’ Report”.

5. Disclaimers

Save as disclosed in this prospectus:

- (a) none of the Directors, Supervisors or any of the parties listed in “— G. Other Information — 9. Consent of Experts” below is interested in the promotion of the Company, or has any direct or indirect interest in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, the Company, or are proposed to be acquired or disposed of by or leased to the Company;

- (b) none of the Directors or Supervisors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business taken as a whole;
- (c) save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties in the aforesaid paragraph:
 - (i) is interested legally or beneficially in any of the Shares or any shares in any of the subsidiary; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the securities;
- (d) none of the Directors or Supervisors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once the H Shares are listed on the Stock Exchange;
- (e) as at the Latest Practicable Date, none of the Directors, Supervisors, their respective associates, or any of the Shareholders (who to the knowledge of the Directors owns more than 5% of the issued share capital), had any interest in any of the top five suppliers and top five customers in respect of each of the business segments;
- (f) none of the Directors, Supervisors and chief executives of the Company has for the purpose of Divisions 7 and 8 of Part XV of the SFO or the Listing Rules, nor is any of them taken to or deemed to have under Divisions 7 and 8 of Part XV of the SFO, any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the SFO) or any interests which will have to be entered in the register to be kept by the Company pursuant to section 352 of the SFO or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies once the H Shares are listed on the Stock Exchange;
- (g) no amount, securities or benefit has been paid, allotted or given within the two years preceding the date of this prospectus to the promoter nor is any such amount, securities or benefit intended to be paid, allotted or give. None of the Directors is interested in any business which competes or is likely to compete, either directly or indirectly, with the business; and
- (h) none of the Directors or Supervisors has been paid in cash or shares or otherwise by any person in respect of the Track Record Period as an inducement to join or upon joining the Company, or otherwise for services rendered by him in connection with the promotion or formation of the Company.

F. SHARE AWARD SCHEME

The following is a summary of the principal terms of the Share Award Scheme conditionally adopted by resolutions passed at the Company's extraordinary general meeting held on 4 June 2020, and effective from the Listing Date. The Share Award Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules. On 22 June 2020, the Company has established a trust in connection with the Share Award Scheme ("**Trust**") and has appointed Bank of Communications Trustee Limited as trustee ("**Trustee**") to administer the Trust. Pursuant to the Share Award Scheme, the grant of award (an "**Award**") by the Board to the selected participants may vest in the form of H Shares ("**Awarded Shares**") or the net sale proceeds of the Awarded Shares in cash in accordance with the Share Award Scheme.

On 26 June 2020, the Board has granted to 18 selected participants 2,050,000 Awarded Shares under the Share Award Scheme. For further details, please refer to “(q) Details of the Awards granted under the Share Award Scheme” below.

Subject to the compliance with applicable PRC laws and regulations and the relevant restrictions of the terms of the Share Award Scheme and the Listing Rules, the Company intends to instruct the Trustee to purchase 2,050,000 H Shares from the open market to satisfy Awards granted by the Board on 26 June 2020 for the Share Award Scheme at any time after the completion of the Global Offering until 29 September 2020.

(a) Eligible Participants for the Share Award Scheme

Pursuant to the Share Award Scheme, any full-time or part-time employees of the Group (including any Director) (an “**Eligible Participant**”) are eligible participants of the Share Award Scheme. However, an Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws or regulations of such place, or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant (an “**Excluded Participant**”) shall not be entitled to participate in the Share Award Scheme.

For the avoidance of doubt, in respect of any place where vesting or transfer of Awarded Shares pursuant to the Share Award Scheme is not legally permissible but the alternative cash payment for the vesting or transfer of Awarded Shares is legally permissible, then the relevant Eligible Participant shall not be excluded to participate in the Share Award Scheme by reason of the vesting or transfer of Awarded Shares not being permitted.

(b) Purpose of the Share Award Scheme

The purposes of the Share Award Scheme are to recognise the contribution by the Group’s personnel and to provide them with incentives in order to retain them for the continual operation and development of the Group, to stimulate further development of the Group, and to provide retirement protection to the Group’s personnel.

(c) Operation of the Share Award Scheme

The H Shares to be awarded under the Share Award Scheme shall be purchased by the Trustee from the open market out of cash contributed by the Group (such cash contribution by the Company shall comply with the relevant PRC laws and regulations including SAFE approval(s) (if required)) or subscribed by the Trustee when allotted and issued by the Company under a general mandate for the purpose of the Trust and be held on trust for the Eligible Participants (other than Excluded Participants) until such H Shares are vested with the relevant selected participants in accordance with the provisions of the Share Award Scheme.

(d) Award

An Award gives a selected participant a conditional right to be vested with the Awarded Shares upon fulfilment of all vesting conditions as set out in the grant notice of the Award or, if in the absolute discretion of the Board, it is not legally permissible to vest the Awarded Shares with the selected participant, to receive the net sale proceeds of the Awarded Shares (after deducting the related selling expenses and such other necessary expenses required for the completion of the sale of the Awarded Shares) as cash award.

The Board may at its absolute discretion, with or without further conditions, grant additional H Shares (but shall not be obliged to) out of the Trust fund representing all or part of the distributions (including but not limited to bonus H Shares and scrip dividends) declared by the Company or derived from such Awarded Shares during the period from the date of Award to the date on which the Awarded Shares (or part thereof) is to vest with the relevant selected participant as set out in the vesting schedule of in the grant notice in accordance with the Share Award Scheme (the “**Vesting Date**”).

(e) Grant of Award

(i) Making the Grant

Subject to the provisions of the Share Award Scheme, prior to the Listing, the Board may grant such number of Awarded Shares or the total purchase price for such number of Awarded Shares to selected participants on and subject to such terms and conditions as the Board may in its absolute discretion determine provided that any such grant shall be made conditional upon the satisfaction of the conditions referred to in “(p) Conditions of the Share Award Scheme”. Subject to the provisions of the Share Award Scheme, from the time of the Listing, the remuneration committee of the Company (the “**Remuneration Committee**”) may from time to time, at its absolute discretion, recommend for selection any Eligible Participant (other than the Excluded Participant) for participation in the Share Award Scheme as a selected participant and recommend such number of Awarded Shares to be granted to such selected participant and on and subject to such terms and conditions as the Remuneration Committee may consider appropriate. The Board may approve with or without modifications or disapprove any recommendation made by the Remuneration Committee.

In determining the number of Awarded Shares to be granted to any selected participant (excluding any Excluded Participant), the Board shall take into consideration factors including, but without limitation to, the financial performance of the Group, and the performance of the relevant selected participant to be measured against the key performance indicators established by the Group from time to time in relation to the relevant selected participant.

After the Board has decided to make a grant of Awarded Shares to any selected participant, the Board shall send a grant notice to such selected participant. The grant notice will specify the date of Award, the number of Awarded Shares underlying the Award (or the total purchase price for such number of Awarded Shares), the vesting conditions, the Vesting Date and such other details as the Board may consider necessary. At the time of the grant of the Award, the Board may either (i) determine the exact number of Awarded Shares to be granted to a selected participant, or (ii) determine the total purchase price which may be used by the Trustee as the maximum amount of funds for purchase or subscription of Awarded Shares to be granted to a selected participant, in the latter case the range of prices at which such H Shares are to be purchased or subscribed by the Trustee shall be notified by the Board to the Trustee as and when the Board considers appropriate. If applicable, the Board shall send a confirmatory notice to such selected participants advising the exact number of Awarded Shares as soon as possible after completion by the Trustee of purchase or subscription of H Shares awarded to the relevant selected participants.

Where any grant of Awarded Shares is proposed to be made to any selected participant who is a Director (including an independent non-executive Director) from the time of the Listing, such grant must first be approved by the Remuneration Committee, or in the case where the grant is proposed to be made to any member of the Remuneration Committee, by all of the other members of the Remuneration Committee.

Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules from the time of the Listing, the

Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

The Directors confirm that the Board will not approve to make a grant of Awarded Shares if as a result of which the Company will not be able to comply with the public float requirements under the Listing Rules.

(ii) Restrictions on Grants and Timing of Grants

The Board shall not make any Award to any selected participant and shall not give the Trustee any instructions to acquire any H Shares in any of the following circumstances:

- (A) where dealings in the H Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time;
- (B) after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the application laws and the Listing Rules;
- (C) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (D) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half year period of the financial period up to the publication date of the results; or
- (E) in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

(f) Scheme Limit

The Board shall not make any further award of Awarded Shares which will result in (i) the maximum number of new H Shares that can be allotted and issued for the purpose of the Share Award Scheme in any financial year is 3% of the total number of issued share capital in the H Shares at the relevant time; and (ii) the maximum number of new H Shares that can be allotted and issued to a Selected Participant in any 12-month period is 1% of the total number of issued share capital in the H Shares at the relevant time.

(g) Rights attached to the Award

Neither the selected participant nor the Trustee may exercise any voting rights in respect of any Awarded Shares that have not yet vested.

(h) Rights attached to the Awarded Shares

Any Awarded Shares transferred to a selected participant in respect of any Awards will have the rights attached thereto under the provisions of the Articles of Association.

(i) Contribution of funds to the Trust

Subject to the compliance with the relevant PRC laws and regulations (including SAFE approval(s), if required), the Board may from time to time cause to be paid or made available cash to the Trust by way of settlement or otherwise contributed by the Company or any of its subsidiary as directed by the Board which shall constitute part of the Trust fund for the purchase or subscription (as the case may be) of H Shares and other purposes set out in the Share Award Scheme. The Company shall (i) instruct the Trustee to purchase H Shares on the Stock Exchange and specify in the instruction the maximum amount of funds to be used and the range of prices at which such H Shares are to be purchased, or (ii) cause an amount equal to the subscription price (which should be not less than 80% or such other percentage as the lowest issue price per H Share under general mandate as permissible under the Listing Rules of the benchmarked price (as referred to in Rule 13.36(5) of the Listing Rules) of such new H Shares to be allotted and issued) be transferred from the Company's resources as subscription monies for the new H Shares and cause to issue and allot such new H Shares to the Trustee.

(j) Assignment of Awards

Prior to the Vesting Date, any Award (or part thereof) made hereunder shall be personal to the selected participant to whom it is made and shall not be assignable and no selected participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares (or part thereof) referable to him pursuant to such Award.

(k) Vesting of Awards

Subject to the terms and conditions of the Share Award Scheme and the fulfilment of all vesting conditions on such selected participant as specified in the Share Award Scheme and the relevant grant notice, the respective Awarded Shares held by the Trustee on behalf of the selected participant shall vest in such selected participant in accordance with the vesting schedule as set out in the grant notice, and the Trustee shall cause the Awarded Shares to be transferred to such selected participant on the Vesting Date.

If in the absolute discretion of the Board that it is not legally permissible to vest the Awarded Shares with a selected participant, the Board shall instruct the Trustee to dispose on the market of the Awarded Shares (to the extent they are to be vested on the Vesting Date in accordance with the vesting schedule (if any) as set out in the grant notice) and transfer the net sale proceeds thereof (after deducting the related selling expenses and such other necessary expenses required for the completion of the sale of the Awarded Shares) as cash award to such selected participant.

If there is an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise prior to the Vesting Date, the Board shall determine at its discretion whether such Awarded Shares shall vest in a selected participant and the time at which such Awarded Shares shall vest.

If notice is duly given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering a resolution for the voluntary winding up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) or an order of winding up of the Company is made, the Board shall determine at its discretion whether such Awarded Shares shall vest in the selected participants and the time at which such the Awarded Shares shall vest.

(l) Consolidation, subdivision, bonus issue and other distribution

In the event the Company undertakes a subdivision or consolidation of the H Shares, a selected participant shall be entitled to those Awarded Shares as so subdivided or consolidated and the Board shall as soon as reasonably practicable after such subdivision or consolidation has been effected, notify such selected participant with a copy to the Trustee of the number of Awarded Shares that he has become entitled to on vesting after such subdivision or consolidation (as the case may be).

In the event the Company undertakes an open offer of new securities in respect of any H Shares which are held by the Trustee under the Share Award Scheme, the Trustee shall not subscribe for any new H Shares. In the event of a rights issue, the Trustee shall sell such amount of the nil paid rights allotted to it on the market as is appropriate and, subject to the Share Award Scheme, the net proceeds of sale of such rights shall be held as part of the Trust fund.

In the event the Company issues bonus warrants in respect of any H Shares which are held by the Trustee, the Trustee shall not subscribe for any new H Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell the bonus warrants created and granted to it on the market, subject to the Share Award Scheme, the net proceeds of sale of such bonus warrants shall be held as part of the Trust fund.

In the event that the Company undertakes an issue of bonus H Shares, the bonus H Shares allotted with respect to any H Shares which are held by the Trustee shall be held as part of the Trust fund.

In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive scrip H Shares and, subject to the Share Award Scheme, scrip H Shares allotted with respect to any H Shares which are held by the Trustee shall be held as part of the Trust fund.

In the event of other non-cash and non-scrip distribution made by the Company in respect of H Shares held upon the Trust, the Trustee shall dispose of such distribution and, subject to the Share Award Scheme, the net sale proceeds thereof shall be deemed as cash income of H Share held as part of the Trust fund.

(m) Lapse of Award

In the event that prior to or on the Vesting Date, a selected participant is found to be an Excluded Participant, ceases to be an Eligible Participant for any reason other than severe illness or permanent physical or mental disability or death or retired by agreement with a member of the Group, or is deemed to cease to be an Eligible Participant pursuant to the Share Award Scheme (such as criminal conviction and bankruptcy), the unvested Award made to such selected participant shall automatically lapse forthwith and the relevant unvested Awarded Shares shall not vest on the relevant Vesting Date but shall remain as part of the Trust fund.

(n) Alteration of the Share Award Scheme

The Share Award Scheme may be amended in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any selected participant. Written notice of any amendment to the Share Award Scheme shall be given to all selected participants and the Trustee.

(o) Termination

The Share Award Scheme shall terminate on the earlier of:

- (i) tenth (10th) anniversary date of the Listing Date; and
- (ii) such date of early termination as determined by the Board by a resolution of the Board;

provided that such termination shall not affect any subsisting rights of any selected participant hereunder.

Upon termination of the Share Award Scheme, no further grant of Awarded Shares may be made under the Share Award Scheme and all the Awarded Shares of the selected participants granted under the Share Award Scheme shall continue to be held by the Trustee and become vested in the selected participants according to the conditions of the Award. Upon expiration of the Trust period, all H Shares (except for any Awarded Shares subject to vesting on the selected participants) remaining in the Trust fund shall be sold by the Trustee within 28 business days or such longer period as the Trustee and the Board may otherwise determine and all net proceeds of sale and such other funds and properties remaining in the Trust fund managed by the Trustee (after deducting the relevant expenses) will be remitted to the Company forthwith. For the avoidance of doubt, the Trustee may not transfer any H Shares to the Company nor may the Company otherwise hold any H Shares whatsoever.

(p) Conditions of the Share Award Scheme

The Share Award Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (i) the Trustee's receipt of the Company's written confirmation on the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the H Shares;
- (ii) the passing of the necessary resolutions by the Shareholders to approve and adopt the Share Award Scheme; and
- (iii) the commencement of dealings in H Shares on the Stock Exchange.

As advised by the PRC legal Advisers, the Share Award Scheme has been validly approved by the Company's Shareholders' meeting, and that the approved Share Award Scheme of the Company does not contravene applicable PRC laws and regulations, and the validity of the Share Award Scheme will not be subject to any PRC governmental approval or registration.

(q) Details of the Awards granted under the Share Award Scheme

On 26 June 2020, the Board has granted to 18 selected participants 2,050,000 Awarded Shares, representing approximately 0.578% of issued H Shares immediately following the Global Offering, assuming the Over-allotment Option is not exercised, to recognise their contributions to the growth of the Group and to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group.

All the 18 selected participants of the Awarded Shares are directors, supervisors or employees of the Group. Six of them are connected persons of the Company who were granted 930,000 Awarded Shares, representing approximately 0.262% of issued H Shares immediately following the Global Offering, assuming the Over-allotment Option is not exercised. The remaining 12 of them who are employees of the Group but not connected persons of the Company were granted 1,120,000 Awarded Shares, representing approximately 0.316% of issued H Shares immediately

following the Global Offering, assuming the Over-allotment Option is not exercised. Out of the remaining 12 selected participants who are employees of the Group but not connected persons of the Company, six of them are members of the senior management of the Company as set out in “Directors, Supervisors and Senior Management”.

The Awarded Shares granted to each of these selected participants shall be vested in accordance with the vesting schedule as follows:

- (i) as to 40% of the Awarded Shares on 30 September 2020;
- (ii) as to 20% of the Awarded Shares on 30 June 2021;
- (iii) as to 20% of the Awarded Shares on 30 June 2022; and
- (iv) as to 20% of the Awarded Shares on 30 June 2023.

The selected participants of Awarded Shares are not required to pay for the grant of any Awarded Shares under the Share Award Scheme, nor are they required to pay upon vesting of any Awarded Shares.

Details of the Awarded Shares granted to the connected persons under the Share Award Scheme as at the Latest Practicable Date are set out in the table below:

Name of grantees of the Awarded Shares	Positions held with the Group	Address	Number of Awarded Shares	Approximate percentage of interest in H Shares of the Company immediately following the Global Offering ⁽¹⁾
<i>Directors of the Company and/or its subsidiaries</i>				
Mr. Xiao Dongsheng (肖東生)	Executive Director	E6-2-202, Fengqiwan Community Shifo Town, Yanggu County Liaocheng City Shandong Province PRC	300,000	0.085%
Mr. Ow Weng Cheong (區永昌)	Executive Director	Room 301, No. 11, Lane 600 Huangjincheng Road, Gubei Changning District Shanghai PRC	200,000	0.056%
Mr. Wang Jinsheng (王進聖)	Executive Director	F5-1-101, Fengqiwan Community Shifo Town, Yanggu County Liaocheng City Shandong Province PRC	200,000	0.056%
<i>Supervisors of the Company and/or its subsidiaries</i>				
Mr. Lian Xianmin (廉憲敏)	Supervisor	Room 505, Unit 3, Block 11 Fengqiwan Fengqiwan 3 Xiangguang Road Shandong Province PRC	50,000	0.014%
Mr. Shi Lei (石磊)	Joint Company Secretary and Supervisor of Xingwen Tianyang and Yucheng Fengming	8th Floor, GMK Building Xiangguang ECO-Industrial Park Yanggu County Liaocheng City Shandong Province PRC	100,000	0.028%
<i>A person who was a director of the Company's subsidiary in the last 12 months</i>				
Mr. Wang Zhixian (汪之現)	Previous director of Xingwen Tianyang	F23-1-102, Fengqiwan Community Shifo Town, Yanggu County Liaocheng City Shandong Province PRC	80,000	0.023%
			930,000	0.262%

Note: The calculation is based on the approximate percentage of shareholding in H Shares immediately following the Global Offering, assuming the Over-allotment Option is not exercised.

G. OTHER INFORMATION

1. Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall upon any member of the Group.

2. Litigation

As at the Latest Practicable Date, save as disclosed in this prospectus, no member of the Group was engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance was known to the Directors to be pending or threatened against the Group, that would have a material adverse effect on its business, financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor, namely, Southwest Securities (HK) Capital Limited, has declared their independence pursuant to Rule 3A.07 of the Listing Rules.

The Sole Sponsor has made an application on the Company's behalf to the Listing Committee for listing of, and permission to deal in, the H Shares. All necessary arrangements have been made for the H Shares to be admitted into CCASS.

The Sole Sponsor's fees in connection with the Listing payable by the Company are estimated to amount to USD0.8 million subject to the terms of the engagement.

4. Compliance Adviser

The Company appointed Southwest Securities (HK) Capital Limited as the compliance adviser effective upon the Listing in compliance with Rules 3A.19 and 19A.05 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses.

6. Qualifications of Experts

The following are the qualifications of experts who have opined or advised on information contained in this prospectus:

Name	Qualification
Southwest Securities (HK) Capital Limited	Licensed to engage in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of regulated activities under the SFO
JunHe LLP	Legal advisers to the Company as to PRC laws
Mori Hamada & Matsumoto	Legal advisers to the Company as to Japanese laws
BDO Limited	Certified Public Accountants
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Biological assets valuer and property valuer
PricewaterhouseCoopers Business Consulting (Shanghai) Co., Ltd. Beijing Branch	Food safety consultant
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

7. Tax and Other Indemnities

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of the Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is HK\$2.00 for every HK\$1,000 (or part thereof) of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see “Appendix IV — Taxation and Foreign Exchange”.

The Controlling Shareholders have entered into the Undertaking of Indemnity with and in favour of the Group (being the contract referred to in “— C. Further Information about The Business — 1. Summary of Material Contracts” above) to provide indemnities on a joint and several basis in respect of, among other matters,

- (a) any taxation or fees falling on any members of the Group resulting from or by reference to any revenue (including any form of government financial assistance, subsidy or rebate), income, profits or gains granted, earned, accrued, received or made (or deemed to be so granted, earned, accrued, received or made) on or before the Listing Date;
- (b) any event, transaction, act or omission occurring or deemed to occur on or before the Listing Date whether alone or in conjunction with any other event, act or omission occurring or deemed to occur on or before the Listing Date and whether or not such taxation is chargeable against or attributable to any other person, firm or company; and
- (c) non-compliances of any of the members of the Group which has occurred on or before the Listing Date.

Under Undertaking of Indemnity, the Controlling Shareholders have also agreed and undertaken to each members of the Group on a joint and several basis that they would indemnify and at all times keep the same indemnified on demand from and against all sums, outgoings, fees, demands, claims, damages, losses, costs, charges, liabilities, fines, penalties and expenses incurred or suffered by the Company or any members of the Group resulting from any and all of the non-compliances of any of the members of the Group with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Companies Ordinance or other applicable laws, rules or regulations in their respective place of incorporations or operation which has occurred at any time during the Track Record Period and on the Listing Date.

However, the indemnities given by the Controlling Shareholders under the Undertaking of Indemnity do not cover, and the Controlling Shareholders shall be under no liability in respect of, any liability on taxation and taxation claim:

- (a) to the extent that provision has been made therefor in the consolidated audited accounts of the Group or the audited accounts of any of the members of the Group for the four years ended 31 December 2016, 2017, 2018 and 2019;
- (b) falling on any members of the Group on or after 31 December 2019 unless such liability would not have arisen but for some act or omission of, or transaction entered into by, the Controlling Shareholders or any members of the Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring), otherwise than:
 - (i) in the ordinary course of business, or in the ordinary course of acquiring or disposing of capital assets, on or before the Listing Date; or
 - (ii) pursuant to a legally binding commitment created on or before the date of the deed of indemnity or pursuant to any statement of intention made in this prospectus;

- (c) to the extent that such liability arises or is incurred as a consequence of any change in the law, rules or regulations, or the interpretation or practice thereof by any statutory or governmental authority (in Hong Kong, the PRC or elsewhere), including without limitation the Inland Revenue Department and the tax bureau of the PRC, having retrospective effect coming into force after the Listing Date or to the extent that such liability arises or is increased by an increase in rates of taxation or other penalties after the Listing Date with retrospective effect;
- (d) to the extent that such liability is discharged by another person who is not a member of the Group and that none of the member of the Group is required to reimburse such person in respect of the discharge of such liability; or
- (e) to the extent of any provision or reserve made for such liability in the audited accounts referred to in Clause (a) above which is finally established to be an overprovision or an excessive reserve provided that the amount of any such provision or reserve applied to reduce the liability of the Controlling Shareholders in their capacity as the Controlling Shareholders in respect of such liability shall not be available in respect of any such liability arising thereafter.

8. No Material Adverse Change

The Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2019 (being the date to which the latest audited combined financial statements of the Group were prepared).

9. Consent of Experts

Each of the Sole Sponsor, JunHe LLP, Mori Hamada & Matsumoto, BDO Limited, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, PricewaterhouseCoopers Business Consulting (Shanghai) Co., Ltd. Beijing Branch and Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion and/or legal memorandum and/or findings and assessments (as the case may be) and references to its name included in the form and context in which it respectively appears. None of the experts named above has any shareholding interests in the Company or any of the subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any of the subsidiaries as at the Latest Practicable Date.

10. Binding Effect

This prospectus 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.

11. Miscellaneous

- (a) Save as disclosed in “History and Development”, “Share Capital”, “Structure of the Global Offering” and in this prospectus, within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash.

- (b) No share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (c) No founders, management or deferred shares of the Company or any of its subsidiaries have been issued or have been agreed to be issued.
- (d) Save as disclosed in this prospectus, none of the equity and debt securities of the Company is listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought.
- (e) The Company has no outstanding convertible debt securities or debentures.
- (f) None of the Sole Sponsor, JunHe LLP, Mori Hamada & Matsumoto, BDO Limited, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, PricewaterhouseCoopers Business Consulting (Shanghai) Co., Ltd. Beijing Branch and Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.:
 - (i) is interested beneficially or non-beneficially in any shares in any member of the Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save in connection with the Hong Kong Underwriting Agreement.
- (g) Save as disclosed in this prospectus, no company within the Group is presently listed on or dealt in on any other stock exchange and no such listing or permission to list is being or is proposed to be sought.
- (h) The English text of the Application Forms shall prevail over their respective Chinese text.
- (i) There has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this prospectus.

12. Promoters

The Promoters of the Company are GMK Holdings and Fengxiang Investment.

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given, nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

13. Personal Guarantees

Save as disclosed in this prospectus, as at the Latest Practicable Date, the Directors and Supervisors had not provided personal guarantees in favour of lenders in connection with banking facilities granted to us. See “Relationship with Controlling Shareholders — Independence from the Controlling Shareholders — Financial Independence” for details.

14. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by Section 4 of the Companies (Exemption of

Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This prospectus 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 prospectus and the Chinese translation, the English language version of this prospectus shall prevail.