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You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our [REDACTED]. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our [REDACTED] could decline, and you may lose all or part of your investment. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our success depends on market recognition of our brands. Any damage to our brands or reputation may materially and adversely affect our business, financial condition and results of operations.

We gained our market-leading position and our broad consumer base through our brands across rice, whole grain, bean and dried food offerings, and our primary focus has been on continually enhancing our brand awareness among consumers. We have successfully built our two flagship brands, Shiyue Daotian and Firewood Courtyard, as well as other brands that cover various product categories over a decade. According to the Frost & Sullivan 2022 Survey, Shiyue Daotian and Firewood Courtyard are among the most recognized brands in China's rice, whole grain, bean and seed market. Maintaining and strengthening the reputation and market recognition of our brands are thus important to our business performance as it enables more consumers to trust our brands and select our products. Our brands and reputation may be affected by various factors, such as (i) consumer satisfaction with the safety, quality, taste and other perspective of our products, (ii) our promptness and effectiveness of communications with and response to consumers' questions or complaints, (iii) our ability to protect our trademarks, (iv) our relationship with suppliers and customers, and (v) public and media news, whether substantiated or not, about us. Any complaint, claim or negative publicity about us or our products, even if meritless or immaterial to our operations, could damage our brand and reputation. If we fail to maintain and strengthen the reputation and market recognition of our brands or mitigate the risks associated with our brand image and reputation, the value of our brands may be undermined, which may materially and adversely affect our business, financial condition and results of operations.

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Our efforts in developing, launching and promoting new brands and products may not be successful, and our new products may not be fully recognized by the market.

Our sustainable development depends on our ability to constantly upgrade our brands and launch new products. We develop our products and build our brands with a consumer-centric approach. For instance, we have launched series such as “Cold Dew Autumn Aroma (寒露秋香) Series,” “China Chic Series (國潮系列)” and “National Flower Series (國花系列),” to cater to the diverse preferences of consumers of different age groups and different consumption scenarios.

However, we cannot assure you that we will generate the expected outcomes through our endeavors. The development, launch and promotion of new brands and products are inherently uncertain. Even if we succeed in launching new products or brands, our new products may not be profitable, and our new brands may not be selected by consumers, within a short period of time or at all. If we cannot successfully develop or promote our new brands and products, our results of operations and business prospects may be materially and adversely affected.

We mainly rely on e-commerce platforms to market and sell our products online. If the e-commerce platforms we rely on to sell our products are interrupted or if our cooperation with such platforms terminates, deteriorates or becomes more costly, our business and results of operations may be materially and adversely affected.

We rely on online e-commerce platforms to increase our brand exposure and extend our reach to consumers. We sell products to online e-commerce platforms, including comprehensive e-commerce platforms, as well as community group buying platforms. We also sell products directly to end-consumers through our online self-operated stores on e-commerce platforms. During the Track Record Period, we have generated the majority of our revenue from sales to comprehensive e-commerce platforms. See “Business – Customers.” At the same time, we are also exploring development opportunities on emerging e-commerce platforms. To better connect with consumers, we regularly conduct themed marketing activities on e-commerce platforms and in our online self-operated stores to attract consumers’ attention. Changes in the platforms themselves or our cooperation with the platforms may materially and adversely affect our consumer base, and in turn affect our business and results of operations, including:

- the platforms are damaged or interrupted by power failure, computer viruses, acts of hacking and vandalism;
- the platforms are subject to negative publicity not attributable to us, such as their selling counterfeit or defective goods;
- the platforms fail to generate consumer traffic;
- our cooperation with the platforms is interrupted, terminates, deteriorates or becomes more costly; and

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- changes in the policies of the platforms, such as restricting some of our marketing initiatives or the performance of certain KOLs we partner with.

As such changes are beyond our control, we cannot assure you that our relationship with the e-commerce platforms will maintain stable or platforms will constantly attract consumers for us. We cannot assure you that the cost of cooperating with e-commerce platforms will not increase. We also cannot assure you that we will be able to find alternative channels with terms and conditions commercially favorable or acceptable to us, or at all, especially given the leading position of some of the e-commerce platforms we have collaborated with.

We may encounter difficulties in maintaining, expanding or optimizing our sales network.

We have established an omnichannel sales network that penetrates the national market. In addition to online channels, our sales channels include modern retail channels, distribution network and direct customers. We devote considerable efforts into managing and maintaining a good relationship with our business partners across different channels in our sales network. However, we cannot assure you that we shall be able to maintain long-term, in-depth cooperation with our existing sales channels. In particular, comprehensive e-commerce platforms and modern retail channels generally have stronger bargaining power and higher requirements of their suppliers. If we are unable to meet their requirements, or are expected to incur commercially unreasonable performance costs, our cooperation may be terminated, which could have a material adverse impact on our reach to end-consumers, our business operation and financial performance. Also, while we require our distributors to comply with the distribution agreements, we cannot assure that they will act strictly in accordance with the agreements, or that we will always be prompt in detecting their noncompliance activities. Their failure to fulfill their obligations in accordance with the contracts could have a negative impact on our business, such as damaging our reputation, reducing our sales volumes, giving rise to costly and time-consuming litigation or causing us to incur additional contractual costs, including costs in finding new distributors as replacements due to to early termination.

In addition, we continually expand into more sales channels. However, establishing relationships with new business partners can be time-consuming and may incur additional costs. If we fail to expand into new sales channels, we may lose our competitive advantages to competitors or experience consumer attrition, thereby limiting the scale of our development in the future. Our ability to successfully integrate the new channels into our existing omnichannel sales network is subject to various factors such as (i) the availability of adequate management and financial resources; (ii) our ability to hire, train and retain skilled personnel; and (iii) our capabilities to adjust our supply chain and other operational and management systems in adapting to an expanded sales network. Failure to successfully expand our sales network could limit the scale of our future growth and, in turn, materially and adversely affect our business prospects.

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Our marketing activities may not be effective in attracting consumers, or we may incur significant costs on a variety of sales and marketing efforts through multiple channels, which may materially and adversely affect our business, financial condition, and results of operations.

We conduct various marketing activities to promote our products. We strive to gain insights of consumer preferences to maintain and enhance our brand awareness via various approaches. See "Business – Branding and Marketing". In 2020, 2021 and 2022, our selling and distribution expenses were RMB126.1 million, RMB223.4 million and RMB314.8 million, respectively, accounting for 5.4%, 6.2% and 7.0% of our total revenue during the same periods, respectively.

Although we endeavor to plan our investment in sales and marketing efficiently while achieving expected marketing results, we cannot guarantee that the marketing strategies we apply will be cost-effective. If the sales and marketing activities to which we devote significant resources are ineffective, our business, financial condition and results of operations may be materially and adversely affected. In addition, as technologies improve rapidly and the way that people obtain and share information is continually shifting, we will have to refine our approach as to how and where we market and diversify our product offerings aimed at consumers with differing characteristics. We cannot assure you that our marketing activities will precisely capture the consumer behavioral pattern so that purchases of our products will increase, or that our sales and marketing strategies apply effectively to the new brands that we may launch, and the failure of any of these may materially and adversely affect our results of operations.

Changes in supply, quality and costs of raw materials and other necessary supplies or services, or any failure by our suppliers to supply raw materials or provide services that are consistent with our standards or applicable regulatory requirements may materially and adversely affect our business, financial condition and results of operations.

We aim to bring premium products by ensuring the quality of supplies of raw materials and packaging materials, and services such as OEM, warehousing and logistics. We also intend to ensure the quality of our raw materials by implementing stringent quality control standards and supplier admission and management system. See "Business – Food Safety and Quality Control." The raw materials we use include, by category, (i) paddy, (ii) whole grain and bean such as millet, red beans and mung beans, (iii) dried food, such as wood ear mushrooms, snow fungus mushroom and lotus seeds, and (iv) other raw materials such as corn. For key raw materials, we collaborate with multiple suppliers to reduce the risks of shortages. See "Business – Raw Materials, Packaging Materials and Major Suppliers." For the years ended December 31, 2020, 2021 and 2022, the total costs of our raw materials are amounted to RMB1,590.1 million, RMB2,453.0 million and RMB2,973.1 million, respectively, which accounted for 68.3%, 68.2% and 65.6% of our total revenue for the same periods, respectively.

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However, we may be subject to the risks associated with the price fluctuations of, shortages of, and defects or deterioration of our raw materials and packaging materials. The prices of our raw materials and packaging fluctuate with market conditions and are subject to various factors beyond our control, such as supply and demand, inflation, and governmental regulations and policies. We do not engage in hedging activities related to the risk exposures in connection with the price of our raw materials and may face price fluctuations. See “Business – Raw Materials, Packaging Materials and Major Suppliers.” We may also experience a shortage in supply as a result of suspension of transit. Although we have engaged and established good relationships with multiple suppliers to ensure our supplies, and have gained preferred bargaining positions, we cannot assure that we will be able to successfully retain and manage our suppliers to keep our procurement costs within a reasonable range, or maintain obtain sufficient supplies or find new suppliers on similar terms in a timely manner if our relationships with one or more suppliers terminate. In addition, we cannot assure that we will detect all risks through our quality assurance systems. Any incident associated with the supply of our raw materials or our relationships with suppliers may result in increased costs, disruption in the supply chain, and reputational damage, which could have a material adverse effect on our business, financial condition, and results of operations.

Any failure to maintain our product quality or food safety could materially and adversely affect our results of operations.

The safety and quality of our products are essential to our success and reputation. Our products generally reach consumers after various phases, including transportation, warehousing and delivery. As such, our food safety and product quality are affected by various factors, including the quality of raw materials, hygiene of production bases, and the methods we use to store and transport our products. Although we have adopted stringent management measures throughout the entire production and operation process, including the procurement of raw materials, production and selling, we can not assure you that we will be able to effectively detect and avoid all food safety-related incidents, which may materially and adversely affect our brand image, business operation and financial performance.

We are also required to comply with the laws and regulations related to food safety and product quality in China, such as the Food Safety Law of the PRC (《中華人民共和國食品安全法》) and Administrative Measures of Food Production Licensing (《食品生產許可管理辦法》). Please refer to “Regulatory Overview – Laws and Regulations Relating to Producing and Selling our Products – Regulations on Food Safety” and “Regulatory Overview – Laws and Regulations Relating to Product Quality and Consumer Protection.” If we fail to detect safety or quality issues or if we are found in violation of the laws and regulations, we may be subject to liability claims, reduced consumer satisfaction and the imposition of penalties by relevant authorities, which could in turn affect our long-term success.

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Our supply chain and business may be materially and adversely affected by contamination, natural disasters, extreme weather, health epidemics, pandemics and other catastrophic events that are beyond our control.

Our business is sensitive to natural disasters, extreme weather, other catastrophic events and epidemics, including pest infestation, floods, earthquakes, typhoons, fires, water shortages, power failures and shortages, equipment or IT system failures, strikes, acts of terrorism, and war. Any of these circumstances may adversely affect the adequacy of our supply. We have consistently focused on sourcing raw materials from renowned places of origin for grains in China, particularly the Northeast China Plain. We may also face interruptions or delays in the supply of raw materials. Although we have not experienced any land contamination or material deterioration of the natural environment that could materially and adversely affect our operation, we cannot assure you that the regions from which we purchase raw materials will not be affected by contamination or pollution in the future. We expect our suppliers to comply with their contracts, but there may be contingent failures or delays in their performance of contracts. Occurrences of incidents or events beyond their control may also be obstacles to them fulfilling their obligations. Although we source raw materials from multiple regions to reduce risks, our ability to respond to catastrophic events may be limited. As of the Latest Practicable Date, we operated four production bases in Shenyang Xinmin, Wuchang, Songyuan and Aohan, and were constructing one production base in Tonghe. Any of such events may seriously damage our production bases and incur additional costs, and we may not be able to find alternative production solutions in a timely fashion. The then-current inventories may also be affected and we may incur substantial losses. As a result, any of the foregoing could increase operating costs or cause damage and losses to us as a result of disruptions to our operations, which could adversely affect our results of operations.

In particular, we are also susceptible to health epidemics or other outbreaks. Past occurrences of epidemics or pandemics, depending on their scale of occurrence, have caused different degrees of damage to the national and local economies of China. For example, operation of our production bases was temporarily affected by occurrence of pandemics. If such incidents occur, our business, financial condition and results of operations may be materially and adversely affected.

We may face inadequate production capacity issues, which could hinder our capabilities to satisfy consumers' needs and our growth prospects.

The demand and sales of our certain products may sharply increase during our marketing campaigns and peak production seasons, which in turn may cause production capacity to be unable to satisfy sales needs. We cannot guarantee that the existing capacity of our production will meet market demands in the future, and may at times face insufficiencies in our production capacity. Our production capability may be affected by any natural or man-made disasters, such as fires, floods, storms, earthquakes, explosions, extreme weather, breakdown of equipment or IT systems, strikes, acts of terrorism, wars and other interruptions such as power and water suspension, most of which are beyond our control. Although our production and operating activities or financial performance had not been affected by such incidents as of the Latest Practicable Date, they may cause interruption of our production, and may materially and adversely affect our business, financial condition and results of operations.

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We face fierce industry competition and low industry concentration. Failure to compete with other market players may adversely affect our market share and profitability.

China's rice, whole grain, bean and seed industry is competitive and fragmented, according to Frost & Sullivan. We face strong competition from a large number of players in our industry, including large-scale groups, small-scale self-operated sellers, as well as new entrants. The large-scale groups or enterprises may have a long history, ample business resources and a proven track record in producing and selling, with well-established positions in several selling channels, such as traditional offline distribution, retail sales or direct sales. Therefore, we may need to make more efforts to compete with them in these channels, and may incur increasing advertising expenses and conduct further marketing activities.

Our product spectrum is similar to that of our competitors. We cannot assure you that imitation or counterfeiting of our products, logos or brands will not occur in the market. Failure to detect and mitigate such risks may affect our brand and reputation, which may in turn negatively affect our competitive position.

Warehousing and logistics capabilities are key to our operations. We are subject to risks relating to the warehousing of the products we sell. Any interruption or delay of delivery or improper handling of goods may affect our efficiency and consumer satisfaction, which may result in a negative effect on our business.

We store our products in our warehouses, built along with our production bases, before delivery. If accidents such as fires were to occur, our ability to perform the contracts with our customers could be adversely affected.

During the Track Record Period, our logistics were primarily provided by third-party logistics service suppliers, while we also operate our own logistics team to support the supervision of the transportation of goods. Although we closely plan and monitor our whole logistics process through our TMS system and communicate actively with our logistics service providers, we cannot assure you that our products will always be delivered within the predetermined period. As we do not have direct control over our outsourced logistics service providers, we cannot guarantee the quality of delivery. There may be improper handling of products, which may adversely affect our consumer satisfaction, and our brand image may be tarnished. Any interruption or delay of delivery or improper handling of goods may materially and adversely affect our business, financial condition and results of operations.

Our business operations may be subject to seasonality, which may result in certain periods when our results of operations fall short of expectations.

Our results of operations are subject to seasonality, primarily due to the harvest season of our raw materials and sales peak resulted from holidays and shopping events. For example, the harvest season of raw grains that we generally procure, especially Northeast Rice, is from September to year end, and we generally purchase raw grains from September to year end. See "Business – Raw Materials, Packaging Materials and Major Suppliers." Therefore, we

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generally have relatively high volumes of inventories, especially raw materials by the end of each year. In addition, we typically experience sales peak in holiday season such as Chinese New Year and sales events such as Double Eleven, which are generally by the year end or the beginning of a year. In preparation of such holiday season and shopping events, we generally have relatively high volume of inventories, especially finished products, by the end of each year. Accordingly, our results of operations fluctuate over the year, and interim results may not be indicative of annual results.

We may not be able to maintain our revenue growth and profitability or realize revenue increase and good profitability continuously, and our historical results of operations and financial performance may not be indicative of future performance.

We experienced significant growth during the Track Record Period. Our revenue increased by 54.6%, from RMB2,327.0 million in 2020, to RMB3,598.3 million in 2021, and further increased by 26.0% to RMB4,532.9 million in 2022. Our gross profit increased by 32.8%, from RMB404.7 million in 2020 to RMB537.5 million in 2021, and further increased by 45.0% to RMB779.5 million in 2022. Although our revenue experienced a significant increase during the Track Record Period, there is no assurance that we will be able to maintain our product sales and our historical growth rate, or achieve a higher growth rate in the future. We face a number of risks in terms of achieving our future plans, such as:

- integrating more channels into our sales network;
- expanding our manufacturing and/or service facilities;
- controlling costs and operating expenses in anticipation of expanded operations;
- recruiting and retaining suitable and professional employees;
- implementing and enhancing our internal control systems and other systems or processes;
- addressing new market opportunities and foreseeing challenges as they arise.

Our growth may also slow due to factors beyond our control, including decreasing consumer spending, increasing competition, declining growth of China's rice, whole grain, bean and seed industry and changes in the regulatory environment or general economic conditions. Risks that may affect our future plans and factors beyond our control may hinder our future success, and our revenue and gross profit may be negatively affected.

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We generate a large portion of our revenue from a small number of customers.

Revenue generated from our top five customers for 2020, 2021 and 2022 accounted for 73.3%, 58.0% and 55.1% of our total revenue, respectively. Revenue generated from our largest customer for 2020, 2021 and 2022 accounted for 42.3%, 28.1% and 26.9% of our total revenue, respectively. Any factors that could cause these customers to reduce their purchases from us, such as economic downturns, changes in industry dynamics, or customer-specific issues, could have a significant impact on our business.

We have been actively expanding our customer base, diversifying our product offerings and adapting to the evolving sales channels. However, there can be no assurance that these efforts will be successful, and if we are unable to maintain or increase our revenue from our existing customers or develop new customer relationships, our business, financial condition, and results of operations could be materially and adversely affected.

If we are unable to perform our contracts, our results of operations and financial condition may be adversely affected.

As of December 31, 2020, 2021 and 2022, we had contract liabilities of RMB4.2 million, RMB18.6 million and RMB31.6 million, respectively. Our contract liabilities were primarily short-term advance payments from customers. See "Financial Information – Discussion of Selected Items from the Consolidated Statements – Contract Liabilities." If we fail to fulfill our obligations under our contracts with customers, we may be unable to convert such contract liabilities into revenue, and our customers may require us to refund the prepayments they have made, which may in turn adversely affect our financial condition.

If we fail to effectively implement our future production expansion plans, our business prospects may be materially and adversely affected.

We aim to expand our production capacity in line with the growth of our business. The feasibility of our production expansion plan is limited to various factors, such as (i) the availability of suitable locations to establish our production premises, (ii) the location of convenient logistics for the new production bases, (iii) the availability of adequate management and financial resources, and (iv) our ability to hire, train and retain skilled personnel. We may have initially invested significant resources in planning, locating, negotiations, and construction, and failure to achieve our production expansion plan may cause us to be unable to satisfy consumers' demands and recoup the costs incurred, and may hinder our business prospects. The delay or cancellation of our expansion could also subject us to disputes with various counterparties, including but not limited to, general contractors and subcontractors, equipment suppliers, financiers and relevant governmental authorities. As a consequence, our business, financial condition and results of operations may be materially and adversely affected.

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Our investment in, and maintenance or upgrades of our production equipment and facilities, technologies and other equipment related to operations may not be carried out successfully, which may in turn adversely affect our business growth.

To achieve our expansion plan and optimize our production efficiency, we continually maintain the existing production equipment and facilities, expand the production capacity through upgrading our existing equipment and establishing new production facilities, purchase new production equipment, improve production techniques and purchase logistics equipment. In addition, we allocate our human resources and other resources to managing these operational needs. We cannot assure you that such investments, maintenance and upgrades can be carried out successfully, or generate positive cash flows or profitable returns within a short period of time, or at all. Such investments, maintenance and upgrades may become ineffective or obsolete as a result of updates in technology or industry standards, which could result in a material adverse effect on our business and financial condition.

If we fail to effectively implement our future expansion, our business prospects maybe materially and adversely affected.

We expect to expand the scale of our business in the future, and may achieve our goal by organic growth, and investments in and/or acquiring targets that meet our standards. However, we may be unable to effectively implement our future expansion. For example, we may encounter risks when we develop new sales channels and explore new markets due to different regulatory requirements, competitive landscape, consumer preferences, spending patterns and operational environment from our existing channels and markets. Our ability to grow through acquisition depends upon our ability to identify and negotiate with the target companies and obtain the necessary financing for our expansion plan. We may not find satisfying targets or be able to gain a preferred bargaining position when negotiating with our targets. Any failure to implement our our future expansion may materially and adversely affect our business, financial condition and results of operations.

We may face the risk of inventory obsolescence. Our operating results could be materially harmed if we are unable to accurately forecast consumer demand for our products and efficiently manage our inventory.

Our inventories mainly include raw materials and finished products. As of December 31, 2020, 2021 and 2022, we had inventories of RMB647.2 million, RMB1,049.8 million, and RMB1,372.7 million, respectively. Our inventory turnover days for 2020, 2021 and 2022 were 100 days, 100 days and 116 days, respectively. See "Financial Information – Discussion of Selected Items from the Consolidated Statements of Financial Position – Inventories." If the prices of raw materials and finished products decrease drastically, or our finished products are unsalable, and we may not respond effectively or in a timely manner, we may face the risk of a decline in value of our inventories. See "– Our business operations may be subject to seasonality, which makes certain period of our results of operations to fall short of expectations." In addition, failure to forecast consumer demand or any unexpected event affecting the sales of our products could result in increased inventory obsolescence, a decline in inventory value or inventory write-downs.

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Any changes in China's pantry staple food industry may adversely affect our business, results of operations and financial condition.

We primarily derived our revenue from sales of our rice, whole grain, bean, and dried food products during the Track Record Period. Our business depends on the condition and growth of China's pantry staple food industry, which could be affected by factors such as the general economic conditions, the shift in consumer diary structure and eating habits, and consumers' disposable income. Any future changes in China's pantry staple food industry could adversely affect our business, operating results and financial condition.

Our business relies on consumer demand for our products. Any shift in consumer demands or any unexpected situation with a negative impact on consumer demand may materially and adversely affect our business and results of operations.

Our success relies largely on the demands of our consumers. Our consumers' demands may fluctuate due to a series of factors, such as (i) changes in general economic conditions, (ii) changes in disposable income, and (iii) changes in consumer preferences. In particular, consumer preferences, as reflected in their eating habits and dietary structures, may shift as food choices continually broaden, which may result in reduced demand for our products.

While we continue to upgrade our existing products and develop, design and launch new products, we cannot assure you that our product offerings will continue to cater to consumer preferences or meet growing consumer demands. Although we adjust our marketing strategies and introduce different brands and products to different groups according to consumer preferences, we may be unable to accurately capture changes in consumers' preferences and tastes. Any of these changes could negatively affect the price and sales volumes of our products and could have a material adverse impact on our business, financial condition and results of operations.

Our insurance coverage may be insufficient to cover all of our potential losses.

We maintain limited insurance policies covering risks with respect to our properties and inventories. As of the Latest Practicable Date, we had not maintained product liability insurance for all of our products, and do not carry any business interruption or litigation insurance. We believe such practice is in line with the customary practice of our industry. See "Business – Insurance." Any adverse occurrences to our properties and inventories, liability claims for damages relating to our products, interruption to our operations, and the resulting losses or damage, could materially and adversely affect our business, financial condition and results of operations.

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Our business and prospects depend on our ability to build our brands and reputation, which could be harmed by negative publicity with respect to our Company, Directors, employees, branding or products, whether warranted or not, and could adversely affect our business.

Our success is built on our established brand image and reputation, which may be susceptible to the public's perception of us. Due to our leading position in our industry, we may be subject to public scrutiny and thus incur significant costs to respond to such negative publicity. We cannot assure that no one will, intentionally or incidentally, distribute information about us, especially regarding the safety and quality of our products or our internal management matters. Any unauthorized dissemination of inside information, whether positive or negative, could disrupt our normal production and operations. We may also face rumors, which could lead to negative public perceptions of us. If we take legal action against rumormongers, we may incur significant financial and time costs, and may also risk damage to our reputation before a trial is completed. Accordingly, any negative publicity regarding any aspects of our business may materially and adversely affect our business, financial condition and results of operation.

Our brands and products may be subject to counterfeiting, imitation or infringement by third parties.

We rely on intellectual property laws in China to protect our brands and intellectual property rights. During the Track Record Period, we found that some external parties sold certain products under "copycat" brand names and trademarks that resembled ours. Although these circumstances occurred infrequently, with no material effect on our business, any litigation to prosecute infringements of our rights and products may be expensive and will divert management attention and other resources from our business. In addition, we cannot guarantee that counterfeit products will not lead to concerns such as food safety and product quality, or that our reputation will not be damaged due to the difficulties to distinguish such products from ours. If the above circumstances occur, our business, financial condition and results of operations could be materially and adversely affected.

Failure to comply with health safety, environment protection, fire control and labor-related laws and regulations may subject us to fines or penalties or incur costs that could materially and adversely affect the success of our business.

We are subject to extensive government laws and regulations regarding all aspects of production and operations, such as health safety, environment protection, fire control, drainage, water usage and employment. See "Regulatory Overview." We are required to maintain various licenses and permits with respect to the public health safety in order to operate our business. For example, the Food Safety Law of the PRC (《中華人民共和國食品安全法》) requires all enterprises engaged in food production to obtain a food production license. It also sets out stringent safety standards with respect to food and food additives, packaging and information to be disclosed on packaging, as well as safety requirements for food production and sites, facilities and equipment used for the transportation and sale of food.

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In addition, we are subject to a variety of laws and regulations imposed by the government relating to environmental protection, fire safety and other safety, such as obtaining environment protection acceptance for some of our sites and completing fire safety filing procedures. Compliance with existing and future environmental protection, public health safety, fire safety and other safety laws could subject us to costs or liabilities, including monetary damages and fines, affect our production capabilities, result in the suspension of our business operations and generally impact our financial performance. For example, during the Track Record Period, certain of our production facilities had not completed fire safety filing procedures after completion of construction. As of the Latest Practicable Date, we had suspended production at relevant production facilities for renovation, which has no material adverse effect to our business.

Failure to comply with the abovementioned laws, regulations and requirements applicable to our business may result in fines, suspension of operations, loss of licenses, and, in more extreme cases, criminal proceedings against us and our management. Any of these events may have an adverse impact on our business, results of operations and financial condition.

Laws and regulations related to e-commerce activities may impose additional requirements and obligations on our online operations.

The e-commerce activities we conduct on the e-commerce platforms with which we collaborate are critical to us. With the consistent development of the e-commerce industry, activities related to e-commerce are subject to stricter regulations in areas such as data privacy. For example, the E-Commerce Law of the PRC (《中華人民共和國電子商務法》), promulgated by the SCNPC on August 31, 2018 and implemented on January 1, 2019, requires all e-commerce operators, broadly defined to include natural persons, legal persons and unincorporated organizations that engage in business activities of selling commodities or offering services through the internet and other information networks, to abide by the principles of voluntariness, equality, equity and good faith, observe the law and business ethics, participate fairly in market competition, perform obligations in aspects including protection of consumer rights and interests, environment, intellectual property rights, cybersecurity and individual information, assume responsibility for the quality of products or services, and accept supervision by the government and the public. Compliance with the evolving laws and regulations may subject us to high costs in our online channels, and we cannot assure you that we will be able to meet all the regulatory requirements in a timely manner.

Any quality-related issues in China's rice, whole grain, bean and seed industry could have a material and adverse impact on our business and reputation.

China's rice, whole grain, bean and seed industry is highly fragmented with various sizes of market players, according to Frost & Sullivan. As an industry that involves food processing and selling activities, market players therein face strict supervision from the public, government authorities, the media and other competitors. Some market players may fail to implement strict quality control measures, provide products with quality defects to consumers

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or violate the laws and regulations associated with food safety and product quality. In such events, consumers may tend to be led by negative publicity, lose faith in our industry as a whole, and reduce their spending on our products. As a result, our business and reputation may be adversely and materially affected.

Any failure or perceived failure to comply with privacy, data protection and information security may materially and adversely affect our business and financial condition, and results of operations.

We collect certain information from our consumers for operation and transportation purposes. Our business is subject to various laws and regulations in China associated with data processing, such as the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), the PRC Cyber Security Law (《中華人民共和國網絡安全法》) (the “Cyber Security Law”), the PRC Data Security Law (《中華人民共和國數據安全法》) and the Measures for Cybersecurity Review (《網絡安全審查辦法》). Although we have implemented stringent internal control policies, we cannot ensure that our data may not be abused by our employees or leaked by intention or negligence to third parties, which may cause damage to our consumers. Any failure or perceived failure to comply with data privacy, protection and information security laws with respect to the collection, use, storage, retention, transfer, disclose and other processing of data, may result in negative publicity, claims, litigation or investigations imposed by applicable authorities, and materially and adversely affect our business, financial condition and results of operations.

Our information technology and software systems may experience unexpected system failures, interruptions, inadequacies or security breaches.

Our competitiveness and efficiency are supported by our advanced information technology. The IT systems we utilize cover various aspects of our business, including raw materials supply, production, operation and logistics. See “Business – Information Technology.” Our information systems may be vulnerable to damage or interruption from circumstances beyond our control, including computer viruses, acts of hacking, vandalism, power outages, fire or other natural disasters. Any significant failure of our information technology systems, or loss or leakage of confidential information could result in transaction errors, process inefficiencies and loss of sales, which could further harm our reputation and materially and adversely affect our business, financial condition and results of operations.

We are required to obtain and maintain various licenses, approvals and permits, the failure to obtain or renew any of which may have a material adverse effect on us.

Our business requires us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits. For example, in addition to business licenses, we are required to obtain food production permits and food trading permits (or record filings) for our food production and trading business. These approvals, licenses and permits are granted upon satisfactory compliance with, among others, the applicable laws and regulations including the Food Safety Law of the PRC (《中華人民共和國食品安全法》). These approvals, licenses and

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permits are subject to examination or verification by relevant authorities and are valid for a fixed period of time subject to renewal and accreditation. We cannot guarantee that we will be able to renew in a timely manner all of the licenses upon their expiration.

In addition, we may increase our business lines or make acquisitions in the future, which may expose us to the risk of being unable to obtain the required licenses, approvals or permits. Further, the approvals, licenses, registrations and permits issued to us may be suspended or revoked in the event of noncompliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action.

Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, as well as any noncompliance incidents, may increase our operational costs and impede our operations.

We may be unable to adequately protect our intellectual property rights or may be subject to infringement claims of intellectual property rights or rights of third parties, which could harm the value of our brands and adversely affect our business.

Our intellectual property rights are key to our success and competitiveness, which primarily consist of trademarks, copyrights, patents and domain names. We have taken proactive approaches to protect our intellectual property portfolio. We designate dedicated personnel and engage external service agencies to monitor the application status of intellectual property rights and perform routine checks on the public trademark registration platform, to ensure our trademarks are not infringed by third parties. We also take measures to combat infringement of our intellectual properties. See "Business – Intellectual Property." However, we cannot assure you that these proactive measures will effectively protect our intellectual property rights from any unauthorized use, misappropriation or disclosure. We cannot guarantee that we will successfully defend ourselves in any claims or legal proceedings in the event of inappropriate use of our intellectual property.

On the other hand, we may be likely to encounter claims of infringement that interfere with our use of trademarks and other intellectual property rights. Defending against such claims could be costly, and if we are unsuccessful in defending such claims, we may be prohibited from continuing to use such proprietary information for purposes including, in particular, our sales, marketing and promotion activities through any sales channel in the future, or may be compelled to pay damages, royalties or other expenses for the use of such proprietary information. Any of the above could negatively affect our sales, profitability, operations and prospects.

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Our success depends on the efforts of our management team. We may be unable to retain or promptly recruit management members or other key personnel required for our operations.

The composition and continued commitment of our management team have been key elements of our success and ability to operate effectively. Our key personnel's expertise in business strategies, product development, business operations, production, warehousing, logistics management, sales and marketing, regulatory compliance and relationships with our customers and suppliers is crucial to us. Although we believe we offer our management team and employees competitive compensation packages and a collaborative working environment, we cannot guarantee that if we experience any significant, material changes to the composition of our management team and our key employees we would be able to recruit suitable or qualified replacements promptly or at all. We cannot assure that the new personnel may adapt to our business. Recruitment and training new personnel may also incur additional expenses, which could disrupt our business and limit our ability to grow. Further, if we lose our management or key personnel to competitors, our competitiveness, operations and ability to grow may be adversely affected.

We may experience deterioration in relationships with our employees, shortage of labor or increase in labor costs, which may have an adverse effect on our results of operations.

As the production and sale of our products are labor-intensive, attracting and retaining qualified employees has an important role in our success. We are committed to providing fair and equal opportunities to our employees in terms of evaluating their performance and intend to offer them competitive wages and incentives. However, we may be subject to claims, investigations and negative publicity in relation to safety of production, workplace environment or occupational hazards, especially when our employees, third-party service providers and the public suffer from injuries or casualties at our facilities or during the transportation of our products, which may cause a deterioration in labor relations with our employees.

We recruited employees primarily through on-campus recruitment, employment websites and referrals during the Track Record Period. Recruitment activities usually cause additional expenditure to us. With the continuing increase in the level of wages, we may also encounter difficulties offering wages satisfactory to our employees. Failure to offer satisfactory wages may lead to the resignation of our employees or a shortage of labor. The increase in labor costs and the shortage of labor may materially and adversely affect our business, financial condition and results of operations.

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Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties may have a material adverse effect on our business.

We may be subject to illegal activities conducted by our employees, customers, suppliers or other third parties, such as negligence, fraud, corruption and bribery. These activities may lead to liabilities, fines and other penalties imposed by applicable government authorities. Although we have adopted internal control policies with regard to the review and approval of merchant accounts, sales activities, interactions with business partners and government officials, provided anti-corruption and anti-bribery compliance training periodically to our management and employees, and distributed employee handbooks to enhance employees' awareness of complying with laws and regulations, we cannot guarantee that these measures will effectively prevent any occurrence of illegal activities. Failure to detect and prevent violations of laws and regulations by our employees or collaborators in terms of the abovementioned activities may damage our brand and reputation, and in turn materially and adversely affect our business, financial condition and results of operations.

We are subject to potential material and adverse effects in respect of defects in our existing properties owned and leased in China.

As at the Latest Practicable Date, we had not obtained land use right certificates and building ownership certificates for certain of our owned buildings. The relevant properties are mainly used for production, warehousing and offices. There is no assurance that we will not be subject to any administrative penalties for these defective titles in the future, and if this were to happen, our business, results of operation and financial position may be adversely affected. For details, please see "Business – Properties". Further, as of the Latest Practicable Date, we leased 31 buildings, and besides, we leased lands in six villages. In relation to certain of these leased properties, we have entered into lease agreements with parties who have not provided us with evidence of proper legal title to the leased lands or buildings. As advised by our PRC Legal Adviser, if the lessors do not have the requisite rights to lease these lands or buildings, we may be required to relocate or discontinue our use. In addition, as of the Latest Practicable Date, we had not registered the lease agreements for 30 of our leased buildings with the relevant competent authorities in accordance with applicable laws and regulations in China, which is mainly due to owners' reluctance in registering relevant lease agreements despite our efforts in communicating such requests. As advised by our PRC Legal Adviser, if we or the landlords fail to register such lease agreements for our leased buildings as required by the relevant competent authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for each of the unregistered lease agreement. There can be no assurance that the relevant government authorities would not impose administrative penalties on us as a result of the non-registration of these lease agreements.

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Failure to maintain or renew our current land use rights and leases, or locate desirable alternatives for our facilities could materially and adversely affect our business.

We have entered into lease agreements with a fixed term. As of the Latest Practicable Date, we leased lands located in six villages with an aggregate gross area of approximately 8,969,468 sq.m. and 31 buildings with an aggregate gross floor area of approximately 68,251 sq.m., respectively. See "Business – Properties – Leased Properties." We need to maintain our current land use rights and renew the agreements accordingly when the agreements expire. If any of the agreements are altered, terminated, materially breached or alleged to be invalid, we may be forced to relocate to a new location. We cannot assure you that we will be able to find alternative properties in a timely manner. As a result, we may incur additional costs and our operations and business may be materially and adversely disrupted.

If we fail to maintain adequate internal control measures, we may be unable to effectively manage our business and may experience errors or information lapses affecting our business.

Our success depends on our ability to effectively utilize our standardized management system, information systems, resources and internal controls. As we continue to expand, we will need to modify and improve our financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our internal controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our business and cause errors or information lapses that affect our business. Our efforts in improving our internal control system may not eliminate all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to effectively manage our business may be affected.

We may be exposed to credit risks related to our trade receivables.

We have entered into a wide variety of contractual arrangements with different counterparties in the ordinary course of our business. Our credit risks primarily arise from trade receivables. We usually grant a credit term to our corporate customers by assessing business relationship and credit background, except for our distributors that need to make full payment before picking up the goods. Our trade receivables as of December 31, 2020, 2021 and 2022 amounted to RMB90.0 million, RMB308.1 million and RMB399.1 million, respectively. During the Track Record Period, the turnover days of our trade receivables were 13, 20 and 28 days in 2020, 2021 and 2022, respectively. Our management regularly reviews the recoverability of overdue balances for trade receivables and may provide for impairment when appropriate. As there is limited financial or public information on many of our counterparties, we cannot assure you that all of our counterparties are creditworthy and reputable and will not default on us in the future, despite our efforts to conduct credit assessments on them. As a result, we are exposed to risks that our counterparties may fail to fulfill their obligations to us under our contracts.

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Any negative impact on our working capital, including failure to maintain optimal inventory levels and increase of trade receivables, may materially and adversely affect our operating cash flow.

Our business requires us to manage a large volume of inventory efficiently. As of December 31, 2020, 2021 and 2022, we had inventories of RMB647.2 million, RMB1,049.8 million and RMB1,372.7 million, respectively. We also grant credit to our customers in line with industry practice. Our trade receivables as of December 31, 2020, 2021 and 2022 amounted to RMB90.0 million, RMB308.1 million and RMB399.1 million, respectively. To manage our working capital, we review our liquidity position on an ongoing basis, including the review of expected cash inflows and outflows, results of performance, trade and other receivable balance and inventory level to monitor our liquidity requirements in the short and long term. We cannot assure you that we will not encounter inventory obsolescence or that our counterparties are all creditworthy and will duly perform the contracts between us. Any failure to manage our working capital may materially and adversely affect our financial condition.

We had recorded net loss, net liabilities and net cash used in operating activities during the Track Record Period.

Our net loss was RMB172.9 million and RMB564.2 million in 2021 and 2022, respectively. See "Financial Information – Description of Major Components of Our Results of Operations." We had net liabilities of RMB106.4 million as of December 31, 2022, compared to net assets of RMB218.6 million as of December 31, 2021, primarily due to (i) the increase in financial instruments issued to investors; (ii) the increase in bank and other loans; (iii) the increase in trade and other payables, partially offset by (iv) the increase in inventories; and (v) the increase in property plant and equipment. See "Summary – Selected Items from the Consolidated Statement of Financial Position" and "Financial Information – Discussion of Selected Items from the Consolidated Statements of Financial Position." Our net cash used in operating activities was RMB495.2 million in 2021. See "Financial Information – Liquidity and Capital Resources – Cash Flow." There is no guarantee that we will not continue to record net loss, net liabilities and net cash used in operating activities in the future.

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

We have historically funded our cash requirements principally from equity and debt financing and cash generated from operations. To finance our ongoing operations, existing and future capital expenditure requirements, investment plans and other funding requirements, we may need to obtain adequate financing from external sources to supplement our internal sources of liquidity in the future. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including, among other things:

- regulatory approvals to obtain financing in the domestic or international markets;
- our financial condition, results of operations, cash flows and credit history;

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- the condition of the global and domestic financial markets; and
- changes in the monetary policies with respect to bank interest rates and lending practices and conditions of the jurisdictions where we operate.

We cannot assure you that we will be able to obtain bank loans or renew existing credit facilities in the future on favorable terms, or at all, or that any fluctuation in interest rates will not affect our ability to fund our operations and planned developments. Our efforts to raise equity capital, if any, may result in the dilution of the shareholdings of our existing Shareholders. If adequate funding is not available to us on favorable terms, or at all, we may be unable to fund our existing operations and develop or expand our business, and therefore our business, financial condition, results of operations and prospects may be materially and adversely affected.

Any reduction or discontinuation of the preferential tax treatment or government grants may significantly impact our financial condition and results of operations.

We benefited from preferential tax treatment and government grants during the Track Record Period. The PRC Enterprise Income Tax Law and its implementation rules have adopted a statutory enterprise income tax rate of 25%. During the Track Record Period, we paid enterprise income tax at the rate of 25%, except for certain subsidiaries which enjoyed preferential tax treatment. If we cease to be entitled to preferential tax treatment, our income tax expenses may increase, which would adversely affect our results of operations. We have also received government grants. See "Financial Information – Description of Major Components of our Results of Operations – Other Net Income." We cannot assure you that we will continue receiving or benefiting from such grants in the future.

We may be subject to additional contributions of social insurance premium and housing provident funds, and late payments and fines imposed by relevant governmental authorities.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Administrative Regulations on the Housing Provident Fund of the PRC (《住房公積金管理條例》), we are required to make social insurance premium payments and contributions to housing provident funds for our employees. We failed to make full contributions to the social insurance and housing provident funds in the full amount for certain employees. See "Business – Employees" As advised by our PRC Legal Adviser, the relevant PRC authorities could order us to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if we fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. In case we are overdue in the payment and deposit of, or underpays, the housing

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provident fund, the authority could order us to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY IN THE PRINCIPAL PLACE OF OUR BUSINESS

Any deficiencies in China's internet infrastructure could impair our ability to sell products over our online sales network, which could cause us to lose consumers.

Our sales through online sale channels contribute a large proportion of our revenues. Our online sales primarily include sales through comprehensive e-commerce platforms, and online self-operated stores. See "Business – Our Omnichannel Sales Network." These sales depend on the performance and reliability of the internet infrastructure in China. The availability of our own web-based sales platform and e-commerce platforms depends on telecommunications carriers and other third-party providers for communications and storage capacity, including bandwidth and server storage, among other things. If we or e-commerce platforms are unable to enter into and renew agreements with these providers on acceptable terms, or if any of our or their existing agreements with such providers are terminated as a result of our or their breach or otherwise, as applicable, our ability to sell products to our consumers through online channels could be adversely affected. Service interruptions prevent consumers from accessing our online sales channels and placing orders, and frequent interruptions could frustrate consumers and discourage them from attempting to place orders, which could cause us to lose end-consumers and harm our operating results.

We may be subject to complaints, disputes and lawsuits in the ordinary course of our business.

We may be subject to complaints, disputes and lawsuits in the ordinary course of our business, which may be associated with issues such as breach of contract, employment or labor disputes, intellectual property infringement and environmental matters. Specifically, the products we produce and sell may expose us to product liability claims if the products are proven to fail to comply with relevant laws and regulations, or if they cause or are alleged to cause illness or health problems. If any product liability complaint is dealt with improperly, we may be required to pay substantial damages. Any complaints, disputes and lawsuits filed by or against us, whether or not meritorious, could result in significant costs and diversion of resources, and could cause serious damage to our reputation.

In addition, complaints, disputes and lawsuits filed against us may result from improper supplies to us, while our suppliers may not compensate us for any costs incurred by us as a result of such complaints, disputes and lawsuits in a timely manner, or at all. In that case our business and financial condition may be negatively affected.

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Fluctuations in exchange rates of Renminbi could result in foreign currency exchange losses.

The exchange rate of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, the policies of the Chinese government and changes in China's and international political and economic conditions, as well as supply and demand in the local market. There is no assurance that, under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. It is difficult to predict how market forces or government policies may impact the exchange rate between Renminbi and the Hong Kong dollar, U.S. dollar or other currencies in the future.

The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. As a result, any appreciation of Renminbi against the U.S. dollar, Hong Kong dollar or any other foreign currency may result in a decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms. Remittances of Renminbi into and out of China are subject to strict restrictions. You may experience difficulty in effecting service of legal process, enforcing foreign judgments or bringing original actions in China or Hong Kong based on foreign laws against us, our Directors and senior management.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and all of our business, assets and operations are located in China. In addition, the majority of our Directors, Supervisors and executive officers reside in China, and substantially all of the assets of such Directors, Supervisors and executive officers are located in China. As a result, it may not be possible for you to effect service of process within the United States or elsewhere outside China upon us or such Directors, Supervisors or executive officers, including with respect to matters arising under U.S. federal securities laws or applicable state securities laws. While China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned which came into effect on August 1, 2008, pursuant to which a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court, there are still uncertainties as to whether the judgments in Hong Kong will be recognized under the arrangement. Moreover, China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. In addition, Hong

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Kong has no arrangement with the United States for reciprocal enforcement of judgments. As a result, recognition and enforcement in China or Hong Kong of a court judgment obtained in the United States and any of the other jurisdictions mentioned above may be difficult or impossible.

Holders of our H Shares may be subject to income tax obligations in China.

Under the current tax laws and regulations in China, non-Chinese resident individuals and non-Chinese resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of our H Shares.

Non-Chinese resident individuals are required to pay individual income tax at a rate of 20% under the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) for the interests, dividends and bonuses they obtain from China. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. Generally, in accordance with the Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 Issued by the SAT (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), domestic non foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends to overseas resident individuals in the jurisdiction of the tax treaty, withhold individual income tax at the rate of 10%. When a tax rate of 10% is not applicable, the withholding company shall: (a) return the excessive tax amount pursuant to due procedures if the applicable tax rate is lower than 10%; (b) withhold such foreign individual income tax at the effective tax rate agreed on if the applicable tax rate is between 10% and 20%; or (c) withhold such foreign individual income tax at a rate of 20% if no taxation treaty is applicable.

For non Chinese-resident enterprises that were established under foreign laws with no actual management body in China but have establishments or premises in China, or for those which have no establishments or premises in China but whose income is derived from China, under the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》), dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of Shares are ordinarily subject to China enterprise income tax at a rate of 20%. In accordance with the Circular on Issues Relating to the Withholding of Enterprise Income Tax by Chinese Resident Enterprises on Dividends Paid to Overseas Non-Chinese Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT, such tax rate has been reduced to 10%, subject to a further reduction under special arrangements or applicable treaties between China and the jurisdiction of the residence of the relevant non Chinese-resident enterprise.

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Despite the arrangements mentioned above, there are significant uncertainties as to the interpretation and application of applicable tax laws and regulations in China due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non Chinese-resident individual holders will be subject to China individual income tax at a flat rate of 20%.

If there is any change to applicable tax laws and regulations or in the interpretation or application of such laws and regulations, the value of your investment in our H Shares may be materially affected.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our Shares, and their liquidity and [REDACTED] may be volatile.

There was no [REDACTED] for our H Shares prior to the [REDACTED]. There can be no guarantee that a [REDACTED] market for our H Shares with adequate liquidity and [REDACTED] volume will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our H Shares is expected to be fixed by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and us, which may not be indicative of the [REDACTED] of our H Shares following the completion of the [REDACTED]. If an active [REDACTED] for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] price and liquidity of our H Shares may be materially and adversely affected.

The liquidity, [REDACTED] volume and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to investors.

The price at which our H Shares will trade after the [REDACTED] will be determined by the marketplace, which may be affected by various factors beyond our control, including:

- our financial performance;
- changes in securities analysts' estimates, if any, of our financial performance;
- the history of, and the prospects for, ourselves and the industry in which we operate;
- an assessment on the prospects for, and timing of, our future revenue and cost structures that independent research analysts may publish, if any;
- the present state of our development;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;

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- general market sentiment regarding the rice, whole grain, bean and seed industry and the companies within the industry;
- changes in laws and regulations of China;
- our actual or perceived failure to compete effectively in the market; and
- political, economic, financial and social conditions.

In addition, the Hong Kong Stock Exchange has from time to time experienced significant volatility in [REDACTED] prices and volumes that have affected the market prices of securities of companies quoted on the Hong Kong Stock Exchange. As a result, investors in our H Shares may experience volatility in the [REDACTED] of their H Shares and a decrease in the value of their H Shares regardless of our operating performance or prospects.

Since there will be a gap of several days between the [REDACTED] and [REDACTED] of our H Shares, holders of our H Shares are subject to the risk that the price of our H Shares could fall during this period before the [REDACTED] of our H Shares begins.

The initial price of our Shares sold to the [REDACTED] in the [REDACTED] is expected to be determined on the [REDACTED]. However, the Shares will not commence [REDACTED] on the Stock Exchange until they are delivered, which is expected to be several Business Days after the [REDACTED]. As a result, investors may not be able to sell or otherwise deal in the Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of the Shares when [REDACTED] begins could be lower than the [REDACTED] as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time [REDACTED] begins.

We cannot assure you when, whether and in what form or size we will pay dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distributions of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depend on various factors, including but not limited to our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under PRC GAAP or IFRS (whichever is lower), our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable laws and regulations in China, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy.

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Should the [REDACTED] be higher than the net tangible book value per Share, subject to pricing, you may experience an immediate dilution in the book value of the [REDACTED] you purchased in the [REDACTED] and may experience further dilution if we issue additional Shares in the future.

The [REDACTED] of the [REDACTED] may be higher than the net tangible book value per Share immediately prior to the [REDACTED]. As a result, you and other purchasers of the [REDACTED] in the [REDACTED] may experience an immediate dilution to a [REDACTED] net tangible asset value of HK\$[REDACTED] per Share, based on the [REDACTED] of HK\$[REDACTED] per Share.

We obtain some information from independent third parties engaged in conducting research and public sources. We cannot assure you of the accuracy or completeness of certain facts, forecasts and other statistics obtained from such parties or sources.

This document, particularly the sections headed "Business" and "Industry Overview," contains information and statistics relating to the rice, whole grain, bean and seed industry. Such information and statistics have been derived from a third-party report commissioned by us and publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot guarantee the quality or reliability of such information sources. The information has not been independently verified by us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any other party involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be flawed or defective, or there may be discrepancies between published information and market practice, which may result in the statistics included in this document being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is presented or compiled by the same method or with the same degree of accuracy as similar statistics presented elsewhere. You should consider carefully the importance placed on such information or statistics.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the

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inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

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