
HISTORY AND CORPORATE STRUCTURE

OUR HISTORY

Overview

We are one of the major enterprises dedicated to the breeding and farming of pigs and yellow-feathered broilers in the PRC. The Group’s history can be traced back to 2011 when our Controlling Shareholder, Mr. Wang Degen (王德根) recognised the potential of the husbandry industry and personally acquired a 42% equity interest in Chongqing Tequ from Sichuan Tequ and continued to develop the pig and poultry business of Chongqing Tequ. Upon the acquisition, Mr. Wang Degen became the largest single shareholder of Chongqing Tequ, which was renamed as Chongqing Dekon in 2012 and subsequently became a wholly-owned subsidiary of the Company. For details of the establishment and change of shareholding of Chongqing Dekon, please refer to the section headed “– The Corporate Development of our Company”.

On 11 April 2014, we established our Company as the holding company of the Group under the laws of the PRC to regulate the corporate structure of our pig, poultry, food processing and other businesses. Since the establishment of our Company, we have undergone several capital increases and equity transfers. For details of the capital increases and equity transfers of our Company, please refer to the section headed “– The Corporate Development of our Company – Major Changes in our Company’s Shareholding Structure and Registered Capital”.

Over the years, we received a number of recognitions from various authorities in the PRC, including Agriculture Industrialisation National Key Enterprises (農業產業化國家重點龍頭企業) and Demonstration Forms for Livestock Farming Standardisation (畜禽養殖標準化示範場). Our operations cover 13 provinces, municipalities and autonomous regions across China, with more than 8,000 employees.

Milestones

Set out below are the key milestones of our business development:

Year	Event
September 2011	Mr. Wang Degen acquired a 42% equity interest in Chongqing Tequ to continue to develop pig and poultry business.
May 2013	We established the No. 1 Family Farm model.
March 2013	We imported 868 breeding pigs from a Canadian pig genetics company specialising in pig breeding to build our own pig breeding system.

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April 2014	The Company was established with the equity of Chongqing Dekon and cash capital contribution.
September 2015	Our farming projects of 500,000 heads of pigs in Hechuan District, Chongqing City were executed and implemented to develop our whole industry chain in Hechuan area.
November 2015	We acquired 50.5% of the equity interest of Guangdong Wizagricultural Science & Technology Co., Ltd. (廣東智威農業科技股份有限公司), an Agriculture Industrialisation National Key Leading Enterprise (農業產業化國家重點龍頭企業), which equipped us with a key laboratory of poultry genetic breeding under MARA and a new matching system for national livestock and poultry validation for the “Lingnanhuang” series.
December 2015	We established the No. 2 Family Farm model.
November 2018	Our Jianshan Nucleus Breeding Pig Farm in Zigong City, Sichuan Province was awarded the “National Nucleus Pig Breeding Farm” (國家生豬核心育種場) qualification certificate by the MARA, making us one of the 100 Nucleus breeding pig farms in China.
July 2019	<p>Our gene bank and breeding base for yellow-feathered broilers located in Yingde City, Guangdong Province has been completed and put into production, which provides a solid basis to our quality chicken breeders and broilers product structure.</p> <p>We imported 500 breeding pigs from a renowned provider of advanced genetic solutions to form our terminal sire herd.</p>
October 2020	We signed a cooperation agreement with Tönnies, one of the largest integrated meat product enterprise in Germany. We will establish a slaughterhouse with a target initial annual slaughtering capacity of two million heads of pigs in Meishan City, Sichuan Province, marking our firm step towards quality food production (EU standard).
January 2021	We became one of the first enterprises in China to introduce and implement pig futures, indicating our employment of financial instruments to effectively manage the risks of pig price fluctuations.

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Our pigs slaughtering and refined meat product processing project with an annual capacity of 3 million pigs in Nanxi District, Yibin City, Sichuan Province was officially launched.

February 2021

Our farm in Taiping, Sihong County, Jiangsu Province passed the evaluation for National African Swine Fever Free Zone, indicating the acknowledgement by the authorities for the Group’s prevention and control efforts against African Swine Fever.

Three of our pig farms were accredited as demonstration farms for livestock and poultry farming standardisation recognised by the MARA, indicating that standardisation of our livestock and poultry farming management had reached the advanced level of industry development.

April 2022

Guiyang Dekang Animal Husbandry Co., Ltd. (Zhongzhai breeding pig farm) was selected as a national core pig breeding farm.

May 2023

Our “MARA Pig Breeding and Multiplication Key Laboratory in Southwest China” was selected as the “MARA Enterprise Key Laboratory” by the MARA.

THE CORPORATE DEVELOPMENT OF OUR COMPANY

The Establishment and Development of Chongqing Dekon (formerly known as Chongqing Tequ)

On 21 April 2008, Sichuan Tequ, being a connected person of our Company, and our executive Director, Mr. Hu Wei (胡偉), contributed 85% and 15%, respectively to establish Chongqing Tequ, with a registered capital of RMB20 million. Our Controlling Shareholder, Mr. Wang Degen, and our executive Director, Mr. Hu Wei, were elected as Directors upon its establishment. At the early stage of its establishment, Chongqing Tequ was engaged in poultry business. On 7 September 2011, Mr. Wang Degen acquired 42% equity interest in Chongqing Tequ from Sichuan Tequ at a consideration of RMB10.4 million, and Sichuan Tequ transferred the remaining 35% equity interest to Mr. Chen Yuxin (陳育新) at RMB7 million, 3% to Mr. Liu Guofeng (劉國峰) at RMB0.75 million, 3% to Mr. Rao Hui (饒暉) at RMB0.75 million and 2% to Mr. Wang Dehui at RMB0.50 million. On the same date, Mr. Hu Wei transferred 5% equity interest he held in Chongqing Tequ to Mr. Tang Jianyuan (唐健源) at RMB1.24 million. Chongqing Tequ was renamed as Chongqing Dekon on 5 March 2012.

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Our Company was established as a limited liability company in the PRC on 11 April 2014 with a registered capital of RMB100 million. In April 2014, seven individuals, including Mr. Wang Degen, Mr. Chen Yuxin, Mr. Hu Wei, Mr. Tang Jianyuan, Mr. Rao Hui, Mr. Liu Guofeng and Mr. Wang Dehui (王德輝), jointly established the Company through contribution of their equity interest in Chongqing Dekon (valued at RMB70 million in aggregate based on assessed valuation) and cash of RMB30 million in proportion to their then shareholding in Chongqing Dekon. The shareholding structure of our Company upon its establishment is as follows: Mr. Wang Degen (42.00%), Mr. Chen Yuxin (35.00%), Mr. Hu Wei (10.00%), Mr. Tang Jianyuan (5.00%), Mr. Rao Hui (3.00%), Mr. Liu Guofeng (3.00%) and Mr. Wang Dehui (2.00%). Upon completion of the abovementioned capital contribution and transfer of equity interest, our Company became the sole shareholder of Chongqing Dekon.

Mr. Wang Degen is the younger brother of Mr. Wang Dehui, and both of them are executive Directors of the Company. Mr. Chen Yuxin is one of the substantial shareholders of the Company. For details, please refer to the section headed “Substantial Shareholders”. Mr. Wang Dehui and Mr. Hu Wei are our executive Directors. For details, please refer to the section headed “Directors, Supervisors and Senior Management”. Mr. Tang Jianyuan, Mr. Rao Hui and Mr. Liu Guofeng are Independent Third Parties. As mentioned in the section “Changes in shareholdings from April 2014 to May 2019”, Mr. Rao Hui transferred his shareholding in the Company to Mr. Wang Degen in 2018 and is no longer a Shareholder of the Company. Mr. Tang Jianyuan was a director of the Company from March 2014 to March 2017. At our subsidiary level, he has been serving as a director of our subsidiary, Tweebie Hope (Sichuan) Food Co., Ltd. (特威比希望(四川)食品有限公司), since April 2015. Mr. Tang Jianyuan previously served as a director of Chongqing Dekon Agriculture and Animal Husbandry (Group) Co., Ltd. (重慶德康農牧(集團)有限公司) from September 2011 to December 2018, Jilin Dekon Investment Co., Ltd. (吉林德康投資有限公司) from July 2016 to October 2020, Guangdong Wizagricultural Science & Technology Co., Ltd. (廣東智威農業科技股份有限公司) from January 2016 to December 2019. He also served as the chairman of board of directors and legal representative of Sichuan Genyuan Deyi Biotechnology Co., Ltd. (四川根源德億生物科技有限公司) (dissolved) from June 2016 to December 2018, a supervisor of Guang’an Dekon Food Co., Ltd. (廣安德康食品有限公司) (dissolved) from September 2013 to July 2016 and previously held interest in Chongqing Dekon Agriculture and Animal Husbandry (Group) Co., Ltd. and Anshun Dekon Feed Co. Ltd. (安順德康飼料有限公司). Mr. Liu Guofeng was a director of the Company from March 2014 to March 2017. At our subsidiary level, he previously served as a director of Songtao Dekon Agricultural and Animal Husbandry Co., Ltd. (松桃德康農牧有限公司) from February 2012 to July 2017 and Chongqing Dekon Agriculture and Animal Husbandry (Group) Co., Ltd. from September 2011 to December 2018. Mr. Liu Guofeng also served as the legal representative of Xishui Dekon Agriculture and Animal Husbandry Co., Ltd. (習水德康農牧有限公司) from June 2012 to December 2017 and Guiyang Dekon Agriculture and Animal Husbandry Co., Ltd. (貴陽德康農牧有限公司) from May 2011 to October 2015. In addition, he previously held interest in Chongqing Dekon Agriculture and Animal Husbandry (Group) Co., Ltd.

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Major Changes in our Company’s Shareholding Structure and Registered Capital

Since the establishment of our Company, our Company has undergone a series of capital increases to raise funds for the development of its business and to bring in new Shareholders to the Company. The major shareholding changes of our Company are set out below:

Changes in shareholdings from April 2014 to May 2019

Pursuant to an equity transfer agreement dated 18 January 2015, Mr. Wang Degen transferred 2% equity interest he held in our Company, representing RMB2 million of the registered capital, to Mr. Chen Yuhe (陳玉和) at a price of RMB20 million. The consideration was settled on 13 February 2015.

Pursuant to an equity transfer agreement dated 11 July 2015, Mr. Chen Yuxin transferred 5% equity interest he held in our Company, representing RMB5 million of the registered capital, to Mr. Peng Benping at a price of RMB55 million. The consideration was settled on 4 August 2015.

Pursuant to an equity transfer agreement dated 5 November 2016, Mr. Chen Yuxin transferred 6% equity interest he held in our Company, representing RMB6 million of the registered capital, to CEL Maiming at a consideration of RMB120 million, which was settled on 24 November 2016.

Pursuant to an equity transfer agreement dated 30 March 2017, Mr. Chen Yuxin transferred 3% equity interest he held in our Company, representing RMB3 million of the registered capital, to Chengdu Jiakun at a consideration of RMB60.60 million, which was settled on 26 April 2017. Pursuant to another equity transfer agreement dated 30 March 2017, Mr. Chen Yuxin transferred 2% equity interest he held in our Company, representing RMB2 million of the registered capital, to Sichuan Hebang Investment Group Co., Ltd. (四川和邦投資集團有限公司) at a consideration of RMB40.40 million, which was settled on 27 April 2017. Mr. Liu Guofeng and Sichuan Hebang Investment Group Co., Ltd. entered into an equity transfer agreement dated 30 March 2017, pursuant to which Mr. Liu Guofeng transferred 1% equity interest he held in our Company, representing RMB1 million of the registered capital, to Sichuan Hebang Investment Group Co., Ltd. at a consideration of RMB20.20 million, which was settled on 27 April 2017.

Pursuant to an equity transfer agreement dated 22 December 2017, Mr. Wang Degen transferred 40% equity interest he held in our Company, representing RMB40 million of the registered capital (at a consideration of RMB119.30 million) to Desheng Ronghe, wholly-owned by him, as equity contribution to Desheng Ronghe.

Pursuant to an equity transfer agreement dated 1 June 2018, Mr. Hu Wei transferred 6% equity interest he held in our Company, representing RMB6 million of the registered capital, to Ms. Song Fuxian (宋福賢), who was an ex-associate of Mr. Hu Wei, at nil consideration. Ms. Song Fuxian is a passive investor and has never been involved in the operations of the Group,

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nor held any position of the Company or the subsidiaries of the Company. Pursuant to another equity transfer agreement dated 1 June 2018, Mr. Hu Wei transferred 1% equity interest he held in our Company, representing RMB1 million of the registered capital, to Mr. Wang Degen at a price of RMB20 million. The consideration was settled on 27 March 2019.

Pursuant to an equity transfer agreement dated 13 September 2018, Mr. Chen Yuxin transferred 4% equity interest he held in our Company, representing RMB4 million of the registered capital, to Desheng Ronghe at a consideration of RMB80 million, which was settled on 13 September 2018. Pursuant to an equity transfer agreement dated 13 September 2018, Mr. Rao Hui, transferred 3% equity interest he held in our Company, representing RMB3 million of the registered capital, to Mr. Wang Degen at a consideration of RMB60 million, which was settled on 12 May 2021.

On 27 November 2018, the registered capital of our Company was increased from RMB100 million to RMB101.70 million, with the additional RMB1.70 million subscribed at par value by Mr. Yao Hailong (姚海龍), Mr. Xu Wei (徐偉) and Mr. Tang Xiaoping for RMB1 million, RMB0.5 million and RMB0.2 million, respectively.

Pursuant to an equity transfer agreement dated 7 December 2018, Sichuan Hebang Investment Group Co., Ltd. transferred 2.94985% equity interest it held in our Company, representing RMB3 million of the registered capital, to Ms. Song Yuanfang (宋遠芳), an Independent Third Party, at a price of RMB72 million. The consideration had been settled on 7 December 2018.

Conversion into a joint stock company with limited liability

On 9 May 2019, the share capital of our Company comprised 250,000,000 Shares with a nominal value of RMB1 each based on the audited net assets of the Company on a pro rata basis, which were allotted to the then Shareholders in proportion to their respective capital contribution to our Company, and our Company was converted into a joint stock company with limited liability.

Changes in shareholdings from May 2019 to October 2020

On 29 June 2019, the Company resolved to issue an additional 33,295,430 ordinary Shares with a nominal value of RMB1 each. The registered capital was increased from RMB250 million to RMB283,295,430, which was subscribed by Mr. Shu Dingming (舒鼎銘) as to 3,807,107 Shares at a price of RMB15.23 million (RMB4 per Share), Zhongcheng Jinyi, an Employee Shareholding Platform of our Company, as to 7,814,213 Shares at a price of RMB77 million (RMB9.85 per Share); the remaining 16,255,549 Shares were issued to CEL Maiming at a price of RMB180 million (RMB11.07 per Share), which was paid by way of debt-to-equity swap pursuant to the debt-to-equity swap agreement dated 17 December 2018 and Suzhou Houqi as to 5,418,561 Shares at a price of RMB60 million (RMB11.07 per Share).

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On 14 November 2019, our Company resolved to issue an additional 5,665,909 ordinary Shares with a nominal value of RMB1 each. The registered capital was increased from RMB283,295,430 to RMB288,961,339, which was subscribed in full by Yixing CEL at a price of RMB200 million (RMB35.30 per Share).

On 15 December 2019, our Company resolved to issue an additional 1,422,221 ordinary Shares with a nominal value of RMB1 each. The registered capital was increased from RMB288,961,339 to RMB290,383,560, which was subscribed in full by Tongchuang Deheng at a price of RMB42.80 million (RMB30.11 per Share). Tongchuang Deheng is an Employee Shareholding Platform of our Company.

On 21 April 2020, our Company resolved to issue an additional 6,701,159 ordinary Shares with a nominal value of RMB1 each. The registered capital was increased from RMB290,383,560 to RMB297,084,719, which was subscribed in full by Yixing CEL at a price of RMB300 million (RMB44.77 per Share), which was paid by way of debt-to-equity swap pursuant to the debt-to-equity swap agreement dated 14 November 2019.

Pursuant to an equity transfer agreement dated 25 June 2020, Yixing CEL transferred 2,233,720 Shares it held in our Company, representing a shareholding of 0.75%, at a price of RMB100 million to Changzhou Mailun.

Capitalisation Issue

On 30 October 2020, our Company resolved to increase the registered capital of the Company out of the undistributed profit of the Company in the amount of RMB62,915,281 on pro rata basis according to the shareholding ratios of the existing Shareholders (the “**Capitalisation Issue**”). After the completion of the Capitalisation Issue, the registered capital of our Company increased to RMB360 million.

Changes in shareholdings from October 2020 to the Latest Practicable Date

Pursuant to an equity transfer agreement dated 28 December 2020 and as a matter of family wealth arrangement, Mr. Peng Benping (彭本平) transferred 2,978,799 Shares he held in our Company, being one fifth of the shareholding held by Mr. Peng Benping before the transfer, to his brother, Mr. Peng Bengang (彭本剛), at a transfer price of RMB11 million, being one fifth of Mr. Peng Benping’s investment cost of his shareholding before the transfer. Pursuant to an equity transfer agreement dated 4 January 2021 and as a matter of family wealth arrangement, Mr. Peng Bengang transferred the 2,978,799 Shares to his spouse, Ms. Song Yuanfang, at a transfer price of RMB11 million, which was determined with reference to the cost of acquiring the relevant Shares by Mr. Peng Bengang and was settled on 5 January 2021.

On 3 December 2021, the Company resolved to issue an additional 1,963,636 ordinary Shares with a nominal value of RMB1 each. The share capital was increased from RMB360 million to RMB361,963,636, which was subscribed in full by Shanghai Xunran at a price of RMB120 million (RMB61.11 per Share), which was settled on 16 December 2021.

Pursuant to an equity transfer agreement dated 6 December 2022 and as a matter of family wealth arrangement between family members, Ms. Song Yuanfang transferred 11,915,197 Shares she held in our Company to her spouse, Mr. Peng Bengang, at a transfer price of RMB83 million, which was determined with reference to the cost of acquiring the relevant Shares by Ms. Song and was fully settled on 8 December 2022.

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Employee Shareholding Platforms

To incentivise our employees to make greater contributions to the Group, our Company allotted 7,814,213 Shares at a consideration of RMB9.85 per Share to Zhongcheng Jinyi on 29 June 2019, and allotted 1,422,221 Shares to Tongchuang Deheng on 15 December 2019 at a consideration of RMB30.11 per Share. The consideration per Share was based on the valuation of the Company, taking into account the discount given to the relevant platform. Both Zhongcheng Jinyi and Tongchuang Deheng are limited partnership enterprises, which interests are all held by the employees of our Company. The purpose of establishment is to subscribe for and hold the Shares. As at the Latest Practicable Date, the interests in Zhongcheng Jinyi were held by 36 employees, and the interests in Tongchuang Deheng were held by 30 employees.

The executive partner of Zhongcheng Jinyi and Tongchuang Deheng is Sichuan Dinghui Ronghe Enterprise Management Co., Ltd. (四川鼎輝榮和企業管理有限公司), which is wholly-owned by Mr. Wang Dehui. As at the Latest Practicable Date, Zhongcheng Jinyi and Tongchuang Deheng held approximately 2.62% and 0.48% of the issued share capital of our Company, respectively. For the interests of our Directors and Supervisors on the Employee Shareholding Platforms, please refer to the section headed “Appendix VI – Statutory and General Information – Further Information about our Directors, Supervisors and Substantial Shareholders – 5. Employee Incentive Scheme”.

Our Principal Subsidiaries

As at the Latest Practicable Date, our Company has a total of 121 subsidiaries, out of which nine are directly held by the Company. The principal business activities, the dates of establishment of each member of our Group that has made major contributions to our operating results during the Track Record Period are set out below:

Name of company	Place and date of establishment	Principal business	Effective percentage of interest held by the Group as at the Latest Practicable Date
Chengdu Dekon Animal Husbandry Technology Co., Ltd. (成都德康畜牧科技有限公司)	PRC, 29 December 2017	Holding company	100%
Chengdu Dekon Chicken Breeding Co., Ltd. (成都德康雞業有限公司)	PRC, 10 October 2014	Holding company	100%

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Name of company	Place and date of establishment	Principal business	Effective percentage of interest held by the Group as at the Latest Practicable Date
Chengdu Xindekon Food Co., Ltd. (成都新德康食品有限公司)	PRC, 17 August 2020	Holding company	100%
Chengdu Dekon Animal Health Technology Service Co., Ltd. (成都德康動物健康技術服務有限公司)	PRC, 6 November 2018	Trading	100%
Mianzhu Dekon Pig Farming Co., Ltd. (綿竹德康生豬養殖有限公司)	PRC, 13 June 2012	Pig farming	100%
Sihong Dekon Farming and Technology Co., Ltd. (泗洪德康農牧科技有限公司)	PRC, 18 April 2018	Pig farming	65% ⁽¹⁾
Horqin Right Front Banner Dekon Agriculture and Animal Husbandry Co., Ltd. (科爾沁右翼前旗德康農牧有限公司)	PRC, 13 December 2016	Pig farming	70% ⁽²⁾
Chongqing Hechuan Dekon Pig Farming Co., Ltd. (重慶市合川區德康生豬養殖有限公司)	PRC, 28 October 2015	Pig farming	100%
Xuanwei Dekon Pig Farming Co., Ltd. (宣威德康生豬養殖有限公司)	PRC, 18 October 2012	Pig farming	100%
Xishui Dekon Agriculture and Animal Husbandry Co., Ltd. (習水德康農牧有限公司)	PRC, 4 July 2012	Pig farming	100%
Baotou Dekon Agriculture and Animal Husbandry Co., Ltd. (包頭德康農牧有限公司)	PRC, 10 September 2015	Pig farming	70% ⁽³⁾

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Name of company	Place and date of establishment	Principal business	Effective percentage of interest held by the Group as at the Latest Practicable Date
Ceheng Dekon Agriculture and Animal Husbandry Co., Ltd. (冊亨德康農牧有限公司)	PRC, 19 September 2016	Pig farming	100%
Fushun Dekon Pig Breeding Co., Ltd. (富順德康生豬養殖有限公司)	PRC, 20 May 2015	Pig farming	100%
Quxian Dekon Pig Farming Co., Ltd. (渠縣德康生豬養殖有限公司)	PRC, 17 May 2012	Pig farming	100%
Jiangan Dekon Pig Farming Co., Ltd. (江安德康生豬養殖有限公司)	PRC, 27 April 2012	Pig farming	100%
Songtao Dekon Agriculture and Animal Husbandry Co., Ltd. (松桃德康農牧有限公司)	PRC, 1 March 2012	Pig farming	100%
Anshun Dekon Agriculture and Animal Husbandry Co., Ltd. (安順德康農牧有限公司)	PRC, 9 May 2011	Pig farming	100%
Yuechi Yincheng Dekon Animal Husbandry Co., Ltd. (岳池銀城德康畜牧有限公司)	PRC, 21 January 2008	Pig farming	100%
Chongqing Wanzhou Dekon Agriculture and Animal Husbandry Technology Co., Ltd. (重慶萬州德康農牧科技有限公司)	PRC, 3 December 2018	Pig farming	76% ⁽⁴⁾
Xinping Dekon Agriculture and Animal Husbandry Co., Ltd. (新平德康農牧有限公司)	PRC, 1 March 2017	Pig farming	100%

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Name of company	Place and date of establishment	Principal business	Effective percentage of interest held by the Group as at the Latest Practicable Date
Renshou Dekon Agriculture and Animal Husbandry Co., Ltd. (仁壽德康農牧有限公司)	PRC, 4 December 2018	Pig farming	100%
Zigong Dekon Animal Husbandry Technology Co., Ltd. (自貢德康農牧科技有限公司)	PRC, 31 October 2019	Pig farming	100%
Guigang Dekon Pig Farming Co., Ltd. (貴港德康生豬養殖有限公司)	PRC, 21 September 2016	Pig farming	100%
Taijiang Dekon Agriculture and Animal Husbandry Co., Ltd. (台江德康農牧有限公司)	PRC, 31 May 2017	Pig farming	100%
Pengan Dekon Pig Breeding Co., Ltd. (蓬安德康種豬繁育有限公司)	PRC, 5 March 2008	Pig farming	100%
Guangan Dekon Pig Farming Co., Ltd. (廣安德康生豬養殖有限公司)	PRC, 18 January 2013	Pig farming	100%
Suqian Dekon Agriculture and Animal Husbandry Co., Ltd. (宿遷德康農牧有限公司)	PRC, 8 June 2020	Pig farming	100%
Yiyang Dekon Pig Farming Co., Ltd. (弋陽縣德康種豬繁育有限公司)	PRC, 17 July 2015	Pig farming	95% ⁽⁵⁾
Jiangsu Dekon Animal Husbandry Technology Co., Ltd. (江蘇德康農牧科技有限公司)	PRC, 14 December 2017	Pig farming	65% ⁽⁶⁾
Guizhou Guian New Area Dekon Poultry Farming Co., Ltd. (貴州貴安新區德康家禽養殖有限公司)	PRC, 20 May 2011	Yellow-feathered broiler farming	99% ⁽⁷⁾

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Name of company	Place and date of establishment	Principal business	Effective percentage of interest held by the Group as at the Latest Practicable Date
Shilin Dekon Poultry Farming Co., Ltd. (石林德康家禽養殖有限公司)	PRC, 28 January 2011	Yellow-feathered broiler farming	95% ⁽⁸⁾
Kunming Dekon Poultry Farming Co., Ltd. (昆明德康家禽養殖有限公司)	PRC, 30 September 2009	Yellow-feathered broiler farming	98% ⁽⁹⁾
Deyang Dekon Poultry Farming Co., Ltd. (德陽德康家禽養殖有限公司)	PRC, 24 September 2009	Yellow-feathered broiler farming	100%
Xifeng Dekon Poultry Farming Co., Ltd. (息烽德康家禽養殖有限公司)	PRC, 16 December 2008	Yellow-feathered broiler farming	99% ⁽¹⁰⁾
Guangdong Zhicheng Foods Co., Ltd. (廣東智成食品有限公司)	PRC, 23 August 2007	Yellow-feathered broiler farming	92% ⁽¹¹⁾
Chongqing Bishan Dekon Poultry Farming Co., Ltd. (重慶市璧山區德康家禽養殖有限公司)	PRC, 27 April 2007	Yellow-feathered broiler farming	88% ⁽¹²⁾
Guangdong Wizagricultural Science & Technology Co., Ltd. (廣東智威農業科技股份有限公司)	PRC, 10 July 2003	Yellow-feathered broiler farming	92% ⁽¹³⁾
Kaiping Jinjiwang Poultry Co., Ltd. (開平金雞王禽業有限公司)	PRC, 11 November 2002	Yellow-feathered broiler farming	92% ⁽¹⁴⁾

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Notes:

- (1) As at the Latest Practicable Date, Sihong Dekon Farming and Technology Co., Ltd. was wholly-owned by Jiangsu Dekon Animal Husbandry Technology Co., Ltd. (江蘇德康農牧科技有限公司), which was in turn owned by Chengdu Dekon Animal Husbandry Technology Co., Ltd. (成都德康畜牧科技有限公司), a wholly-owned subsidiary of the Company, and Xuzhou Qiwang Industrial Co., Ltd. (徐州啟望實業有限公司), an Independent Third Party, as to 65% and 35%, respectively.
- (2) As at the Latest Practicable Date, Horqin Right Front Banner Dekon Agriculture and Animal Husbandry Co., Ltd. was wholly-owned by Jilin Dekon Investment Co., Ltd. (吉林德康投資有限公司), which was in turn owned by Chengdu Dekon Animal Husbandry Technology Co., Ltd. (成都德康畜牧科技有限公司), a wholly-owned subsidiary of the Company, and Jilin Huixin Tiancheng Investment Co., Ltd. (吉林匯鑫天成投資有限公司), an Independent Third Party, as to 70% and 30%, respectively.
- (3) As at the Latest Practicable Date, Baotou Dekon Agriculture and Animal Husbandry Co., Ltd. was wholly-owned by Jilin Dekon Investment Co., Ltd. (吉林德康投資有限公司), which was in turn owned by Chengdu Dekon Animal Husbandry Technology Co., Ltd. (成都德康畜牧科技有限公司), a wholly-owned subsidiary of the Company, and Jilin Huixin Tiancheng Investment Co., Ltd. (吉林匯鑫天成投資有限公司), an Independent Third Party, as to 70% and 30%, respectively.
- (4) As at the Latest Practicable Date, Chongqing Wanzhou Dekon Agriculture and Animal Husbandry Technology Co., Ltd. was owned as to 76% by Chengdu Dekon Animal Husbandry Technology Co., Ltd. (成都德康畜牧科技有限公司), a wholly-owned subsidiary of the Company, 10% by Chongqing Wanzhou Kaiwuxiang Trade Co., Ltd. (重慶市萬州區開武祥貿易有限公司), an Independent Third Party, 10% by Chongqing Tebao Agriculture and Animal Husbandry Technology Co., Ltd. (重慶特寶農牧科技有限公司), which is in turn owned as to 97% by Mr. Wang Degen’s brother, Mr. Wang Dewu (王德武) and his spouse, and 4% by Liang Wenhai (梁文海), an Independent Third Party.
- (5) As at the Latest Practicable Date, Mr. Fang Ping (方平), an Independent Third Party, held 5% of the equity interest of Yiyang Dekon Pig Farming Co., Ltd.
- (6) As at the Latest Practicable Date, Jiangsu Dekon Animal Husbandry Technology Co., Ltd. (江蘇德康農牧科技有限公司) was owned as to 65% by Chengdu Dekon Animal Husbandry Technology Co., Ltd. (成都德康畜牧科技有限公司), a wholly-owned subsidiary of the Company, and 35% by Xuzhou Qiwang Industrial Co., Ltd. (徐州啟望實業有限公司), an Independent Third Party.
- (7) As at the Latest Practicable Date, Mr. Wan Deshun (萬德順), an Independent Third Party, held 1% of the equity interest of Guizhou Guian New Area Dekon Poultry Farming Co., Ltd..
- (8) As at the Latest Practicable Date, each of the following Independent Third Parties, namely Ms. He Taojuan (何桃娟), Ms. Wang Lingli (汪玲麗), Mr. Zhang Xu (張旭), Mr. Lu Zheng Lin (陸正林) and Mr. Luo Jie (羅傑), held 1% of the equity interest of Shilin Dekon Poultry Farming Co., Ltd., respectively.
- (9) As at the Latest Practicable Date, each of the following Independent Third Parties, namely Ms. Jiang Liuya (蔣劉婭) and Mr. Zhang Shu (張樹), held 1% of the equity interest of Kunming Dekon Poultry Farming Co., Ltd., respectively.
- (10) As at the Latest Practicable Date, Mr. Wan Deshun (萬德順), an Independent Third Party, held 1% of the equity interest of Xifeng Dekon Poultry Farming Co., Ltd..
- (11) As at the Latest Practicable Date, Guangdong Zhicheng Foods Co., Ltd. was wholly-owned by Guangdong Wizagricultural Science & Technology Co., Ltd. (廣東智威農業科技股份有限公司), which was in turn owned by Chengdu Dekang Chicken Industry Co., Ltd. (成都德康雞業有限公司), a wholly-owned subsidiary of the Company, Guangdong Agri-Sciences Group Corporation (廣東省農科資產經營有限公司), an Independent Third Party, and Academy of Agricultural Sciences Livestock Research Institute (廣東省農業科學院畜牧研究所), an Independent Third Party, as to 92.00%, 4.63% and 3.37%, respectively.
- (12) As at the Latest Practicable Date, the following Independent Third Parties, namely Mr. Yin Huagui (尹華貴), Mr. Peng Chunhui (彭春暉), Mr. Zhu Changjiu (朱長久), Mr. Yu Shixin (余世新) and Mr. Cao Lixin (曹立新), held 4%, 2.5%, 2.5%, 2% and 1% of the equity interest Chongqing Bishan Dekon Poultry Farming Co., Ltd., respectively.
- (13) As at the Latest Practicable Date, Guangdong Wizagricultural Science & Technology Co., Ltd. was owned by Chengdu Dekon Chicken Breeding Co., Ltd. (成都德康雞業有限公司), a wholly-owned subsidiary of the Company, Guangdong Agri-Sciences Group Corporation (廣東省農科資產經營有限公司), an Independent Third Party, and Academy of Agricultural Sciences Livestock Research Institute (廣東省農業科學院畜牧研究所), an Independent Third Party, as to 92.00%, 4.63% and 3.37%, respectively.
- (14) As at the Latest Practicable Date, Kaiping Jinjiwang Poultry Co., Ltd. was wholly-owned by Guangdong Wizagricultural Science & Technology Co., Ltd. (廣東智威農業科技股份有限公司) which was in turn owned by us as to 92%. For details of the shareholding of Guangdong Wizagricultural Science & Technology Co., Ltd. please refer to note (13) above.

HISTORY AND CORPORATE STRUCTURE

For changes in the share capital of our principal subsidiaries, please refer to the section headed “Appendix VI – Statutory and General Information – Further Information about Our Company – 5. Changes in Share Capital of Our Subsidiaries”.

No special rights were granted to any minority shareholders of any of our subsidiaries.

ACQUISITIONS AND DISPOSALS DURING THE TRACK RECORD PERIOD

During the Track Record Period, our Company did not conduct any acquisition which would constitute an acquisition of a major subsidiary under Rule 4.05A of the Listing Rules. A significant acquisition conducted by the Company during the Track Record Period is set out below.

Acquisition of 85% equity interest in Xishui Runkang Livestock Breeding Co., Ltd. (習水潤康畜牧養殖有限公司)

Chengdu Dekon Animal Husbandry Technology Co., Ltd. (“**Chengdu Dekon**”), our wholly-owned subsidiary entered into an equity transfer agreement with Leshan Jinxin Agricultural Development Co. Ltd. (樂山錦鑫農業發展有限公司) dated 21 April 2020, pursuant to which, Chengdu Dekon acquired 85% equity interest in Xishui Runkang Livestock Breeding Co., Ltd. from Leshan Jinxin Agricultural Development Co. Ltd., an Independent Third Party, at a total consideration of RMB17 million, which was determined based on the asset valuation report issued by an independent valuer. Pursuant to the valuation report, the aggregate book value of the equity interest was RMB19,875,900 as at 29 February 2020. The purchase price was settled on 8 April 2020. Following the completion of the acquisition, the Company held 85% equity interest in Xishui Runkang Livestock Breeding Co., Ltd. through Chengdu Dekon, and the remaining 15% equity interest were held by Leshan Jinxin Agricultural Development Co. Ltd.

Xishui Runkang Livestock Breeding Co., Ltd. was engaged in the business of pig farming in Xishui County, Guizhou Province. This acquisition will benefit the Group in its regional development and expansion of production scale.

PRE-[REDACTED] INVESTMENTS

Overview

Our Company has received several rounds of Pre-[REDACTED] Investments since its establishment, the principal terms of which are summarised as follows:

HISTORY AND CORPORATE STRUCTURE

Investor	Date of the investment ⁽¹⁾	Investment consideration	Full settlement date	Post-money Valuation ⁽²⁾	Investment cost per Share on the date of investment ⁽³⁾	[REDACTED]	Amount received by the Company
Mr. Chen Yuhe	18 January 2015	RMB20,000,000	13 February 2015	RMB1,000 million	RMB10	[REDACTED]	Nil ⁽¹¹⁾
Mr. Peng Benping ⁽⁸⁾	11 July 2015	RMB55,000,000	4 August 2015	RMB1,100 million	RMB11	[REDACTED]	Nil ⁽¹¹⁾
CEL Maiming	5 November 2016	RMB120,000,000	24 November 2016	RMB2,000 million	RMB20	[REDACTED]	Nil ⁽¹¹⁾
Chengdu Jiakun	30 March 2017	RMB60,600,000	26 April 2017	RMB2,020 million	RMB20.2	[REDACTED]	Nil ⁽¹¹⁾
Mr. Yao Hailong	27 November 2018	RMB1,000,000	9 June 2015	RMB102 million ⁽⁵⁾	RMB1 ⁽⁵⁾	[REDACTED]	RMB1,000,000
Mr. Xu Wei	27 November 2018	RMB500,000	1 December 2014	RMB102 million ⁽⁵⁾	RMB1 ⁽⁵⁾	[REDACTED]	RMB500,000
Mr. Tang Xiaoping	27 November 2018	RMB200,000	19 June 2015	RMB102 million ⁽⁵⁾	RMB1 ⁽⁵⁾	[REDACTED]	RMB200,000
CEL Maiming	17 December 2018	RMB180,000,000 (debt-to-equity swap agreement) ⁽⁷⁾	20 December 2018	RMB3,137 million	RMB11.07	[REDACTED]	RMB180,000,000
Suzhou Houqi	29 June 2019	RMB60,000,000	24 May 2019	RMB3,137 million	RMB11.07	[REDACTED]	RMB60,000,000
Mr. Shu Dingming	29 June 2019	RMB15,230,000	30 May 2019	RMB1,133 million ⁽⁶⁾	RMB4 ⁽⁶⁾	[REDACTED]	RMB15,230,000
Yixing CEL	14 November 2019	RMB300,000,000 (debt-to-equity swap agreement) ⁽⁸⁾	21 April 2020	RMB13,300 million ⁽⁹⁾	RMB44.77	[REDACTED]	RMB300,000,000
Yixing CEL	26 November 2019	RMB200,000,000	2 December 2019	RMB10,200 million ⁽⁹⁾	RMB35.3	[REDACTED]	RMB200,000,000
Changzhou Mailun	25 June 2020	RMB100,000,000	29 June 2020	RMB13,300 million	RMB44.77	[REDACTED]	Nil ⁽¹¹⁾
Shanghai Xunran	3 December 2021	RMB120,000,000	16 December 2021	RMB22,120 million	RMB61.11	[REDACTED]	RMB120,000,000
Mr. Peng Bengang ⁽¹⁰⁾	6 December 2022	RMB83,000,000	8 December 2022	RMB2,521 million	RMB6.97	[REDACTED]	Nil ⁽¹¹⁾

Notes:

- (1) The date refers to the date of the relevant equity transfer agreement, share transfer agreement, investment agreement subscription agreement or shareholder resolution.
- (2) Post-money valuation equals the valuation of the Company immediately following the respective investment.
- (3) Before the Company was converted to a joint stock company on 9 May 2019, the Company did not have any shares. Cost per Share the conversion was calculated with reference to the investment consideration and the corresponding registered capital subscribed.
- (4) Assuming HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED]).

HISTORY AND CORPORATE STRUCTURE

- (5) Mr. Yao Hailong, Mr. Xu Wei, and Mr. Tang Xiaoping were employees of the Company. They made relevant capital contribution at the early stage of the incorporation of the Company, which was formally recognised by the shareholder resolution dated 27 November 2018. Considering their contribution to the development of the Company, the investment cost per Share offered to them by the Company was lower than that for other investors in the same period.
- (6) Mr. Shu Dingming was an employee of the Company. Considering his contribution to the development of the Company, the investment cost per Share offered to him by the Company was lower than that for other investors in the same period.
- (7) Pursuant to a debt-to-equity swap agreement dated 17 December 2018, CEL Maiming provided the Company with a loan in the amount of RMB180 million for a term of 4 years from the investment date, subject to CEL Maiming’s right to convert the aforementioned loan into the equity of the Company based on a post-investment valuation of RMB3 billion and CEL Maiming would acquire 6% of the share capital of the Company upon completion of the conversion. On 29 June 2019, CEL Maiming subscribed for 16,255,549 Shares at a price of RMB180 million (RMB11.07 per Share) by exercising its right of conversion under the debt-to-equity swap agreement. Upon completion of the conversion, there was no outstanding loan owed by the Company to CEL Maiming under the debt-to-equity swap agreement.
- (8) Pursuant to a debt-to-equity swap agreement dated 14 November 2019, Yixing CEL provided the Company with a loan in the amount of RMB300 million for a term of 3 years from the investment date, subject to Yixing CEL’s right to convert the aforementioned loan into the equity of the Company based on a pre-investment valuation of RMB130 billion, provided that the conversion would be completed prior to 30 June 2020 and Yixing CEL would acquire approximately 2.31% of the share capital of the Company upon completion of the conversion. On 21 April 2020, Yixing CEL subscribed for 6,701,159 Shares at a price of RMB300 million (RMB44.77 per Share) by exercising its right of conversion under the debt-to-equity swap agreement. Upon completion of the conversion, there was no outstanding loan owed by the Company to Yixing CEL under the debt-to-equity swap agreement.
- (9) The valuation in relation to the agreement dated 26 November 2019 was determined with reference to the Company’s valuation on the date of the agreement while the valuation in relation to the agreement dated 14 November 2019 was determined with reference to the Company’s valuation in April 2020 as disclosed in note 7 above.
- (10) Mr. Peng Benping transferred 2,978,799 Shares to his brother, Mr. Peng Bengang, pursuant to an equity transfer agreement dated 28 December 2020. Mr. Peng Bengang then transferred the same number of shares to his spouse, Ms. Song Yuanfang, pursuant to an equity transfer agreement dated 4 January 2021. Ms. Song later on transferred her entire shareholding in the Company to Mr. Peng Bengang pursuant to an equity transfer agreement dated 6 December 2022. For details, please refer to “– The Corporate Development of our Company – Major Changes in our Company’s Shareholding Structure and Registered Capital”.
- (11) The investment was a transfer of equity/shares between the relevant shareholders. For details, please refer to “– The Corporate Development of our Company – Major Changes in our Company’s Shareholding Structure and Registered Capital”.

Use of proceeds from the Pre-[REDACTED] Investments

We used the proceeds from the Pre-[REDACTED] Investments by CEL Maiming, Yixing CEL and Suzhou Houqi and Shanghai Xunran, being RMB180 million, RMB500 million, RMB60 million and RMB120 million, respectively, in our daily business development and operation, fixed asset acquisition, purchase of production equipment and buildings. As at the Latest Practicable Date, we had utilised the above-mentioned proceeds from the Pre-[REDACTED] Investments in full.

Other Pre-[REDACTED] Investments were transfers between the relevant Shareholders and the Company did not receive any investment amount.

Strategic benefits the Pre-[REDACTED] Investors brought to our Company

At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company could benefit from the knowledge and experience of the Pre-[REDACTED] Investors, as well as the additional capital brought by the investments to our Company.

HISTORY AND CORPORATE STRUCTURE

Our Directors believed that our Company could benefit from their industry insights and guidance. Our Directors also believed that our Company could benefit from the Pre-[REDACTED] Investors’ commitment to our Company, as their investment demonstrates their confidence in and endorsement of the performance, management and prospects of our Group.

Basis of determining the consideration paid

The consideration for each Pre-[REDACTED] Investment was determined on arm’s length negotiations between our Company or Shareholders and the Pre-[REDACTED] Investors after taking into account the timing of the subscription and the illiquidity of the Shares of our Company as a private company when the Pre-[REDACTED] Investments were made.

[REDACTED]

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

BACKGROUND OF THE PRE-[REDACTED] INVESTORS

CEL Maiming, Yixing CEL and Changzhou Mailun

CEL Maiming is a limited partnership established in the PRC on 27 February 2015, while Changzhou Mailun is a limited partnership established in the PRC on 19 May 2017. CEL Huiling Investment (Shanghai) Limited (光控匯領投資(上海)有限公司) is the executive partner of CEL Maiming and Changzhou Mailun. CEL Huiling Investment (Shanghai) Limited (光控匯領投資(上海)有限公司) is a wholly-owned subsidiary of CEL Venture Capital (Shenzhen) Limited (光大控股創業投資(深圳)有限公司), which is a wholly-owned subsidiary of China Everbright Limited.

Yixing CEL, a limited company established in the PRC on 26 September 2008, is a wholly-owned subsidiary of CEL Venture Capital (Shenzhen) Limited (光大控股創業投資(深圳)有限公司), which is a wholly-owned subsidiary of China Everbright Limited.

For limited partnerships established in the PRC, their executive partner is CEL Huiling Investment (Shanghai) Limited (光控匯領投資(上海)有限公司). CEL Huiling Investment (Shanghai) Limited (光控匯領投資(上海)有限公司) is a wholly-owned subsidiary of CEL Venture Capital (Shenzhen) Limited (光大控股創業投資(深圳)有限公司), which is a wholly-owned subsidiary of China Everbright Limited.

China Everbright Limited (a company whose shares are listed on the Main Board of the Stock Exchange, stock code: 165) is principally engaged in the provision of financial services through its subsidiaries and associates, and persistently pursues the cross-border macro asset management strategy, with specific focuses on fund and investment business.

HISTORY AND CORPORATE STRUCTURE

For details of the shareholding of China Everbright Limited in our Company, please refer to the section headed “Substantial Shareholders”.

Suzhou Houqi

Suzhou Houqi is a limited partnership enterprise established in the PRC on 5 January 2018 and a private equity investment fund with a capital contribution of RMB1 billion. It mainly invests in the coffee, food packaging, catering and consumer product industries. As at the Latest Practicable Date, Suzhou Houqi was owned as to 67.0% by Suzhou Houqi Zhengde Investment Centre (Limited Partnership) (蘇州厚齊正德股權投資中心(有限合夥)), 15.35% by South Hope Industry Company Limited (南方希望實業有限公司), 5.0% by Xijie (Liaocheng) Biotech Company Limited (希杰(聊城)生物科技有限公司), 5.0% by Huafeng (Shanghai) Investment Management Company Limited (華烽(上海)投資管理有限公司), 7.65% by Greatwall Life Insurance Co., Ltd. (長城人壽保險股份有限公司) and 0.0001% by Beijing Housheng Investment Management Centre (北京厚生投資管理中心(有限合夥)), which is also the executive partner of Suzhou Houqi.

Mr. Peng Benping

Mr. Peng is the chairman of Sichuan Hengbang Tianfu Group Co., Ltd. (四川恒邦天府集團有限公司) and Sichuan Hengbang Energy Group Co., Ltd. (四川恒邦能源股份有限公司), which are mainly engaged in businesses related to real estate development, hotel management, urban fuel gas operation and clean energy development. Mr. Peng is an Independent Third Party.

Chengdu Jiakun

Chengdu Jiakun is a limited partnership established in the PRC on 22 January 2017, its scope of business includes corporate image planning, market research, etc. Ms. Song Yuanfang holds 97.38% interests in Chengdu Jiakun. Ms. Song Yuanfang’s spouse is Mr. Peng Bengang, who is a brother of Mr. Peng Benping. The remaining equity interest of Chengdu Jiakun is held as to 1.64% by Ningbo Zhixin Hengbang Corporate Management Company Limited (寧波致新恒邦企業管理有限公司) and as to 0.98% by Cheng Sheng (程晟), all of them are Independent Third Parties.

Mr. Chen Yuhe

Mr. Chen Yuhe is mainly engaged in real estate project investments, and is currently the chairman of Shanghai Chengtai Real Estate Development Co., Ltd. (上海丞泰房地產開發有限公司). Mr. Chen Yuhe is an Independent Third Party.

Mr. Xu Wei

Mr. Xu is an employee of the Company and currently serving the Company as the chairman of northern region and vice president of food segment.

Mr. Tang Xiaoping

Mr. Tang is an employee of the Company and currently serving the Company as the head of family farm management department. Mr. Tang held 0.4677% interest in Zhongcheng Jinyi as a limited partner.

HISTORY AND CORPORATE STRUCTURE

Mr. Shu Dingming

Mr. Shu is an employee of the Company and currently serving the Company as the chief scientist.

Shanghai Xunran

Shanghai Xunran is a company with limited liabilities established in the PRC on 11 August 2016. Its scope of business includes business information consultation, enterprise management consultation, etc. Shanghai Xunran is wholly owned by Mr. Wu Fuhua (吳福華). Mr. Wu Fuhua is an Independent Third Party.

Mr. Peng Bengang

Mr. Peng Bengang is the executive director of Sichuan Hengbang Shuanglin Industrial Group Co., Ltd. (四川恒邦雙林實業集團有限公司), which is mainly engaged in businesses related to real estate development. Mr. Peng Bengang is the spouse of Ms. Song Yuanfang, who held 2.47% of the issued share capital of our Company indirectly. Mr. Peng is an Independent Third Party. While Mr. Peng Bengang is an acquaintance of Mr. Wang Degen, to the best knowledge of the Company, Mr. Peng Bengang and Mr. Wang Degen do not have any past or present business relationships or co-investments, other than their respective interests in the Company.

SPECIAL RIGHTS OF THE PRE-[REDACTED] INVESTORS

Pursuant to the agreements entered into between CEL Maiming, Yixing CEL, Suzhou Houqi and Shanghai Xunran with our Company, respectively, CEL Maiming, Yixing CEL, Suzhou Houqi and Shanghai Xunran have the following special rights: (i) pre-emptive rights; (ii) anti-dilution rights; (iii) tag-along rights; (iv) rights to information; (v) exclusive rights and no more favourable terms; (vi) financial compensation rights and/or (vii) divestment rights. Such special rights were terminated prior to the submission of the [REDACTED] to the Stock Exchange.

Compliance with Interim Guidance and Guidance Letters

Based on the documents provided by our Company relating to the Pre-[REDACTED] Investments, the Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and updated in March 2017, Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and updated in July 2013 and March 2017, and Guidance Letter HKEX-GL-44-12 issued by the Stock Exchange in October 2012 and updated in March 2017.

[REDACTED]

Upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and the Conversion of Domestic Shares into H Shares, the H Shares held by our eight existing Shareholders, representing approximately [REDACTED]% of the total issued share capital, will be counted towards the [REDACTED]. All Domestic Shares will not be counted towards the [REDACTED]. Please refer to the section headed “Share Capital” for details.

