安井食品集團股份有限公司
ANJOY FOODS GROUP CO., LTD.

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

Stock Code : 2648

GLOBAL OFFERING

Joint Sponsors, Overall Coordinators, Joint Global Coordinators,
Joint Bookrunners and Joint Lead Managers

Goldman Sachs 高盛

CICC 中金公司

IMPORTANT: If you are in any doubt about any of the contents of this Prospectus, you should obtain professional independent advice.

ANJOY FOODS GROUP CO., LTD.
安井食品集團股份有限公司

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

Global Offering

Number of Offer Shares under the Global Offering	:	**39,994,700 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**3,999,500 H Shares (subject to reallocation)**
Number of International Offer Shares	:	**35,995,200 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	:	**HK$66.00 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**RMB1.00 per H Share**
Stock code	:	**2648**

Joint Sponsors, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Goldman Sachs 高盛 CICC 中金公司

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

PING AN SECURITIES (HK) 招銀国际 CMB INTERNATIONAL 中信建投國際 CHINA SECURITIES INTERNATIONAL 华泰国际 HUATAI INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

中國銀河國際 CHINA GALAXY INTERNATIONAL UOBKayHian 廣發証券(香港) GF SECURITIES (HONG KONG) 建银国际 CCB International 兴证国际 INDUSTRIAL SECURITIES INTERNATIONAL

A copy of this Prospectus, having attached thereto the documents specified in "Appendix V — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this Prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Overall Coordinators (on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Wednesday, July 2, 2025 (Hong Kong time) and, in any event, not later than 12:00 noon Wednesday, July 2, 2025 (Hong Kong time). The Offer Price will not be more than HK$66.00 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed by 12:00 noon Wednesday, July 2, 2025 (Hong Kong time) between the Overall Coordinators (on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Overall Coordinators, on behalf of the Underwriters, may, where considered appropriate and with the consent of our Company, reduce the number of Hong Kong Offer Shares at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, notices of the reduction in the number of Hong Kong Offer Shares will be published on the website of our Company at **www.anjoyfood.com** and on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, and the offer will be canceled and relaunched at the revised number of Offer Shares and/or the revised Offer Price and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental prospectus or a new prospectus (as appropriate)), as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. Details of the arrangement will then be announced by us as soon as practicable. For further details, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this Prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (on behalf of the Underwriters) if certain events occur prior to 8:00 a.m. on the Listing Date. For details, see "Underwriting" in this Prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws in the United States. The Offer Shares may only be offered and sold (a) in the United States solely to QIBs in reliance on Rule 144A or another available exemption from registration requirements under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S. No public offering of the Offer Shares will be made in the United States.

June 25, 2025

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this Prospectus in relation to the Hong Kong Public Offering.

This Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at www.anjoyfood.com. You may download and print from these website addresses if you want a printed copy of this Prospectus.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply electronically through the HKSCC EIPO channel and cause HKSCC Nominees to apply on your behalf by instructing your **broker** or **custodian** who is an HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this Prospectus are identical to the printed Prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this Prospectus is available online at the website addresses stated above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this Prospectus for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 100 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your **broker** or **custodian**, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application
	HK$		*HK$*		*HK$*		*HK$*
100	6,666.56	2,000	133,331.22	10,000	666,656.10	300,000	19,999,683.00
200	13,333.13	2,500	166,664.03	20,000	1,333,312.20	400,000	26,666,244.00
300	19,999.68	3,000	199,996.84	30,000	1,999,968.30	500,000	33,332,805.00
400	26,666.24	3,500	233,329.64	40,000	2,666,624.40	600,000	39,999,366.00
500	33,332.80	4,000	266,662.45	50,000	3,333,280.50	700,000	46,665,927.00
600	39,999.37	4,500	299,995.25	60,000	3,999,936.60	800,000	53,332,488.00
700	46,665.93	5,000	333,328.06	70,000	4,666,592.70	900,000	59,999,049.00
800	53,332.49	6,000	399,993.65	80,000	5,333,248.80	1,000,000	66,665,610.00
900	59,999.05	7,000	466,659.26	90,000	5,999,904.90	1,250,000	83,332,012.50
1,000	66,665.61	8,000	533,324.88	100,000	6,666,561.00	1,500,000	99,998,415.00
1,500	99,998.41	9,000	599,990.49	200,000	13,333,122.00	1,999,700(1)	133,311,220.32

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the Company's website at **www.anjoyfood.com** and the website of the Stock Exchange at **www.hkexnews.hk**.*

Hong Kong Public Offering commences . . . . 9:00 a.m. on Wednesday, June 25, 2025

Latest time for completing electronic applications under the **White Form eIPO** service through the designated website at **www.eipo.com.hk**[2] . . . . 11:30 a.m. on Monday, June 30, 2025

Application lists open[3] . . . . 11:45 a.m. on Monday, June 30, 2025

Latest time for (a) completing payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[4] . . . . 12:00 noon on Monday, June 30, 2025

If you are instructing your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

Application lists close[3] . . . . 12:00 noon on Monday, June 30, 2025

Expected Price Determination Date . . . . Wednesday, July 2, 2025

Announcement of Final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published on the website of the Stock Exchange at **www.hkexnews.hk** and on the Company's website at **www.anjoyfood.com/**[5] at or before . . . . 11:00 p.m. on Thursday, July 3, 2025

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on our website and the website of the Stock Exchange at **www.anjoyfood.com/** and **www.hkexnews.hk**, respectively[7][8] . . . . .at or before 11:00 p.m. on Thursday, July 3, 2025

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function from[7][8] . . . . .11:00 p.m. on Thursday, July 3, 2025 to 12:00 midnight on Wednesday, July 9, 2025

- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from[7][8] . . . . Friday, July 4, 2025 to Wednesday, July 9, 2025 (except weekend and public holiday in Hong Kong)

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[6] . . . . Thursday, July 3, 2025

White Form e-Refund payment instructions/ refund checks in respect of (i) wholly or partially successful applications if the final Offer Price is less than the price payable on application (if applicable) and (ii) wholly or partially unsuccessful application under the Hong Kong Public Offering to be dispatched/collected on or before[8] . . . . .Friday, July 4, 2025

Dealings in the H Shares on the Stock Exchange expected to commence at . . . . .9:00 a.m. on Friday, July 4, 2025

Notes:

(1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, June 30, 2025, the application lists will not open and will close on that day. For details, please refer to the paragraph headed "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements" in this Prospectus.

(4) Applicants who apply for Hong Kong Offer Shares by instructing their broker or custodian to give **electronic application instructions** to HKSCC via FINI should refer to the paragraph headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels" in this Prospectus.

(5) None of the websites or any of the information contained on the websites forms part of this Prospectus.

(6) The H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

(7) **White Form** e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's identification document number provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before encashment of the refund check. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund check.

(8) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to the paragraph headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this Prospectus for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund checks in favor of the applicant (or, in the case of joint applications, the first-named applicant) by ordinary post at their own risk.

Any uncollected H Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the paragraphs headed "How to Apply for the Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies".

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this Prospectus, respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, the Company will make an announcement as soon as practicable thereafter.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This Prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this Prospectus pursuant to the Hong Kong Public Offering. This Prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this Prospectus in any jurisdiction other than Hong Kong. The distribution of this Prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this Prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this Prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not contained nor made in this Prospectus must not be relied on by you as having been authorized by us, any of the Joint Sponsors, the Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.

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This summary aims to give you an overview of the information contained in this Prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Prospectus before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors". You should read that section carefully before you decide to invest in the Offer Shares. Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this Prospectus.

OVERVIEW

Who We Are

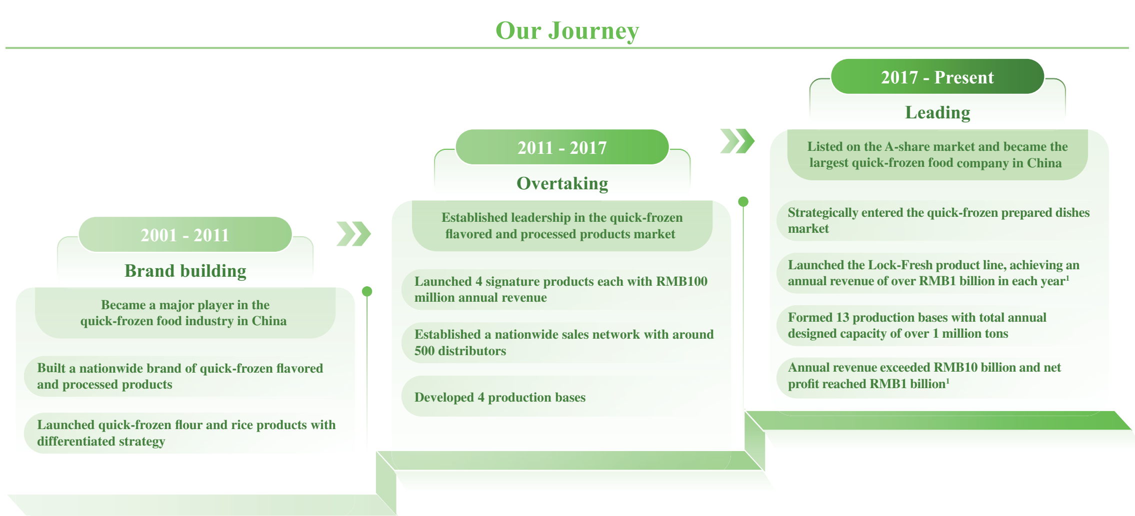
We are a leading quick-frozen food company in China, dedicated to providing food products for various consumption occasions, whether at home, in restaurants or on the go. We are the largest quick-frozen food company in China in terms of revenue in 2024, with a market share of 6.6%, according to Frost & Sullivan. Specifically within the quick-frozen food industry, we ranked first in the quick-frozen flavored and processed food market in China in 2024, with a market share of 13.8%, around five times the size of the second largest player. We ranked first in the quick-frozen prepared dishes market in China in 2024, with a market share of 5.0%, exceeding the market shares of the second through fourth-ranked players combined. We ranked fourth in the quick-frozen flour and rice food market in China in 2024, with a market share of 3.2%. China's quick-frozen food industry is competitive and fragmented, with the top five players holding an aggregate market share of 15.0% in terms of revenue in 2024.

We have developed a diverse product portfolio across three categories, namely quick-frozen flavored and processed products, quick-frozen prepared dishes and quick-frozen flour and rice products. Our products are strategically positioned across diverse market segments and price points to meet varying customer needs. We have established a brand portfolio anchored by our flagship "Anjoy ( )" brand, complemented by our proprietary brands "Frozen-food Master ( )" and "Anjoy Xiaochu ( )", alongside our strategically acquired brands including "Honghu Temptation ( )", "Liuwu ( )" and "Kung Fu Food ( )".

The following diagram illustrates our diversified and extensive product portfolio across three categories:

Since our inception in 2001, our core management team, comprising experts in the industry, has demonstrated keen foresight in anticipating customer needs and navigating market dynamics. Their expertise has enabled us to successfully capitalize on critical growth opportunities in the quick-frozen food industry. Through our differentiated development strategies, we have become the leader in this fast-growing market.

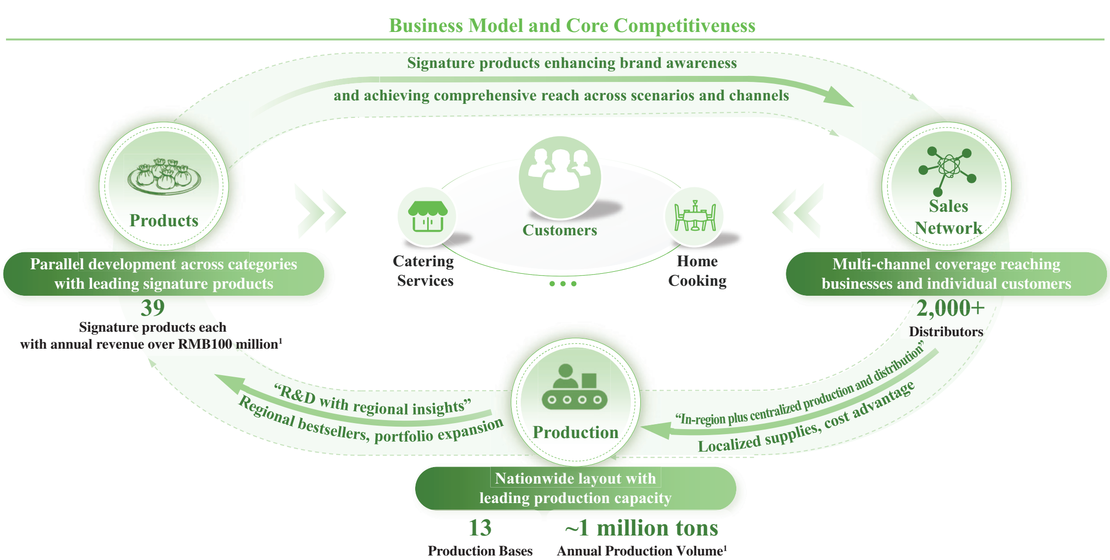
The following chart sets forth our journey to achieve market leadership:



Note: (1) Since 2022. Source: Frost & Sullivan.

Our Core Competitiveness

Our market leadership is anchored in and reinforced by a flywheel effect created by our capabilities in product development, sales network development and production capacity. As illustrated by the following diagram, our continual launches of signature products across categories have formed a product portfolio that meets diverse market demand while maintaining product quality and enhancing brand awareness. The strength of our product development has generated tremendous momentum across our sales channels. We have built an extensive national sales network reaching both businesses and individual customers, covering catering and home cooking scenarios, mainly through cooperation with our distributors. Our ability to meet nationwide demand while exploring regional opportunities and to continually launch products is underpinned by our regional market insights. It is also supported by the economies of scale from our production capacity and flexible production model, encompassing in-region production for majority of our products and centralized production for certain products such as beef roll, lamb roll, those that are primarily made of freshwater fish and those that are primarily made of chicken (in-region plus centralized production model).



Note: (1) For the year ended December 31, 2024.

Products. Leveraging our product development capabilities, we have continually launched various products for business customers as well as developed signature products into product series for individual customers. In 2024, we had 39 signature products, each generating revenue exceeding RMB100 million. Our Lock-Fresh product line, introduced in 2019, highlights our effective product development. This product line features fresh-keeping small packages. It was specifically designed for individual customers and has successfully expanded our presence in the retail market. Our Lock-Fresh product line has generated over RMB1.0 billion in revenue in 2022 and maintaining strong momentum with 17.6% revenue growth from 2022 to 2023, followed by 18.9% revenue growth in 2024 compared to 2023, while sustaining consistent and remarkable profitability.

Sales Network. Our product portfolio has enabled us to forge deeper connections with our distributors and direct sales customers, while continually expanding our sales network and market penetration. Our multichannel sales network, anchored by our distributors, has achieved comprehensive coverage across China, reaching both businesses and individual customers for varied consumption scenarios. In particular, we have empowered our distributors to grow with us and have built a loyal and well-established distribution network. As of December 31, 2024, 736 distributors had worked with us for five or more than five years, contributing RMB8.7 billion in revenue in 2024, which accounted for over 70% of our total revenue from distributors in the same period. The average annual revenue generated per distributor was RMB6.1 million in 2024, significantly higher than that of other leading industry players in China, according to Frost & Sullivan.

Production. Building upon our nationwide sales network, we have strategically established production bases in regions where business scale has reached critical mass to meet regional sales demand, implementing an in-region plus centralized production model. This approach enables us to optimize logistics costs, respond swiftly to market changes and, together with our economies of scale, create costs advantages that allow us to offer more quality products at competitive prices. As of December 31, 2024, we operated 13 production bases with total annual production capacity over one million tons. To further strengthen our product development capabilities, we have implemented the approach of "R&D with regional insights" (產地研). This approach enables us to rapidly launch new products featuring local ingredients, culinary styles and the potential to appeal to the taste of nationwide consumers.

We have continuously delivered financial performance with robust growth and profitability at an industry-leading scale of operations during the Track Record Period. Our revenue increased by 15.4% from RMB12,105.6 million in 2022 to RMB13,964.9 million in 2023. Our revenue also increased by 7.6% from RMB13,964.9 million in 2023 to RMB15,029.6 million in 2024. Our net profit margin was 9.2%, 10.7% and 10.1% in 2022, 2023 and 2024, respectively.

OUR BRANDS AND PRODUCTS

We are engaged in the R&D, production and sales of quick-frozen food products, focusing on quick-frozen flavored and processed products, quick-frozen prepared dishes and quick-frozen flour and rice products. During the Track Record Period, our product portfolio comprised over 500 types of products, positioning us as one of the companies with the most extensive product range in the quick-frozen food industry, according to Frost & Sullivan. After more than 20 years of business operations and development, we have built significant brand influence and recognition among our customers. Our "Anjoy ( )" brand has been recognized as a "Well-known Trademark of China" by the State Administration for Industry and Commerce since 2010.

- In the quick-frozen flavored and processed product category, our products primarily include those under "Anjoy ( )" brand, such as fish tofu, fish balls, stuffed meat balls and pork sausage.

- In the quick-frozen prepared dishes category, we adopt a multi-brand strategy to feature our "Anjoy ( )", "Frozen-food Master ( )", "Anjoy Xiaochu ( )", "Honghu Temptation ( )" and "Liuwu ( )" brands. Our products primarily include prepared dishes such as crayfish, fried crispy strips, shrimp paste, beef/lamb rolls, egg dumplings and pickled fish.

- In the quick-frozen flour and rice product category, our main products include "Anjoy ( )" branded products such as shumai, steamed buns, Chinese pancakes and brown sugar cakes.

We offer quick-frozen food products to our customers through our diversified product portfolio, which seamlessly fits into various key consumption scenarios. For restaurants and other catering businesses, especially those specialized in hot pot, malatang, barbecue and oden, we supply them with quick-frozen foods through our sales network, helping them maintain consistency in food quality and improve cooking efficiency. For households, we reach individual customers through supermarkets, convenience stores, new retail and e-commerce platforms, addressing household demand for quick and convenient cooking. These products have strengthened our brand recognition and forged stronger connections with end customers, driving sustained growth for our distributors and us.

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

	Year ended December 31,					
	2022		**2023**		**2024**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
	(RMB in thousands, except for percentage)					
Quick-frozen flavored and processed products	6,296,764	52.0	7,002,194	50.1	7,793,218	51.9
Quick-frozen prepared dishes	3,015,913	24.9	3,916,311	28.0	4,335,641	28.8
Quick-frozen flour and rice products	2,402,293	19.8	2,532,713	18.1	2,450,786	16.3
Others[1]	390,648	3.3	513,660	3.8	449,943	3.0
Total	**12,105,618**	**100.0**	**13,964,878**	**100.0**	**15,029,588**	**100.0**

Note:

(1) Others primarily include sales of agricultural by-products, such as surimi, fishmeal and other fishery by-products.

Our overall revenue growth across quick-frozen food product categories throughout the Track Record Period was mainly attributable to (i) the increasing customer demand for our products due to our enhanced brand recognition and continuous efforts to expand and upgrade our product portfolio, (ii) our expanding sales network, and (iii) the acquisition of Hubei New Liuwu, which result enriched our product portfolio with crayfish products and contributed to an increase in our overall product sales. In particular, our revenue from sales of quick-frozen prepared dishes increased from RMB3,015.9 million in 2022 to RMB3,916.3 million in 2023 and further to RMB4,335.6 million to 2024, representing a CAGR of 19.9%, primarily due to (i) our efforts to develop quick-frozen prepared dishes, capturing the accelerated growth in this market segment; (ii) an increase in sales volume of certain popular products, such as shrimp paste, fried crispy strip, and beef and lamb rolls, and (iii) the acquisition of Hubei New Liuwu. In particular, in 2022, 2023 and 2024, our revenue from sales of crayfish products amounted to RMB1,173.6 million, RMB1,586.1 million and RMB1,700.6 million, respectively, accounting for 9.7%, 11.4% and 11.3% of our total revenue for the same years. In addition, due to the fast growth in our quick-frozen prepared dishes business, its contribution to our total revenue increased from 24.9% in 2022 to 28.8% in 2024.

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

	Year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross profit margin %	Gross profit	Gross profit margin %	Gross profit	Gross profit margin %
	(RMB in thousands, except for percentage)					
Quick-frozen flavored and processed products	1,615,156	25.7	1,957,275	28.0	2,245,993	28.8
Quick-frozen prepared dishes	299,472	9.9	424,488	10.8	481,181	11.1
Quick-frozen flour and rice products.	555,143	23.1	638,300	25.2	584,610	23.9
Others	90,757	23.2	137,094	26.7	96,498	21.4
Total/overall	**2,560,528**	**21.2**	**3,157,157**	**22.6**	**3,408,282**	**22.7**

Our overall gross profit margin remained relatively stable at 21.2%, 22.6% and 22.7% in 2022, 2023 and 2024, respectively.

- Our gross profit margin for quick-frozen flavored and processed products improved throughout the Track Record Period, primarily driven by the increasing sales volume of Lock-Fresh product line, which typically is of a relatively higher gross margin.

- Our gross profit margin for quick-frozen prepared dishes was relatively lower than that of other product categories during the Track Record Period, primarily due to (i) the relatively lower gross profit margin of crayfish products as compared to other products, at 4.4%, 3.8% and 6.4% in 2022, 2023 and 2024, respectively; and (ii) the contract manufacture of products in this product category, which in general leads to lower gross profit margin. By outsourcing production of certain products, we typically incur additional costs in relation to engaging contract manufacturers, which adversely affects our profit margin. According to Frost & Sullivan, this is in line with the industry practice.

- Our gross profit margin for quick-frozen flour and rice products increased from 23.1% in 2022 to 25.2% in 2023, primarily due to a decrease in costs of certain raw materials, such as palm oil. Our gross profit margin for quick-frozen flour and rice products subsequently decreased from 25.2% in 2023 to 23.9% in 2024, primarily due to a decrease in selling prices of products in this category as a result of promotional activities responding to the intensified competition.

- Our gross profit margin for others increased from 23.2% in 2022 to 26.7% in 2023, primarily due to the acquisition of Hubei New Liuwu leading to an increase in sales of fishmeal products which typically are of relatively higher gross profit margin. Our gross profit margin for others subsequently decreased from 26.7% in 2023 to 21.4% in 2024, primarily due to (i) a decrease in selling price of fishmeal from RMB6.7 thousand per ton in 2023 to RMB5.4 thousand per ton 2024, attributable to intensified competition; and (ii) gross profit margins of surimi decreased in 2024 driven by a increase in raw material costs.

For details on the changes in our gross profit and gross margin during the Track Record Period, see “Financial Information — Year-to-Year Comparison of Results of Operations.”

SALES NETWORK

We have built an extensive sales network that effectively sells our products and reaches a diverse customer base across China. We have also expanded our sales network into overseas markets. We established a sales and distribution network with nationwide coverage and multichannel penetration, reaching both business and individual customers. We primarily sold our products via distributors that are located in different regions. The following table sets forth a breakdown of our revenue by geographical region of our customers in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Mainland China						
Eastern China	5,581,450	46.2	6,054,370	43.4	6,439,227	42.8
Northern China	1,602,037	13.2	2,094,253	15.0	2,203,197	14.7
Central China	1,506,901	12.4	1,780,900	12.8	1,910,003	12.7
Southern China	1,033,055	8.5	1,154,457	8.3	1,257,267	8.4
Northeastern China	1,028,958	8.5	1,203,889	8.6	1,288,564	8.6
Southwestern China	672,471	5.6	815,091	5.8	931,958	6.2
Northwestern China	572,597	4.7	733,763	5.2	831,962	5.5
Subtotal	**11,997,469**	**99.1**	**13,836,723**	**99.1**	**14,862,178**	**98.9**
Overseas markets	**108,149**	**0.9**	**128,155**	**0.9**	**167,410**	**1.1**
Total	**12,105,618**	**100.0**	**13,964,878**	**100.0**	**15,029,588**	**100.0**

See "Financial Information — Description of Major Components of Our Results of Operations — Revenue — Revenue by Geographical Region."

The following table sets forth a breakdown of our revenue by sales channel in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Distributors	9,757,738	80.6	11,318,764	81.1	12,311,205	81.9
Key accounts[(1)]	973,499	8.0	843,010	6.0	822,481	5.5
Targeted enterprise customers[(2)]	808,416	6.7	1,049,547	7.5	1,003,997	6.7
New retail and e-commerce platforms[(3)]	565,965	4.7	753,557	5.4	891,905	5.9
Total	**12,105,618**	**100.0**	**13,964,878**	**100.0**	**15,029,588**	**100.0**

Notes:

(1) Key accounts primarily include national and regional supermarkets.

(2) Targeted enterprise customers primarily include chain catering companies, snack companies and other corporate customers.

(3) New retail and e-commerce platforms primarily include retailers that adopt an online-offline integrated approach, as well as self-operated stores on mainstream e-commerce platforms.

The following table sets forth a breakdown of our gross profit and gross profit margin by geographical region of our customers for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)					
Mainland China						
Eastern China	1,237,071	22.2	1,473,646	24.3	1,546,414	24.0
Northern China	366,711	22.9	489,908	23.4	532,091	24.2
Central China	292,143	19.4	365,068	20.5	413,317	21.6
Southern China	220,121	21.3	252,943	21.9	253,790	20.2
Northeastern China	214,827	20.9	268,283	22.3	299,366	23.2
Southwestern China	105,716	15.7	149,310	18.3	170,410	18.3
Northwestern China	106,146	18.5	146,572	20.0	172,649	20.8
Subtotal	**2,542,735**	**21.2**	**3,145,730**	**22.7**	**3,388,037**	**22.8**
Overseas markets	17,793	16.5	11,427	8.9	20,245	12.1
Total/Overall	**2,560,528**	**21.2**	**3,157,157**	**22.6**	**3,408,282**	**22.7**

The following table sets forth a breakdown of our gross profit and gross profit margin by sales channel for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)					
Distributors	1,886,449	19.3	2,376,602	21.0	2,673,322	21.7
Key accounts	402,975	41.4	360,343	42.7	314,229	38.2
Targeted enterprise customers	137,849	17.1	185,907	17.7	168,946	16.8
New retail and e-commerce platforms	133,255	23.5	234,305	31.1	251,785	28.2
Total/overall	**2,560,528**	**21.2**	**3,157,157**	**22.6**	**3,408,282**	**22.7**

The following table sets forth a breakdown of the sales volume and average selling price by sales channel for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	(ton)	*(RMB in thousands per ton)*	*(ton)*	*(RMB in thousands per ton)*	*(ton)*	*(RMB in thousands per ton)*
Distributors	733,085	13.3	835,896	13.5	944,554	13.0
Key accounts	50,677	19.2	41,869	20.1	44,307	18.6
Targeted enterprise customers	60,954	13.3	85,986	12.2	93,835	10.7
New retail and e-commerce platforms	22,684	25.0	30,211	24.9	37,652	23.7
Total	**867,400**	**14.0**	**993,961**	**14.1**	**1,120,349**	**13.4**

BRANDING AND MARKETING

We have strong brand-building and marketing capabilities. Our brand-building and marketing efforts during the Track Record Period were comprehensive, responsive, practical and effective. Our selling and distribution expenses amounted to RMB873.0 million, RMB925.8 million and RMB986.2 million, accounting for 7.2%, 6.6% and 6.6% of our revenue in 2022, 2023 and 2024, respectively. The proportion of our selling and distribution expenses to revenue was much lower than the industry average during the same periods, according to Frost & Sullivan, demonstrating the high efficiency of our brand-building and marketing efforts. Visual marketing is one of our most effective brand building approaches. Based on industry characteristics, development stages, channel strategies and target audience features, we have constructed a unique, systematic visual marketing communication system and created proprietary visual symbols. In addition, following the recent development of short-video platforms, we upgraded our marketing strategy by combining static visual elements and dynamic short video promotion. In channel development, we adopt an advertising coverage strategy that encompasses both modern retail formats and traditional markets, combining product displays at points of sale with outdoor advertising.

PRODUCTION

As of December 31, 2024, we operated 12 domestic production bases and one overseas production base. Our production bases are strategically located to address regional sales demand, allowing us to effectively improve procurement and logistics efficiency, optimize production and inventory management, and respond quickly to the needs of local customers. Our actual production volume was 870,656 tons, 986,996 tons and 1,104,768 tons in 2022, 2023 and 2024, respectively, representing overall utilization rates of 92.2%, 91.1% and 97.2% during these respective years.

RESEARCH AND DEVELOPMENT

We believe that R&D of products and production technology is crucial to our success and sustainable growth. We adhere to a "market orientation and technology innovation" approach, focusing on meeting customers' demands for quality quick-frozen food products at competitive prices. Our market insights and R&D capabilities enable us to continually launch new products for business customers, upgrade our product portfolio for individual customers, create signature products, ensure product quality and cost efficiency, and meet evolving consumer demand and industry trends. Our R&D activities are anchored by our Xiamen and Wuxi R&D centers and complemented by R&D departments at our production bases across the country, forming a nationwide layout of R&D capabilities. Our R&D center has been recognized as a National Enterprise Technology Center (國家級企業技術中心), making it the first and the only R&D center in the quick-frozen surimi product industry to receive this recognition as of December 31, 2024. Our technology and production capabilities further empower us to continually launch competitive products. For example, our innovations in surimi production technology have streamlined the production process while enhancing both protein retention and raw material utilization.

CUSTOMERS AND SUPPLIERS

Our customers primarily are distributors, key accounts, targeted enterprise companies, new retail platforms and individual end customers. In 2022, 2023 and 2024, revenue from sales to our top five customers in each year during the Track Record Period in aggregate accounted for 8.0%, 6.4% and 6.3% of our total revenue, respectively, and revenue from sales to our largest customer in each year during the Track Record Period accounted for 2.3%, 1.9% and 1.8% of our total revenue for the same periods. Our Directors are of the view that there is no customer concentration risk as no revenue from sales to a single customer was more than 5% of our total revenue in each year during the Track Record Period.

Our suppliers primarily consist of raw materials suppliers for meat, surimi, crayfish, fresh fish, flour, vegetable and condiments, as well as contract manufacturers. During the Track Record Period, the procurement price of our raw materials remained relatively stable. For example, the procurement price of surimi, one of the major raw materials, remained relatively stable at RMB12.8 thousand per ton, RMB12.7 thousand per ton and RMB13.7 thousand per ton in 2022, 2023 and 2024, respectively; the procurement price of meat, including chicken, which is also a major raw material, remained relatively stable at RMB8.5 thousand per ton, RMB7.7 thousand per ton and RMB7.1 thousand per ton in 2022, 2023 and 2024, respectively. During the Track Record Period, we primarily sourced raw materials from Mainland China and our purchases of raw materials from countries and regions other than Mainland China were less than 7.0% of our total purchase amount of raw materials during the Track Record Period. As a result, the rising geopolitical tensions and the tariffs imposed by the U.S. and the PRC have limited impact on our purchases, and therefore do not adversely impact our operations and financial performance. In 2022, 2023 and 2024, purchases from our top five suppliers in each year during the Track Record Period in aggregate accounted for 12.0%, 11.3% and 12.3% of our total purchases, respectively, and purchases from our largest supplier in each year during the Track Record Period accounted for 4.6%, 3.9% and 3.7% of our total purchases for the same periods. Our Directors are of the view that there is no supplier concentration risk as no purchase from a single supplier was more than 5% of our total purchases in each year during the Track Record Period.

FOOD SAFETY AND QUALITY CONTROL

We prioritize food quality and safety. Our comprehensive quality control system has received both domestic and international quality system certifications. We have established a rigorous quality management system supported by advanced food safety testing capabilities and dedicated quality control personnel. Our digitalized quality control system enables full-process traceability from raw material sourcing through production, packaging, logistics and customer receipt, ensuring comprehensive quality assurance. Since our inception, we maintain a sound food safety record and continue to prioritize safety and quality.

We participate in the formulation and revision of industry standards, promoting regulated and healthy industry growth. We participated in the establishment of industry standards for quick-frozen food terminology in China. In 2021, as the initiator and primary drafting entity, we collaborated with national research institutes to establish international standards for frozen surimi, highlighting our significant ability to shape industry's best practice.

OUR STRENGTHS

We believe that the following strengths contribute to our leading market position, ensuring our success and distinguishing us from our competitors:

- China's Largest Quick-Frozen Food Company;

- Comprehensive Sales Network With Deep Multichannel Penetration;

- Diversified Product Portfolio Across Categories Anchored by Signature Products;
- In-Region Plus Centralized Production and Economies of Scale Yielding Cost Advantage;
- Advanced Digitalization Capabilities Empowering Decision-Making and End-to-End Operational Efficiency; and
- Visionary and Experienced Management Team and Proactive Corporate Culture.

See “Business — Our Strengths.”

OUR STRATEGIES

To further develop our business, we intend to pursue the following strategies:

- Strengthen Our Leading Position;
- Expand Our Sales Network;
- Enhance Digitalization and Intelligent Production;
- Expand Our Overseas Presence; and
- Attract, Develop and Motivate Talent.

See “Business — Our Strategies.”

COMPETITIVE LANDSCAPE

In 2024, we ranked first in both China’s quick-frozen flavored and processed food market and quick-frozen prepared dishes market, and fourth in the quick-frozen flour and rice product market in terms of revenue. Leveraging our continuously expanding product portfolio highlighted by nationwide signature products, a comprehensive sales network with deep multichannel coverage, and excellent digitalization capabilities that boost operational efficiency, we believe we are well-prepared to excel in industry competition and remain at the forefront of the quick-frozen food industry.

SUMMARY OF HISTORICAL AND FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountants’ Report set out in Appendix I to this Prospectus. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this Prospectus, including the related notes. Our financial information was prepared in accordance with IFRS.

Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated:

	Year ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Revenue	12,105,618	13,964,878	15,029,588
Cost of sales[1]	(9,545,090)	(10,807,721)	(11,621,306)
Gross profit	**2,560,528**	**3,157,157**	**3,408,282**
Other income and gains, net	243,266	290,377	261,713
Selling and distribution expenses	(873,000)	(925,754)	(986,208)
Administrative expenses	(375,471)	(426,785)	(553,816)
Research and development expenses	(93,328)	(94,471)	(97,214)
Other expenses	(11,347)	(58,965)	(39,686)
Finance costs	(12,376)	(14,215)	(1,540)
(Impairment losses)/reversal of impairment losses on financial assets	(11,457)	4,413	(7,326)
Share of (loss)/profit of an associate	(4)	4,452	4,070
Profit before taxation	**1,426,811**	**1,936,209**	**1,988,275**
Income tax expense	(309,307)	(435,049)	(474,657)
Profit for the year	**1,117,504**	**1,501,160**	**1,513,618**
Profit attributable to:			
Owners of the parent	1,101,030	1,478,067	1,484,831
Non-controlling interests	16,474	23,093	28,787
	1,117,504	**1,501,160**	**1,513,618**

Note:

(1) Cost of sales primarily consisted of (i) costs of raw materials, (ii) manufacturing overhead, and (iii) outsourcing service costs, which mainly relate to the contract manufacturers engaged for production of certain products. Costs of raw materials accounted for 69.2%, 66.5%, and 64.1% of our cost of sales in 2022, 2023 and 2024, respectively.

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-IFRS measure we presented may not be directly comparable to similar measures presented by other companies. The use of this non-IFRS measure should not be considered as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net profit (non-IFRS measure) as the profit for the year adjusted by adding back share-based payment expenses and listing expenses. The following table reconciles our adjusted net profit (non-IFRS measure) and presented in accordance with IFRS, which is profit for the year:

	Year ended December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Profit for the year	1,117,504	1,501,160	1,513,618
Add:			
– Share-based payment expenses[1]	33,460	19,208	100,808
– Listing expenses[2]	–	–	271
Adjusted net profit (*non-IFRS measure*)	**1,150,964**	**1,520,368**	**1,614,697**

Notes:

(1) Share-based payment expenses, which are non-cash in nature, mainly represent the employee benefit expenses incurred in connection with our award to key employees.

(2) Listing expenses represented expenses incurred in connection with the Global Offering.

Our adjusted net profit (non-IFRS measure) increased by 32.1% from RMB1,151.0 million in 2022 to RMB1,520.4 million in 2023 and further increased by 6.2% to RMB1,614.7 million in 2024, in line with our business growth.

Our net profit increased by 34.3% from RMB1,117.5 million in 2022 to RMB1,501.2 million in 2023, in line with our business growth. Our net profit remained relatively stable at RMB1,501.2 million and RMB1,513.6 million in 2023 and 2024, respectively.

Key Items of the Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statement of financial position as of the dates indicated, which has been extracted from our audited consolidated financial statements included in Appendix I to this Prospectus:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Total current assets	10,292,160	10,426,345	10,350,573
Total non-current assets	5,850,555	6,874,083	7,024,527
Total assets	**16,142,715**	**17,300,428**	**17,375,100**
Total current liabilities	3,862,752	4,006,063	3,678,769
Total non-current liabilities	380,954	393,782	425,998
Total liabilities	**4,243,706**	**4,399,845**	**4,104,767**
Net current assets	**6,429,408**	**6,420,282**	**6,671,804**
NET ASSETS	**11,899,009**	**12,900,583**	**13,270,333**
EQUITY			
Share capital	293,294	293,294	293,294
Treasury shares	(47,053)	(45,714)	(108,593)
Reserves	11,433,043	12,380,443	12,767,828
Non-controlling interests	219,725	272,560	317,804
Total equity	**11,899,009**	**12,900,583**	**13,270,333**

Our net current assets decreased by 0.1% from RMB6,429.4 million as of December 31, 2022 to RMB6,420.3 million as of December 31, 2023, primarily due to an increase in other payables and accruals of RMB343.2 million, partially offset by (i) a decrease in interest-bearing bank and other borrowings of RMB163.6 million, (ii) an increase in total current assets of RMB134.2 million, and (iii) a decrease in trade and bills payables of RMB38.8 million.

Our net current assets increased by 3.9% from RMB6,420.3 million as of December 31, 2023 to RMB6,671.8 million as of December 31, 2024, primarily due to (i) an increase in financial assets at fair value through profit and loss of RMB2,288.0 million, (ii) a decrease in other payables and accruals of RMB517.8 million, and (iii) a decrease in interest-bearing bank and other borrowings of RMB214.2 million, partially offset by (i) a decrease in cash and cash equivalents of RMB2,299.1 million, (ii) a decrease in inventories of RMB282.1 million, and (iii) an increase in dividends payable of RMB277.5 million. Our financial assets at fair value through profit or loss mainly represented wealth management products, which were structured deposits and debt bonds in nature. We primarily invest in short-to-mid-term financial products issued by major commercial banks in Mainland China. Whilst certain financial products that we purchased may not be principal-protected, they are generally categorized as low to medium risks at R1 and R2 risk ratings.

Our net assets increased by 8.4% from RMB11,899.0 million as of December 31, 2022 to RMB12,900.6 million as of December 31, 2023, primarily due to the profit for the year of RMB1,501.2 million, partially offset by the final 2022 dividend of RMB330.5 million and 2023 interim dividend of RMB221.4 million that were paid in 2023.

Our net assets increased by 2.9% from RMB12,900.6 million as of December 31, 2023 to RMB13,270.3 million as of December 31, 2024, primarily due to the profit for the year of RMB1,513.6 million, partially offset by the final 2023 dividend of RMB518.6 million and 2024 interim dividend of RMB680.7 million that were paid in 2024.

Summary of the Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flows for the years indicated:

	Year ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Net cash flows generated from operating activities	1,361,327	1,907,058	2,024,015
Net cash flows (used in)/ generated from investing activities	(4,749,238)	266,009	(3,132,159)
Net cash flows generated from/(used in) financing activities	5,421,382	(705,392)	(1,190,643)
Cash and cash equivalents at beginning of year	1,024,626	3,057,910	4,527,451
Effect of foreign exchange differences, net	(187)	1,866	(342)
Cash and cash equivalents at end of year	3,057,910	4,527,451	2,228,322

In 2024, our net cash flows generated from operating activities were RMB2,024.0 million, which represents our profit before taxation of RMB1,988.3 million, as adjusted by non-cash and non-operating items, primarily comprising the depreciation of property, plant and equipment of RMB451.8 million, partially offset by income tax paid of RMB440.4 million. In 2023, our net cash flows generated from operating activities were RMB1,907.1 million, which primarily represents our profit before taxation of RMB1,936.2 million. In 2022, our net cash flows generated from operating activities were RMB1,361.3 million, which represents our profit before taxation of RMB1,426.8 million, partially offset by a decrease in trade and bills payables of RMB129.0 million.

In 2024, our net cash flows used in investing activities were RMB3,132.2 million, primarily attributable to (i) the purchases of financial assets at fair value through profit or loss of RMB11,079.5 million, and (ii) the purchase of items of property, plant and equipment of RMB844.4 million, partially offset by the proceeds from disposal of financial assets at fair value through profit or loss of RMB8,846.1 million. In 2023, our net cash flows generated from investing activities were RMB266.0 million, primarily attributable to (i) the proceeds from disposal of financial assets at fair value through profit or loss of RMB2,651.0 million, and (ii) the proceeds from disposal of time deposits of RMB2,539.4 million, partially offset by (i) the purchases of financial assets at fair value through profit or loss of RMB3,006.0 million, (ii) the purchase of items of property, plant and equipment of RMB1,415.4 million, and (iii) the purchases of time deposits of RMB546.4 million. In 2022, our net cash flows used in investing activities were RMB4,749.2 million, primarily attributable to (i) the purchases of time deposits of RMB2,346.3 million, and (ii) the purchases of financial assets at fair value through profit or loss of RMB2,100.0 million.

In 2024, our net cash flows used in financing activities were RMB1,190.6 million, primarily attributable to (i) the dividends paid of RMB921.8 million, and (ii) repayment of interest-bearing bank and other borrowings of RMB698.0 million, partially offset by the proceeds from interest-bearing bank and other borrowings of RMB483.0 million. In 2023, our net cash flows used in financing activities were RMB705.4 million, primarily attributable to (i) the repayment of interest-bearing bank and other borrowings of RMB679.2 million, and (ii) the dividends paid of RMB552.0 million, partially offset by the proceeds from interest-bearing bank and other borrowings of RMB564.5 million. In 2022, our net cash flows generated from financing activities were RMB5,421.4 million, primarily attributable to the issue of shares of RMB5,674.6 million, partially offset by the dividends paid of RMB205.0 million.

See "Financial Information — Liquidity and Capital Resources — Cash Flow."

Selected Financial Ratios

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

	As of/For the Year ended December 31,		
	2022	2023	2024
Revenue growth (%)	N/A	15.4	7.6
Gross profit margin (%)	21.2	22.6	22.7
Net profit margin (%)	9.2	10.7	10.1
Gearing ratio (%)	4.1	2.6	1.2
Current ratio	2.7	2.6	2.8
Adjusted net profit margin (%) (non-IFRS measure)	9.5	10.9	10.7

Gearing Ratio

Our gearing ratio decreased from 4.1% as of December 31, 2022 to 2.6% as of December 31, 2023, primarily due to the decrease in debt from RMB497.2 million as of December 31, 2022 to RMB331.5 million as of December 31, 2023.

Our gearing ratio decreased from 2.6% as of December 31, 2023 to 1.2% as of December 31, 2024, primarily due to the decrease in debt from RMB331.5 million as of December 31, 2023 to RMB155.3 million as of December 31, 2024.

Current Ratio

Our current ratio remained relatively stable at 2.7 and 2.6 in 2022 and 2023, respectively.

Our current ratio increased from 2.6 in 2023 to 2.8 in 2024, primarily due to a decrease in our total current liabilities, which was mainly attributable to (i) a decrease in other payables and accruals of RMB517.8 million, and (ii) a decrease in interest-bearing bank and other borrowings of RMB214.2 million, partially offset by a decrease in our total current assets.

See "Financial Information — Key Financial Ratios" for calculation of the above financial ratios.

RISK FACTORS

Our business and the Global Offering involve certain risks as set out in "Risk Factors" in this Prospectus. You should read that section in its entirety carefully before you decide to invest in our Shares. We believe the most significant risks we face include but are not limited to the following: (i) our business is subject to changes in customer tastes and market demand; (ii) we face significant competition in the industry in which we operate and if we are unable to compete effectively, our business, financial condition and results of operations may be materially and adversely affected; (iii) failure to develop and introduce new products could materially and adversely impact our competitiveness, performance and prospects for future growth; (iv) we rely on distributors to place our products into the market and we may not be able to manage our distributors effectively; (v) our business depends on brand recognition. Any failure to maintain or effectively promote our brands could materially and adversely impact our business, financial condition and results of operations; and (vi) any failure to maintain our product quality or food safety could have a material adverse effect on our business, financial condition and results of operations.

See "Risk Factors."

SINGLE LARGEST SHAREHOLDER

As of the Latest Practicable Date, the total issued share capital of our Company was held as to approximately 25.00% by Guoli Minsheng, which was in turn held by Ms. Hang Jianying as to approximately 29.94% and Ms. Lu Qiuwen as to approximately 25.15%, respectively. Ms. Hang Jianying and Ms. Lu Qiuwen entered into the Acting in Concert Agreement on September 10, 2023 and they held in aggregate of approximately 55.09% equity interests in Guoli Minsheng, and they are regarded as the "*de facto* controllers" of the Company pursuant to the PRC Company Law and the Administration Measures on Takeover of Listed Companies promulgated by the CSRC. Guoli Minsheng operates substantive investment business and focuses on equity investment in unlisted and listed enterprises since its establishment on November 6, 2000 with investments in various sectors.

Immediately following the completion of the Global Offering and assuming no new Shares are issued pursuant to the Over-allotment Option and under the 2023 Share Option Incentive Plan, Guoli Minsheng will hold approximately 22.00% of our issued share capital. Accordingly, Guoli Minsheng will continue to be our Single Largest Shareholder upon the completion of the Global Offering.

LISTING ON THE SHANGHAI STOCK EXCHANGE

Since February 2017, our A Shares have been listed on the Shanghai Stock Exchange (stock code: 603345). Our Directors confirmed that we had no instance of non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects since our listing on the Shanghai Stock Exchange and, to the best knowledge of our Directors after having made all reasonable enquiries, there was no material matter that should be brought to investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Based on the filings on the website of the Shanghai Stock Exchange and the information available in the public domain, our PRC Legal Advisor is of the view that the above confirmation of our Directors with regard to our compliance record is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Advisor's view above, nothing has come to the Joint Sponsors' attention that would cause them to cast reasonable doubt on our Directors' confirmation with regard to the compliance record of the Company on the Shanghai Stock Exchange in any material respect.

Prior to the Track Record Period, there were several legal compliance incidents involving our Directors and senior management members, primarily due to inadvertent oversight, unintentional actions, and/or unfamiliarity with the relevant disclosure requirements. For details, see "Directors, Supervisors and Senior Management — Further Information about Our Directors and Senior Management."

USE OF PROCEEDS

Assuming an Offer Price of HK$66.00 per Offer Share (being the maximum Offer Price), we estimate that we will receive net proceeds of approximately HK$2,495.8 million from the Global Offering after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- Approximately 35.0% or HK$873.5 million, for expanding our sales and distribution network;
- Approximately 35.0% or HK$873.5 million, for strengthening our procurement capabilities, optimizing our supply chain and building a supply chain system;
- Approximately 15.0% or HK$374.4 million, for digitalizing our business operations;
- Approximately 5.0% or HK$124.8 million, for product development and technological innovation; and
- Approximately 10.0%, or HK$249.6 million, will be allocated to working capital and general corporate purposes.

See "Future Plans and Use of Proceeds."

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 39,994,700 H Shares are newly issued in the Global Offering, (ii) the Over-allotment Option for the Global Offering is not exercised, and (iii) 333,288,932 Shares are issued and outstanding following the completion of the Global Offering:

	Based on a maximum Offer Price of HK$66.00 per H Share
Market capitalization of our Shares(1)	HK$27,945.4 million
Unaudited pro forma adjusted consolidated net tangible assets per Share(2)(3)	HK$46.68 (RMB42.69)

Notes:

(1) The calculation of market capitalization of our Shares is based on 39,994,700 H shares and 293,294,232 A shares expected to be in issue (representing 333,288,932 Shares expected to be in issue and outstanding) immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). The market capitalization of our A Shares is calculated based on the closing price of the A Shares of RMB78.91 per share on the Latest Practicable Date. For details, see "Share Capital — Upon Completion of the Global Offering" in the Prospectus.

(2) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the section headed "Unaudited Pro Forma Financial Information" in Appendix II to this Prospectus and on the basis that 333,288,932 Shares are in issue, assuming that the Global Offering had been completed on December 31, 2024 but does not take into account of any Shares which may be allotted and issued by the Company pursuant to the exercise of the Over-allotment Option, any Shares that may be issued by the Company pursuant to the exercise of options under the 2023 Share Option Incentive Plan or any Shares which may be issued or repurchased by the Company after the Latest Practicable Date.

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as shown on page II-1 have not been adjusted to illustrate the effect of the following:

In March 2025, the Company entered into a share purchase agreement to purchase 70% of shares of Ding Wei Tai with the total consideration of RMB444,500,000, subject to adjustment by applying the P/E ratio of 11.40 in the event that the audited net profits of Ding Wei Tai would be less than RMB55,700,000. In April 2025, the Company announced a dividend of RMB296,515,000 to the existing shareholders prior to the Listing based on the Company's retained profits as of December 31, 2024. Had the acquisition of Ding Wei Tai been completed and the payment of the dividend been made on December 31, 2024, on the assumption that the fair value of Ding Wei Tai's identifiable net tangible assets approximated to the carrying value as at December 31, 2024 and the total consideration amounted to RMB444,500,000, the unaudited pro forma adjusted consolidated net tangible assets of the Group would decrease from RMB14,227,221,000 to RMB13,753,251,000 based on maximum Offer Price of HK$66.00 per Share, and the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at December 31, 2024 per Share would be RMB41.27 (equivalent to HK$45.13) based on a maximum Offer Price of HK$66.00 per Share. Except for the information as disclosed above no other adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets. These amounts are converted from Renminbi to Hong Kong dollars or Hong Kong dollars to Renminbi at an exchange rate of HK$1 to RMB0.91457. No representation is made that Renminbi/Hong Kong dollars amount have been, could have been or may be converted to Hong Kong dollars to Renminbi at that rate or at all.

For the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share, see the section headed "Unaudited Pro Forma Financial Information" in Appendix II to this Prospectus.

DIVIDENDS AND DIVIDEND POLICY

Pursuant to the Articles of Association, which were adopted and effective in August 2024, we target to declare cash dividends that account for not less than 40% of the distributable profits realized in that year, subject to we have sufficient working capital and there are no material adverse changes in the Company's external business environment and operating conditions. We declared dividends of RMB330.5 million and RMB740.1 million with respect to the years ended December 31, 2022 and 2023, respectively.

In April 2025, the Board proposed a dividend of RMB296.5 million with respect to the year ended December 31, 2024, which was approved by the Shareholders in May 2025. In aggregate, we declared RMB977.2 million in relation to the year ended December 31, 2024, which had been fully paid as of the date of this Prospectus.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Recent Developments

Unaudited Financial Information for the Three Months Ended March 31, 2025

Our revenue decreased by 3.8% from RMB3,722.8 million for the three months ended March 31, 2024 to RMB3,581.4 million for the same period in 2025, primarily attributable to (i) the relatively subdued overall consumer spending in the first quarter of 2025, compounded by a warm winter, which resulted in a decline in consumption of hot pot ingredients; and (ii) the different timing of the Chinese New Year in 2024 and 2025. As the Chinese New Year in 2025 was in late January, our customers began to stock up on our products in the last quarter of 2024; whereas in 2024, the Chinese New Year was close to mid-February, our customers' purchases for stock up were in January 2024. Such difference in timing of the Chinese New Year resulted in higher sales in the first quarter of 2024. Our cost of sales remained relatively stable at RMB2,766.8 million and RMB2,770.2 million for the three months ended March 31, 2024 and 2025, respectively. As a result of the foregoing, our gross profit decreased by 15.1% from RMB955.9 million for the three months ended March 31, 2024 to RMB811.2 million for the same period in 2025.

Our net profit decreased by 10.8% from RMB441.1 million for the three months ended March 31, 2024 to RMB393.4 million for the same period in 2025. Our net profit margin remained relatively stable at 11.8% and 11.0% for the three months ended March 31, 2024 and 2025, respectively.

Our capital expenditures increased by 30.9% from RMB219.4 million for the three months ended March 31, 2024 to RMB287.3 million for the same period in 2025, primarily due to the purchases of items of property, plant and equipment, and the purchase of other intangible assets.

Our total assets decreased by 3.2% from RMB17,375.1 million as of December 31, 2024 to RMB16,816.8 million as of March 31, 2025, primarily due to a decrease in inventories of RMB483.4 million. Our total liabilities decreased by 23.5% from RMB4,104.8 million as of December 31, 2024 to RMB3,140.1 million as of March 31, 2025, primarily due to (i) a decrease in trade and bills payables of RMB424.8 million, and (ii) a decrease in other payables and accruals of RMB392.1 million. Our net assets remained relatively stable at RMB13,270.3 million as of December 31, 2024 and RMB13,676.7 million as of March 31, 2025, respectively.

For the three months ended March 31, 2025, our net cash flows generated from operating activities amounted to RMB659.6 million.

Our unaudited interim condensed consolidated financial information the three months ended March 31, 2025 has been reviewed by our Reporting Accountants in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. For details, see Appendix IA to this prospectus.

No Material Adverse Change

Subsequent to the Track Record Period, we have continued to develop our business. Our Directors have confirmed that up to the date of this Prospectus there has been no material adverse change in our financial or trading position or prospects since December 31, 2024, being the end date of the periods reported in Appendix I to this Prospectus, and there has been no event since December 31, 2024 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this Prospectus.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately RMB131.6 million (assuming an Offer Price of HK$66.00 per Offer Share (being the maximum Offer Price), and no exercise of the Over-allotment Option), representing 5.5% of the gross proceeds (based on the maximum Offer Price), and assuming that the Over-Allotment Option is not exercised) of the Global Offering. We expect to incur listing expenses of approximately RMB131.6 million, of which approximately RMB1.3 million is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately RMB130.3 million is expected to be recognized as a deduction in equity directly upon the Listing. By nature, our listing expenses are composed of (i) underwriting commission of approximately RMB92.3 million and (ii) non-underwriting-related expenses of approximately RMB39.3 million, which consist of fees and expenses of legal advisors and Reporting Accountants of approximately RMB25.6 million and other fees and expenses of approximately RMB13.7 million.

In this Prospectus, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this Prospectus.

"2023 Share Option Incentive Plan"	the share option incentive plan approved and adopted by the Shareholders on October 13, 2023, as amended, supplemented or otherwise modified from time to time, the principal terms of which are set out in "Statutory and General information — 2023 Share Option Incentive Plan" in Appendix IV to this Prospectus
"A Share(s)"	ordinary share(s) issued by our Company with a nominal value of RMB1.00 each, which is/are traded in Renminbi and listed on the Shanghai Stock Exchange
"A Shareholders"	holders of the A Share(s)
"Accountants' Report"	the accountants' report prepared by Ernst & Young, details of which are set out in Appendix I to this Prospectus
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC" or "Accounting and Financial Reporting Council"	The Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix III to this Prospectus
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of our Company
"Business Day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

"China", "Mainland China" or "PRC"	the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this Prospectus only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	Anjoy Foods Group Co., Ltd. (安井食品集團股份有限公司) (formerly known as Fujian Anjoy Foods Co., Ltd. (福建安井食品股份有限公司)), a PRC company established as a limited liability company on December 24, 2001 with the name of Xiamen Huashun Minsheng Food Co., Ltd. (廈門華順民生食品有限公司) and converted into a joint stock limited company on March 7, 2011, the A Shares of which have been listed on the Shanghai Stock Exchange (stock code: 603345)
"Compliance Advisor"	Ping An of China Capital (Hong Kong) Company Limited
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDCC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company

"ESG"	Environmental, Social and Governance
"Extreme Conditions"	extreme conditions in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public's ability to resume work or brings safety concern for a prolonged period
"FINI"	"Fast Interface for New Issuance," an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"Group", "our Group", "we" or "us"	our Company and our subsidiaries
"Guoli Minsheng"	Fujian Guoli Minsheng Technology Development Co., Ltd. (福建國力民生科技發展有限公司), a limited liability company incorporated under the laws of PRC on November 6, 2000, a promoter and a substantial shareholder of the Company and our Single Largest Shareholder
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Guide"	the Guide for New Listing Applicants issued by the Stock Exchange
"H Share(s)"	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"H Shareholders"	holders of the H Share(s)
"HK dollars" or "HK$"	Hong Kong dollars, respectively, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your **broker** or **custodian** who is an HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant(s)"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong Offer Shares"	The 3,999,500 H Shares being initially offered for subscription in the Hong Kong Public Offering
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) on the terms and subject to the conditions described in this Prospectus, as further described in "Structure of the Global Offering — The Hong Kong Public Offering"

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in "Underwriting — Hong Kong Underwriters"
"Hong Kong Underwriting Agreement"	the underwriting agreement, dated June 24, 2025 relating to the Hong Kong Public Offering, entered into by, among others, the Overall Coordinators, the Hong Kong Underwriters and our Company, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement"
"IFRS"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
"Independent Third Party(ies)"	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules
"International Offer Shares"	the 35,995,200 H Shares being initially offered for subscription under the International Offering together, where relevant, with any additional H Shares that may be issued pursuant to any exercise of the Over-allotment Option (subject to reallocation as described in "Structure of the Global Offering")
"International Offering"	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S and in the United States to QIBs only in reliance on Rule 144A or any other available exemption from the registration requirements under the U.S. Securities Act, as further described in "Structure of the Global Offering"
"International Underwriters"	the underwriters expected to enter into the International Underwriting Agreement relating to the International Offering

"International Underwriting Agreement"	the international underwriting agreement, expected to be entered into on or about July 2, 2025 relating to the International Offering, by, among others, our Company, the Overall Coordinators and the International Underwriters in respect of the International Offering, as further described in "Underwriting — International Offering"
"Joint Bookrunners", "Joint Global Coordinators", "Joint Lead Managers"	the joint bookrunners, the joint global coordinators, and the joint lead managers as named in "Directors, Supervisors and Parties Involved in the Global Offering"
"Joint Sponsors"	the joint sponsors as named in "Directors, Supervisors and Parties Involved in the Global Offering"
"Latest Practicable Date"	June 16, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
"Listing"	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
"Listing Committee"	the Listing Committee of the Hong Kong Stock Exchange
"Listing Date"	the date, expected to be on or about Friday, July 4, 2025, on which our H Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
"Nomination Committee"	the nomination committee of the Board
"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法)

"Offer Price"	the final offer price per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%), expressed in Hong Kong dollars, at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Offer Shares are to be offered pursuant to the International Offering, to be determined as described in "Structure of the Global Offering — Pricing and Allocation"
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together, where relevant, with any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Overall Coordinators"	the overall coordinators as named in "Directors, Supervisors and Parties Involved in the Global Offering"
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators on behalf of the International Underwriters, to require our Company to allot and issue up to 5,999,200 additional H Shares (representing in aggregate approximately 15% of the Offer Shares initially being offered under the Global Offering to the International Underwriters to, among other things, cover over-allocations in the International Offering, if any), details of which are described in "Structure of the Global Offering — Over Allotment Option"
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法)
"PRC Legal Advisor"	Tian Yuan Law Firm, our legal advisor as to PRC laws
"Price Determination Agreement"	the agreement to be entered into between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or about the Price Determination Date

"Price Determination Date"	the date, expected to be on or before Wednesday, July 2, 2025 and in any event no later than 12:00 noon on Wednesday, July 2, 2025, on which the Offer Price is to be fixed for the purpose of the Global Offering
"Prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"Province"	each being a province or, where the context requires, a provincial-level autonomous region or municipality under the direct supervision of the central government of the PRC
"QIB"	a qualified institutional buyer within the meaning of Rule 144A
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Evaluation Committee"	the remuneration and evaluation committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rule 144A"	Rule 144A under the U.S. Securities Act
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Shanghai-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, HKSCC and CSDCC for the establishment of mutual market access between Hong Kong and Shanghai, including Southbound Trading and Northbound Trading
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)

"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program to be developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and CSDCC for the establishment of mutual market access between Hong Kong and Shenzhen
"Single Largest Shareholder"	refers to Guoli Minsheng, see "Relationship with our Single Largest Shareholder"
"Stabilizing Manager"	Goldman Sachs (Asia) L.L.C.
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy Committee"	the strategy committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of our Supervisory Committee
"Supervisory Committee"	the supervisory committee of our Company
"Sustainability Committee"	the sustainability committee of the Board
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the financial years ended December 31, 2022, 2023 and 2024
"treasury share(s)"	has the meaning ascribed thereto under the Listing Rules
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollar", "US$" or "USD"	United States dollar, the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

"White Form eIPO"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website of the **White Form eIPO** Service Provider at **www.eipo.com.hk**
"White Form eIPO Service Provider"	Computershare Hong Kong Investor Services Limited
"%"	per cent

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiary) have been included in this Prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

Unless otherwise stated, 1,160,900 repurchased A Shares which are held as treasury shares by the Company as at the Latest Practicable Date have been included in the total number of issued shares of the Company as at the Latest Practicable Date and immediately after completion of the Global Offering. For details of the repurchased A Shares, see "Appendix IV — Changes in the Share Capital of our Company."

* *For identification purpose only*

This glossary of technical terms contains explanations of certain terms used in this Prospectus in connection with our Group and our business. The meaning of these terms may not necessarily correspond to standard industry meaning or the usage of these terms.

"**app**"	a program designed to run on a mobile device or a website
"**Business Intelligence system"**	a comprehensive solution designed to effectively integrate existing data within an enterprise, quickly and accurately provide reports, and offer decision-making support to help the enterprise make informed business decisions
"**CAGR**"	compound annual growth rate
"**CRM**"	customer relationship management
"**EDI**"	electronic data interchange
"**ERP**"	enterprise resource planning, a business process management software that allows an organization to use a system of integrated applications to manage the business and digitalize back-office functions relating to technology, services, and human resources
"**first and second-tier cities**"	for the purpose of this Prospectus, include Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Chongqing, Hangzhou, Wuhan, Xi'an, Tianjin, Suzhou, Nanjing, Zhengzhou, Changsha, Dongguan, Shenyang, Qingdao, Hefei, Foshan, Ningbo, Kunming, Fuzhou, Wuxi, Xiamen, Jinan, Dalian, Harbin, Wenzhou, Shijiazhuang, Quanzhou, Nanning, Changchun, Nanchang, Guiyang, Jinhua, Changzhou, Jiaxing, Nantong, Xuzhou, Taiyuan, Zhuhai, Zhongshan, Baoding, Lanzhou, Taizhou, Shaoxing, Yantai and Langfang
"**GDP**"	gross domestic product
"**HACCP**"	Hazard Analysis Critical Control Points, a food safety risk management system which focuses on identifying and controlling food safety hazards

"**ISO**"	the International Organization for Standardization, a non-governmental organization based in Geneva, Switzerland, for assessing the quality systems of business organizations
"**ISO 14001**"	a standard published by ISO, prescribing specific requirements for an environmental management system in an organization
"**ISO 22000**"	a standard published by ISO, prescribing specific requirements for a food safety management system in an organization
"**ISO 45001**"	a standard published by ISO, prescribing specific requirements for an occupational health and safety management system in an organization
"**ISO 9001**"	a standard published by ISO, prescribing specific requirements for a quality management system in an organization
"**IT**"	information technology
"**KA-Link**"	a digital tool designed to link us with supermarkets to facilitate our cooperation
"**lower-tier cities**"	for the purpose of this Prospectus, all cities, suburban and rural areas, as well as urban areas of the cities in China that are not the first and second-tier cities
"**malatang**"	a popular street food and is commonly found in food stalls and restaurants across China and in other countries with Chinese communities
"**MES**"	manufacturing execution system
"**OA**"	office automation
"**oden**"	a traditional dish in which various ingredients are simmered in soy sauce-flavored broth, and is commonly found in convenience stores
"**PLC**"	programmable logic controller

"**R&D**"	research and development
"**SRM**"	supplier relationship management
"**sq.m.**"	square meter
"**surimi**"	a paste primarily made from fish. It can also be used as a primary ingredient of a number of East Asian foods
"**TMS**"	transportation management system
"**WMS**"	warehouse management system

We have included in this Prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

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

- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- general political and economic conditions of jurisdictions in which we operate;
- our business operations and prospects;
- our capital expenditure plans;
- weather, natural disasters and climate change;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and business plans; and
- various business opportunities that we may pursue.

An investment in our H Shares involves various risks. You should carefully consider all the information in this Prospectus and in particular the risks and uncertainties described below before making an investment in our Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial condition and results of operations. If any of these events occurs, the trading price of our H Shares could decline and you may lose all or part of your investment. You should seek professional advice from your relevant advisers regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

Our business is subject to changes in customer tastes and market demand.

Our success is dependent on our ability to anticipate, recognize, comprehend and respond to evolving customer tastes and market demand, which are subject to factors beyond our control, such as changes in preferences and disposable income. We are committed to offering a broad portfolio of quick-frozen food products, including quick-frozen flavored and processed products, quick-frozen prepared dishes and quick-frozen flour and rice products, that align with the evolving tastes and preferences of customers. We regularly introduce new products, such as the Lock-Fresh product line, to meet these demands through continual market research, involving stakeholders across our value chain and closely monitoring shifting market trends. See "Business — Our Brands and Products." However, introducing and developing new products requires significant investment, and unsuccessful endeavors may result in additional costs and impact on our overall business and financial performance. The end markets for our products are characterized and defined by rapidly changing customer tastes and dining preferences. Our success thus depends on the ability to adequately respond and adapt to customer demand in a timely and cost-effective manner, through continual improvement of our products and services. There is no guarantee that we will continue to successfully introduce new products to the market or swiftly respond to changes in customer preferences, and failure to adapt to market changes may have a material adverse effect on our business, financial condition and results of operations.

We face significant competition in the industry in which we operate and if we are unable to compete effectively, our business, financial condition and results of operations may be materially and adversely affected.

The industry in which we operate is intensely competitive with respect to, among other things, brand recognition, consistent food quality, services and prices. Our competitors come from a variety of geographic markets, including domestic and international quick-frozen food products providers. Many of our competitors provide products comparable to those we offer and may further upgrade their products. Our competitors may have longer operating histories, greater brand recognition, better supplier relationships, larger customer bases or greater financial, technological or marketing resources than we do. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements than us and may have the ability to initiate or adapt to significant industry evolution or regulatory changes. Our competitors may have more advanced facilities or equipment, develop more advanced or efficient technologies, acquire more customers, have more professional staff or offer more competitive prices.

Our ability to effectively compete will depend on various factors, including the successful implementation of our development strategy and our ability to continuously source quality food ingredients as raw materials, expand our product portfolio, and enhance our operational efficiency. If we are unable to stay competitive or compete successfully with our competitors, we may experience decreases in market share and sales volume, and may have to reduce our prices or make other concessions, thereby materially and adversely affecting our business, financial condition and results of operations.

Failure to develop and introduce new products could materially and adversely impact our competitiveness, performance and prospects for future growth.

Our success depends to a large extent on our ability to provide customers with new, attractive products tailored to their needs on a timely basis at favorable profit margins. By closely monitoring market trends, soliciting feedback from customers and leveraging industry insights, we strive to maximize the likelihood of developing successful and popular products. We have placed significant emphasis on developing our products, recognizing that continuous product development is crucial for meeting the evolving preferences and standards of customers. For example, we made certain investment in R&D and marketing in relation to our Lock-Fresh product line. See "Business — Our Brands and Products — Category Leading Products." In 2022, 2023 and 2024, our research and development expenses amounted to RMB93.3 million, RMB94.5 million and RMB97.2 million, respectively. We may continue investing resources in R&D in order to offer products with high quality and moderate prices as well as remain competitive in this rapidly evolving industry.

However, the process of developing and introducing new products is complex and uncertain. In addition, the commercial success of new products is subject to many factors that are not entirely within our control, including our ability to carry out effective and efficient analysis of market demand, deliver the products in a timely manner and offer satisfactory after-sales services for new products. If our new products cannot achieve commercially sustainable results, we may be unable to achieve the desired revenue and profit return, or even recoup initial investments. We may also sell new products to new markets, the success of which is dependent on various factors such as market conditions, competition landscape, regulatory environment, supply chain, customer demand and the positioning of our new products, as well as our ability to offer such products at competitive terms and prices. There can be no assurance that we will be able to successfully satisfy customer demand on a sustainable and profitable basis.

We rely on distributors to place our products into the market and we may not be able to manage our distributors effectively.

Our distributors are an important part of our sales network. As of December 31, 2022, 2023 and 2024, there were 1,836, 1,964 and 2,017 distributors in our distribution network, respectively, and the revenue from sales to distributors accounted for 80.6%, 81.1% and 81.9% of our total revenue, respectively. Although we will continue to grow our revenue from sales to key accounts, targeted enterprise customers, new retail and e-commerce platforms in the future, we expect that our distributors will remain an important component of our sales network. See "Business — Sales Network — Distributors."

Our distributors may not be able to market and sell our products successfully or maintain their competitiveness as a result of various factors. If the sales volumes of our products are not maintained at a satisfactory level, our distributors may not place orders for our new products, may reduce orders for our existing products or ask for a discount on the purchase price. The loss of our distributors or reduced orders from them could materially and adversely affect our sales volume and revenue.

In addition, while we enter into distribution agreements with our distributors, we cannot ensure strict adherence to agreement terms or immediate detection of contractual breach. Contractual breach by our distributors, including failing to fulfill their obligations or violating the terms of contracts such as engaging in cross-channel or cross-region sales, may cause cannibalization and unhealthy competition which could have negative consequences for our business. These consequences may include reputational damage, reduced sales volumes, costly litigation or additional costs incurred in finding replacement distributors due to early termination. If we fail to successfully maintain our relationships with a certain number of distributors or our distributors fail to operate successfully, our ability to effectively sell our products could be materially and negatively impacted.

Our business depends on brand recognition. Any failure to maintain or effectively promote our brands could materially and adversely impact our business, financial condition and results of operations.

We believe that our "Anjoy" trademark and brand name have played a crucial role in our business growth and success, gaining recognition among customers, end customers and suppliers. We also use other trademarks and brand names to market our quick-frozen food products. As a result, it is essential for us to maintain and improve our brand recognition and image, as this allows us to distinguish our products and remain competitive in the market.

The factors that are crucial for us to maintain and enhance the awareness, recognition and popularity of our brands include, but are not limited to, the following:

- maintaining the desirable tastes, high quality and safety of our products, and our diversified product portfolio;
- increasing brand awareness through marketing and brand promotion activities;
- maintaining stable relationships with our suppliers, distributors, key accounts, targeted enterprise customers as well as new retail and e-commerce platforms;
- maintaining or improving customer satisfaction with our products; and
- ensuring compliance with relevant laws and regulations.

As we continue to expand business scale, extend our geographic reach and enrich our product portfolio, it may become difficult for us to achieve the above factors. Moreover, our brand reputation and image could be negatively impacted by unfavorable publicity, including product liability claims, legal disputes, customer complaints or negative product reviews, regardless of their validity. Should we fail to maintain our brand awareness, recognition and popularity in existing markets, or struggle to establish our brands in new markets, our business, financial condition and results of operations may be materially and adversely affected.

Any failure to maintain our product quality or food safety could have a material adverse effect on our business, financial condition and results of operations.

The safety and quality of our products is crucial to our overall success and reputation. Consistently maintaining food safety and quality relies on the effectiveness of our quality control systems. Our products generally reach end customers 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 facilities and the methods we use to store and transport our products. We cannot assure you that we will be able to effectively detect and avoid all food safety-related incidents, which may materially and adversely affect our business, financial condition and results of operations. We implement comprehensive testing procedures throughout our production process. However, any failure in maintaining these rigorous testing standards or obtaining accurate test results could materially and adversely affect our product quality assurance.

In addition, we are also required to comply with the laws and regulations related to food safety and product quality. If we fail to detect safety or quality issues or if we are found to be in violation of the laws and regulations, we may be subject to liability claims, reduced customer satisfaction and the imposition of penalties by relevant authorities, which could in turn affect our long-term success.

Failure to procure raw materials that are consistent with our requirements or standards in a timely manner, or at all, may materially and adversely affect our business, financial condition and results of operations.

Procuring safe and quality food ingredients at competitive prices and in a timely manner is crucial for our business. The ability to maintain consistent food safety and quality across our product offerings relies on sourcing from reliable suppliers that meet our quality specifications and can provide sufficient quantities of ingredients. We cannot guarantee that our current suppliers will consistently meet our stringent quality control requirements in the future.

The availability, variety and prices of food ingredients are subject to fluctuations and volatility influenced by factors beyond our control including, among others, seasonal variations, climate conditions, natural disasters, general economic conditions, global demand, government policies and regulations, and exchange rate fluctuations. These circumstances could reduce our suppliers' ability to maintain the same level of product quality and quantity at reasonable prices in the future. Additionally, they may face increased production costs, rising labor expenses and other costs that they may pass on to us, potentially leading to higher costs for the goods supplied. As such, we cannot guarantee that we will be able to maintain consistently favorable procurement prices for our food ingredients. While we expect our suppliers to comply with their contracts, 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.

In addition, our relationships with suppliers may deteriorate or become unstable. If any of our suppliers fail to perform adequately or cannot provide quality food ingredients to us at reasonable prices and in a timely manner, we cannot guarantee that we are able to secure alternative suppliers on favorable terms in a timely manner or at all. Such a failure could increase our food costs, lead to ingredient shortages, and potentially require us to substitute certain ingredients, which could impact the taste of our products. Significant changes in product taste could result in a significant reduction in revenue during the affected period and materially and adversely affect our business, financial condition and results of operations.

Failure to maintain competitive pricing strategies may have a material adverse effect on our business, financial condition and results of operations.

Our primary objective is to provide customers with quality quick-frozen food products at competitive prices. To achieve this, we rely on comprehensive market research and competitive analysis to determine our pricing strategy. We consider multiple factors and carefully tailor our pricing to meet the diverse needs of our customer base. See "Business — Sales Network — Pricing Policy". However, we cannot guarantee the consistent adoption of a competitive pricing strategy for our products. Market research results may occasionally prove inaccurate feedback, leading to a misalignment between our pricing strategy and market trends. This misalignment can diminish our profit margins and dampen sales volumes and revenue. Even if we initially price our products appropriately, we may find it necessary to offer discounts to enhance brand awareness and drive sales.

Any failure to execute effective sales and marketing strategies or adjust such strategies according to market changes may materially and adversely affect our business, financial condition and results of operations.

We aim to increase the sales of our products, achieve broader market acceptance, and maintain customer loyalty, which, to some extent, will depend on the successful execution of our sales and marketing strategy. During the Track Record Period, we invested resources primarily in strengthening brand image and product visibility. See "Business — Branding and Marketing." Our selling and distribution expenses amounted to RMB873.0 million, RMB925.8 million and RMB986.2 million in 2022, 2023 and 2024, respectively.

In particular, for new products, we may conduct promotional activities and incur sales and marketing expenditure to stimulate customer demand after the product launch, which may affect our profitability. Going forward, we plan to continually invest in brand promotion activities to further enhance customer awareness of our brand. However, we cannot assure you that our sales and marketing strategies will always be effective. Any failure to execute our sales and marketing strategies in a cost-effective manner could have a negative impact on our profitability. In addition, we may need to adjust our sales and marketing strategies in response to the debut of new products or rapid changes in customer preferences and demand in the quick-frozen food industry. Failure to do so in a timely manner may result in a decline in product sales and market share. Both of these could have a material adverse effect on our business, financial condition and results of operations.

Moreover, as customer preferences change over time and new sales channels emerge, we might not be able to promptly identify or capitalize on such market opportunities. Any failure in hiring and retaining qualified sales and marketing personnel to execute our strategies effectively or timely adjusting our strategies to respond to market trends may result in a loss of market share, decrease in revenue and damage to our business.

Our success depends on our key management and other highly qualified personnel with specialized skills and industry knowledge.

Our future success is reliant on the continuous and reliable performance of our key management and other highly qualified personnel who play a crucial role in successfully implementing our growth strategy and maintaining our brand's strength. Our ability to compete effectively depends to some extent on our ability to retain and motivate existing key management and other highly qualified personnel, and attract new ones. We may need to offer higher compensation and other benefits to attract and retain key personnel, and our compensation and benefits payments may increase unexpectedly or at a rate greater than expected. If we lose the services of any member of our management or qualified personnel we may not be able to locate suitable or qualified replacements in a timely manner and/or at reasonable cost, or at all. Our failure to attract and retain key management or qualified personnel and any increase in employee benefit expenses to retain such personnel could have a negative impact on our ability to maintain our competitive position and grow our business, and may have a material adverse effect on our business, financial condition and results of operations.

Our key employees are subject to confidentiality terms and non-compete arrangements. However, we cannot guarantee that such terms or arrangements can be fully enforced. If any of our management or other key personnel joins or establishes a competing business we may lose some of our customers, which may have a material adverse effect on our business, financial condition and results of operations.

We may face inadequate production capacity issues and if we fail to effectively implement our future production expansion plans, our results of operation may be materially and adversely affected.

As of December 31, 2024, we operated 12 domestic production bases and one overseas production base. Our geographically dispersed production network exposes us to risks including coordinating production across locations, maintaining consistent quality standards across bases and managing regional operational variations. See "Business — Production." The demand for and sales of 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 requirements. We cannot guarantee that the existing capacity of our production bases will meet market demand in the future and our production capacity may at times be insufficient.

We aim to expand our production capacity in line with the growth of our business to facilitate our long-term business development to meet growing customer demand. See "Business — Production — Our Production Bases." The feasibility of our production expansion plan is limited by various factors, such as (i) the availability of suitable locations to establish production premises, (ii) the location of convenient logistics for 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 customers' demand 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.

In addition, to achieve our expansion plan and optimize our production efficiency, we continue to upgrade our existing equipment, purchase new production equipment and improve production techniques. We also allocate human resources and other resources to managing these operational needs. We cannot guarantee 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, financial condition and results of operations.

Moreover, our production and operations rely on a consistent and sufficient supply of utilities, including electricity, water, and gas. Any disruptions in the supply of electricity, water, or gas could halt our production and potentially lead to the loss of our products. This, in turn, could impair our ability to meet sales orders and negatively affect our business operations. Any mechanical failures or even prolonged mechanical maintenance could disrupt our production process and lead to additional costs for repairs or replacements. There is no guarantee that we could always maintain the efficient operation of our production bases. Any such disruptions could adversely affect our business and financial performance. Events such as stoppages, fires, earthquakes, natural disasters, pandemics, extreme weather conditions, force majeure or other calamities at or near our facilities could significantly disrupt our operations. Any failure to implement adequate measures to mitigate the impact caused by these unforeseen events, or to effectively respond to such events, could harm our business, financial stability, and operational results. Although our production and operating activities or financial performance had not been affected by such incidents during the Track Record Period and up to the Latest Practicable Date, they may cause interruption of our production in the future, and may materially and adversely affect our business, financial condition and results of operations.

We may encounter difficulties in maintaining, optimizing or expanding our sales network, and may not be able to effectively manage any overlap or potential competition among our distributors and across different sales channels.

We have established a multichannel sales network across the national market, including distributors, key accounts, targeted enterprise customers, new retail and e-commerce platforms. While developing and managing strong relationships with our business partners across these various channels is a priority for us, we cannot guarantee long-term and in-depth cooperation with our existing sales channels. If we fail to meet their expectations, our cooperation may be terminated. Such termination could adversely impact our access to end customers, business, financial condition and results of operations. Furthermore, as part of our growth strategy, we are continually expanding into new sales channels. However, establishing relationships with new business partners can be time-consuming and may involve additional costs. The failure to successfully expand into new sales channels could result in a loss of competitive advantages to competitors or lead to customer attrition, limiting our future development potential. Successfully integrating new channels into our existing multichannel sales network depends on several factors including, among others, the availability of sufficient management and financial resources, the ability to recruit, train, and retain skilled personnel, and the capacity to adjust our supply chain and other operational systems to accommodate the expansion of sales network. Failure to effectively expand our sales network could curtail the scale of our future growth and have a material adverse impact on our business prospects.

We cannot guarantee that our measures to manage overlap or potential competition among our sales channels will be effective. As a result, the expansion of our sales network may not lead to proportionate expansion of our revenue. Furthermore, adverse competition and cannibalization among our sales channels may have a negative impact on the stability of our sales network, which may have a material and adverse effect on our business, financial condition and results of operations.

We rely on our business partners and third-party service providers.

Strategic business relationships are, and will continue to be, an important factor in the growth and success of our business. We have alliances and partnerships with other companies to enhance our commercialization capabilities. In addition, we need to continue to identify and negotiate opportunities to collaborate with other industry participants, such as those who can provide contract manufacture and logistics services. If we are unable to maintain the existing relationships with our business partners, or if we fail to identify and negotiate additional relationships that are essential to our future expansion or success on commercially acceptable terms or at all, we may incur increased costs to develop and provide these capabilities on our own, and our business, financial condition and results of operations could be materially and adversely affected. However, collaboration with third parties is subject to challenges and risks, some of which are beyond our control. There is also risk of potential disputes with partners in the future. Moreover, if our existing partner agreements were to be terminated, we may be unable to timely find alternative agreements on terms and conditions commercially acceptable to us. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

In addition, we work with a broad range of third-party service providers. These third parties are subject to risks similar to ours relating to business interruption, systems and employee failures, and cybersecurity and data protection, and are also subject to their own legal, regulatory and market risks. While we have procedures in place for assessing risks along with selecting, managing and monitoring our relationships with third-party service providers, suppliers and business partners, we do not have control over their business operations or governance and compliance systems, practices and procedures, which may increase our financial, legal, operational and reputational risk. If we are unable to effectively manage our relationships with third-party service providers, suppliers and business partners, or for any reason our third-party service providers, suppliers or business partners fail to satisfactorily fulfill their commitments and responsibilities, our business, financial condition and results of operations could suffer. Upon expiry of existing contracts with third parties, we may not be able to renew such contracts on terms commercially favorable to us, if at all, or find an appropriate substitute in a timely manner, in which case our business, financial condition and results of operations may be materially and adversely affected.

We rely on third-party logistics providers to deliver our products, and risks associated with logistics may adversely impact our business, financial condition and results of operations.

We partner with third-party providers of logistics services to deliver our products efficiently. In 2022, 2023 and 2024, our logistics costs amounted to RMB241.7 million, RMB266.4 million and RMB241.0 million, respectively, representing 2.5%, 2.5% and 2.1% of our total cost of sales, respectively. To ensure the optimized quality and condition of our products, we have set standards to the third-party providers of logistics. See "Business — Logistics, Warehousing and Inventory Management." Notably, our business depends heavily on maintaining an uninterrupted cold chain, with temperature-controlled environments required throughout our storage and distribution network. Any disruption to our cold chain infrastructure, including equipment malfunction, power outages at cold storage facilities or failure of temperature monitoring systems could lead to product spoilage and inventory losses. In addition, we cannot guarantee that the third-party logistics providers will always be able to satisfy our quality control requirements.

The services provided by our third-party logistics providers may be suspended, canceled or delayed for various reasons beyond our control, including improper handling by our logistics service providers, labor disputes or strikes, acts of war or terrorism, outbreaks of epidemics, earthquakes and other natural disasters, which could cause interruption to the sales or delivery of our products. Disputes with or a termination of our contractual relationships with one or more of our logistics companies could result in delayed delivery of products or increased costs. Failure to maintain or develop good relationships with logistics companies or find suitable replacements in a timely manner may inhibit our ability to offer products in sufficient quantities, on a timely basis or at prices acceptable to our customers. In addition, any improper handling of our products by the logistics providers could also result in product damage, which may in turn lead to product recalls, product liabilities, increased costs and damage to our reputation, which may in turn materially and adversely affect our business, financial condition and results of operations. Any increase in the service costs of our logistics providers may also lead to an increase to our logistic expenses, which may in turn negatively affect our business, financial condition and results of operations.

We may be susceptible to industry-wide food safety concerns, which could impose a material and adverse impact on our business, financial condition and results of operations even though such concerns are not attributable to our fault.

The food industry is subject to concerns over food safety and quality. There have been various reports and negative news in relation to food safety and quality incidents in the food industry in the past. Even though the reports and allegations were not targeted at us, the food industry could be negatively impacted by such incidents. The following downturn in the whole industry could take a long time to recover. A public perception that we, or other industry participants, do not provide satisfactory products with safety and quality, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract and retain customers, and our business, financial condition and results of operations may be materially and adversely affected.

Outbreaks of African Swine Fever and food-borne illnesses may materially and adversely affect our production and demand for our products.

Our business is susceptible to animal health and control diseases in relation to our raw materials. For example, an occurrence of swine diseases, such as African Swine Fever ("**ASF**"), or any outbreak of other serious animal diseases or epidemics, might adversely impact our production and consumer confidence in our operation. While ASF is not a human health threat, it is a dreadful disease in pigs and can cause massive deaths of pigs in a short period of time. The outbreak of such disease may materially and adversely affect the supply of pork and other raw materials we need in our production. Our reliance on third-party raw materials suppliers increases the risk of food-borne illness incidents which could be caused by these suppliers and are outside of our control. The recurrence of epidemics and diseases such as ASF may cause severe disruption to our supply and we cannot guarantee that we will be able to find similar supplies at similar prices within a reasonable time, which in turn may materially and adversely affect our business, financial condition and results of operations.

In addition, we cannot guarantee that our internal control measures and training will be fully effective in preventing all food-borne illnesses. Furthermore, reports in the media of instances of food-borne illnesses could, if highly publicized, negatively affect our industry overall and us.

Any failure to offer quality after-sales services may materially and adversely affect our business, financial condition and results of operations.

As we continue to grow our operations and support our customer base, we need to be able to continue to provide quality after-sales services. We may be unable to modify the future scope of our after-sales support to compete with changes in the after-sales services provided by our competitors. If we are unable to provide efficient after-sales services, our business may be harmed. Our ability to attract new customers is dependent on our business reputation and on positive recommendations from our existing customers. Any failure to offer quality support services, or a market perception that we do not offer quality support services, would harm our business.

According to the distribution agreements, distributors are generally not allowed to return our products after receipt other than for limited reasons such as defective products, in which case we will be responsible for the costs incurred from product return. See "Business — After-Sales Service — Product Return and Recalls." If we experience any deterioration in the quality of our products, we will incur higher costs associated with product returns. For our certain customers, we allow product returns that have not been sold to end-customer. We may also be required by law to adopt new or amend existing product return policies from time to time. While these policies improve customers' experience and promote their loyalty, which may in turn help us acquire and retain customers, they also subject us to additional costs and expenses which we may not recoup through increased revenue. We cannot guarantee that our product return policy will not be misused, which may increase our costs and may materially and adversely affect our business, financial condition and results of operations. If we revise these policies to reduce our costs and expenses, our customers may be dissatisfied, which may result in the loss of existing customers or failure to acquire new ones at the pace desired, which may materially and adversely affect our business, financial condition and results of operations.

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

During the Track Record Period, we benefited from certain government grants. During the Track Record Period, the government grants related to income have been received to reward for our contribution to the local economic growth. We also received certain government grants related to the investments in fixed assets. In 2022, 2023, 2024, we received government grants of RMB128.3 million, RMB141.0 million and RMB74.8 million, respectively. However, we may not be able to continue to enjoy similar government grants in the future.

In addition, we and some of our subsidiaries are entitled to preferential tax treatment. See "Financial Information — Description of Major Components of Our Results of Operations — Income Tax Expense." Preferential tax treatments granted to us by PRC governmental authorities are subject to review and may be adjusted or revoked at any time in the future. We cannot guarantee that the preferential tax treatments to which our PRC subsidiaries are currently entitled will be successfully renewed. There can be no assurance that the local tax authorities will not, in the future, change their position and discontinue any of our current tax treatments. The discontinuation of any of our current tax treatments could materially increase our tax obligations and adversely impact our net income.

If we fail to effectively manage our inventory, our business, financial condition and results of operations may be materially and adversely affected.

Our inventory primarily includes finished goods, raw materials and goods in transit. As of December 31, 2022, 2023 and 2024, we had inventories of RMB3,136.8 million, RMB3,566.7 million and RMB3,284.6 million, respectively. Maintaining an optimal level of inventory is important for the success of our business. We consider factors such as historical data, number of orders from customers and assessment of customer demand, so as to arrange production and maintain a reasonable level of inventory. Nevertheless, we cannot guarantee that such policies will continue to be extensive in managing our inventory risk.

Meanwhile, we may be exposed to inventory obsolescence and inventory shortage risks as a result of a variety of factors beyond our control, including but not limited to, changes of customer needs and the inherent uncertainty of the success of product launches. Inventory levels in excess of demand may result in inventory write-offs, which would have an adverse effect on our profitability. Our provision for impairment of inventories amounted to RMB44.8 million, RMB35.4 million and RMB21.2 million as of December 31, 2022, 2023 and 2024, respectively. We may misjudge market demand. If we underestimate the demand for our products, we may not be able to produce a sufficient number of products to meet such unanticipated demand, which could result in delays in the delivery of our products. Any of the above may materially and adversely affect our business, financial condition and results of operations. As we plan to continue to expand our offerings, we may continue to face challenges in effectively managing our inventory.

We are exposed to changes in our financial assets at fair value through profit or loss ("FVTPL").

Our results of operations are affected by changes in our financial assets at FVTPL. As of December 31, 2022, 2023 and 2024, our financial assets at FVTPL amounted to RMB672.3 million, RMB1,033.2 million and RMB3,321.2 million, respectively. The fair values of wealth management products included in financial assets at fair value through profit or loss have been estimated using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. Factors beyond our control, including but not limited to, general economic conditions, changes in market interest rates and stability of the capital markets, can influence and cause adverse changes to the estimates we use, and thereby affect the fair value. The investment income on financial assets at FVTPL is recorded under other income and gains, net in our profit or loss. In 2022, 2023 and 2024, we recorded unrealized fair value gains on financial assets at FVTPL of RMB2.5 million, RMB9.2 million and RMB16.7 million, respectively. With the fluctuation of changes in fair value of financial assets at FVTPL, we may not generate fair value gain in the future, which may materially affect our business, financial condition and results of operations.

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

We have established various contractual arrangements with different counterparties as part of our regular business operations. We generally assess the business relationship and credit background of our customers before granting them a credit term. As of December 31, 2022, 2023 and 2024, our trade and bills receivables amounted to RMB737.0 million, RMB572.1 million and RMB626.1 million, respectively. However, we cannot guarantee that our customers or other parties will make timely payments to us. Delays in payment from these entities may negatively impact our liquidity position and working capital efficiency, increase finance costs, and adversely affect our business operations and financial performance. Our trade and bills receivables turnover days were 19.3 days, 17.1 days and 14.5 days in 2022, 2023 and 2024, respectively. For certain customers, such as our distributors, we have engaged in credit sales with them during the Track Record Period and we usually grant credit terms of 30 days. In addition, we impose a credit limit on such customers. Our management regularly reviews the recoverability of overdue balances for trade and bills receivables and may provide for impairment when appropriate. We cannot guarantee 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.

We recognized a certain scale of goodwill during the Track Record Period. If we determine our goodwill to be impaired, it would adversely affect our financial condition and results of operations.

Our goodwill amounted to RMB806.5 million, RMB770.4 million and RMB739.1 million as of December 31, 2022, 2023 and 2024, respectively. Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses. We generally determine whether goodwill is impaired on an annual basis. In evaluating the potential for impairment of goodwill, our management makes a number of assumptions, such as the continuity of the acquired businesses, their future operating performance, business trends, and market and economic conditions. This requires us to make subjective assumptions, and there are inherent uncertainties relating to this analysis and our management's judgment in assessing the recoverability of the goodwill. If any of the assumptions does not materialize, or if the performance of the acquired business is not consistent with such assumptions, we may be required to write-off part or all of our goodwill and record an impairment loss. Any significant impairment of goodwill could substantially affect our reported earnings in the periods when recognized. In addition, impairment charges would negatively affect our financial ratios which may limit our ability to obtain external financings.

We are subject to various risks relating to third-party payments.

During the Track Record Period, certain of our customers settled payments with us through third-party payment arrangements (the "**Third-Party Payment Arrangements**"). In 2022, 2023 and 2024, the aggregate amount settled with the Relevant Customers under the Third-Party Payment Arrangements, except for those settled through the accounts of the operators (or their spouses) in the case of sole proprietorships, was RMB814.9 million, RMB946.0 million and RMB172.5 million, respectively, representing 6.7%, 6.8% and 1.2% of our total revenue for the same periods. The aggregate amount settled with all Relevant Customers under the Third-Party Payment Arrangement was RMB4,640.2 million, RMB4,867.6 million and RMB2,491.7 million, respectively, representing 38.3%, 34.9% and 16.6% of our total revenue for the same periods. See "Business — Our Customers — Third-Party Payment Arrangements." We are subject to various risks relating to such Third-party Payment Arrangements, including possible claims from third-party payers for the return of funds, and possible claims from liquidators of third-party payers. In the event of any claims from third-party payers or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of third-party payments, we may have to expend financial and managerial resources to defend against such claims and legal proceedings, and our business, financial condition and results of operations may as a result be adversely affected.

We have granted, and may continue to grant, share incentives, which may result in increased share-based payment expenses and affect our financial condition and results of operations.

We adopted share incentive plans, including restricted A-share incentive schemes and a share option scheme, for the purpose of motivating our Directors and key personnel as well as providing incentives and rewards for eligible participants who contribute to the success of our operations. We recognized share-based payment expenses of RMB33.5 million, RMB19.2 million and RMB100.8 million in statement of profit or loss in 2022, 2023 and 2024, respectively. For details, see Note 34 to the Accountants' Report in Appendix I to this Prospectus.

We may incur additional share-based payment expenses if we grant share incentives in the future. We believe the adoption of share incentive plans is of significant importance to our ability to attract and retain key personnel and employees, and we may continue to do so in the future. As a result, our share-based payment expenses may increase, which may have an adverse effect on our results of operations.

Our business, financial condition and results of operations are subject to seasonal fluctuations.

Our business and operating results are subject to seasonal fluctuations because of several factors, including weather and holidays. We typically experience sales peaks during winter. In particular, we generate a substantial portion of our revenue from sales of quick-frozen food products, such as fish tofu, fish balls, stuffed meat balls as well as beef and lamb rolls, which are generally more popular during cold seasons. See "Financial Information — Major Factors Affecting Our Results of Operations — Seasonality." If we are unable to increase our production capacity to meet seasonal demand, we may lose potential sales and our customers may seek other sources to meet their needs. If we are unable to manage our production capacity during a seasonal or market-related downturn in demand, we may be unable to control costs. Our inability to react to changes in seasonal or cyclical demand on a timely basis may have a material adverse effect on our business, financial condition and results of operations.

We may infringe intellectual property rights of third parties, which can lead to time-consuming and costly intellectual property infringement claims.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-how or other IP rights held by third parties. We may also, from time to time in the future, be subject to legal proceedings and claims relating to the IP rights of others. In addition, there may be third-party trademarks, patents, copyrights, know-how or other IP rights that are infringed upon by our products, services or other aspects of our business without our knowledge. Holders of such IP rights may seek to enforce such IP rights against us in the PRC or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert our management's time and other resources from our business and operations to defend these claims, regardless of their merits.

If we were found to have violated the IP rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual properties, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to protect our intellectual property rights, and our ability to compete could be harmed if our intellectual property rights are infringed by third parties.

We cannot guarantee that we can prevent third parties from infringing upon our IP rights. Unauthorized use of our IP, unfair competition, defamation or other violations of our rights by our users, employees and/or third parties may harm our brand and reputation, and the expenses incurred in protecting our IP rights may materially and adversely affect our business. We may, from time to time, be required to institute litigation, arbitration or other proceedings to enforce our IP rights, which would likely be time-consuming and expensive to resolve and would divert our management's time and attention regardless of its outcome, materially and adversely affecting our business, financial condition and results of operations.

Our measures to enforce or defend our IP rights may not always be successful. Preventing any unauthorized use of our intellectual properties is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual properties. In the event that we resort to litigation to enforce our IP rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in protecting or enforcing our IP rights may have a material and adverse effect on our business, financial condition and results of operations.

Any failure or perceived failure to comply with data security laws, or other concerns about our practices or policies with respect the collection, use, storage, retention, transfer, disclosure and other processing of data, could subject us to potential liabilities.

Our business operations involve various activities related to data, including the collection, use, storage, retention, transfer, disclosure, and other processing of data. As such, we are subject to numerous data security laws, such as the PRC Personal Information Protection Law (《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 PRC Data Security Law (《中華人民共和國數據安全法》) and the Cybersecurity Review Measures (《網絡安全審查辦法》). See "Regulatory Overview — Laws and Regulations on Information Security and Data Privacy."

As data security laws continue to evolve, we may be required to comply with additional regulatory requirements regarding data protection and security. We cannot guarantee 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 customers. Any failure to comply with data security laws, or concerns about our practices and policies related to data collection, use, storage, retention, transfer, disclosure, and cybersecurity, 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 performance depends on favorable labor relations with our employees, and any deterioration in relationships with our employees, shortage of labor or increase in labor costs may have an adverse effect on our business, financial condition and results of operations.

As the production and sale of our quick-frozen food products are labor-intensive, our ability to hire, train, retain, and motivate employees is crucial to 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.

In addition, 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.

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

During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees in accordance with the relevant PRC laws and regulations. See "Business — Employees — Social Insurance and Housing Provident Funds." As of the Latest Practicable Date, as advised by our PRC Legal Advisor, no competent government authorities imposed administrative actions, fines or penalties on us with respect to this incident or required us to settle the outstanding amount of social insurance payments and housing provident fund contributions. However, there can be no assurance that the competent government authorities will not require us to settle the outstanding amount within the specified time limit or impose late payment penalties on us, which may adversely affect our financial position and results of operations.

Our operations are subject to inherent operational risks and occupational hazards, which could cause us to incur substantial costs, damage to reputation and loss of future business.

Due to the nature of our business, we engage or may engage in certain inherently hazardous activities. While we are committed to ensure our business operations is in compliance with requisite safety requirements and standards, we cannot assure you that we are free from risks surrounding these activities, such as geological catastrophes, and liquid leakages, equipment failure, industrial accidents, fire and explosions. These hazards can cause personal injury and loss of life, damage to or destruction of property and equipment. During the Track Record Period, a safety incident occurred at our quick-frozen crayfish workshop in Qianjiang. See "Business — Occupational Health and Safety" for details. Save for this incident, during the Track Record Period, we did not experience any material safety incidents or receive any safety-related administrative penalties. In light of the foregoing and taking into account the view of our PRC Legal Advisor, we do not believe such safety incident will have material adverse impact on our business and results of operations.

However, we cannot assure you that incidents of a similar nature will not occur in the future. Potential industrial accidents leading to significant property loss or personal injury may subject us to claims and lawsuits, and we may be liable for medical expenses and other payments to the employees and their families as well as fines or penalties. As a result, our reputation, brands, business, results of operations and financial condition may be materially and adversely affected.

We may be involved in lawsuits, claims, disputes, regulatory investigations or legal proceedings in our ordinary course of business.

From time to time, we may be involved in lawsuits, claims, disputes, regulatory investigations or legal proceedings in our ordinary course of business. These may concern issues relating to, among others, breach of contract, employment or labor disputes, antitrust, and infringement of intellectual property rights. If we fail in defending against any such claims, we may be subject to substantial damages to compensate the claimants. Any claims, disputes or legal proceedings initiated by us, or brought against us, with or without merit, may result in substantial costs and diversion of resources and may materially harm our reputation. Furthermore, lawsuits, claims, disputes, regulatory investigations or legal proceedings against us may be due to defective supplies sold to us by our suppliers, who may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such lawsuits, claims, disputes, regulatory investigations or legal proceedings. For details, see "Business — Legal Proceedings and Compliance — Legal Proceedings."

Our employees and business partners may engage in intentional or negligent misconduct, or violate our internal policies and laws, which could impair the quality of our service, cause us to lose customers or subject us to liabilities.

We risk compromising the quality of our products if our employees and business partners do not perform in accordance with our standards. We have internal policies and guidelines to monitor and ensure the products delivered to our customers are of satisfactory standard. In addition, we have adopted and strictly implemented a series of internal procedures. Nevertheless, we cannot guarantee that our employees and business partners will not engage in any intentional or negligent misconduct.

Furthermore, we may be exposed to the risks of fraud or other unlawful activities committed by our employees and business partners. Fraud or other unlawful activities by our employees and business partners may include making unauthorized misrepresentation to our customers, misappropriating third-party IP and other proprietary rights, misusing sensitive customer information and engaging in bribery or other unlawful payments. In any such event, we could incur liability to our customers or any other third parties.

Any claims could subject us to costly litigation and affect our business, financial condition and results of operations, and may distract the attention of our management regardless of whether the claims have merit. Any claims could result in complaints from our customers or other third parties, regulatory or legal liabilities or damages to our reputation.

Any adverse publicity involving the quick-frozen food industry, our brands, customers, suppliers, business partners, directors, officers or employees will harm our reputation, which may materially and adversely affect our business and results of operations.

Our success depends on our ability to build and maintain the brand image for our existing and new products as well as our corporate reputation. Our advertising, marketing and promotion programs may not have the desired impact on our brand image or on consumer preferences and demand for our products.

Adverse publicity related to the entire quick-frozen food industry or other companies operating in this industry may result in customers' and end customers' having a negative perception of our brands and influence consumer demand for our products, and our business and prospects may be materially and adversely affected as a result.

In addition, claims regarding product safety, quality and/or ingredient content issues, our environmental impact and the sustainability of our operations, or allegations of product contamination, even if false or unfounded, could tarnish the image of our brands and may cause customers to choose alternative products. Customer demand for our products could also significantly diminish if we or our suppliers, business partners, directors, officers or employees fail to preserve the quality of our products, act or are perceived to act in an unethical, illegal or socially irresponsible manner, including with respect to the sourcing, content or sale of our products, service and treatment of our customers.

Furthermore, our brand image or perceived product quality and food safety could be adversely affected by litigation, unfavorable reports in the media, studies in general and regulatory or other governmental inquiries, and proposed or new legislation affecting the quick-frozen food industry. Negative postings or comments on social media or networking websites about our Company or any one of our brands, even if inaccurate or malicious, could generate negative publicity that might damage the reputation of our brands or our Company. Business incidents, whether isolated or recurring and whether originating from us or our customers, suppliers, logistics service providers or other business partners, that erode consumer trust can significantly reduce brand value or potentially trigger boycotts of our products and have a negative impact on consumer demand for our products as well as our reputation and results of operations. The impact of such incidents may be exacerbated if they receive considerable publicity, including rapidly through social or digital media (including for malicious reasons) or result in litigation or other proceedings.

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, various approvals, licenses, registrations and permits. For instance, 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 operations. These approvals, licenses and permits are granted based on satisfactory compliance with relevant 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 permits are subject to examination or verification by the relevant authorities and some of which have a fixed validity period subject to renewal. However, we cannot guarantee that we will be able to renew them in a timely manner upon their expiration.

Furthermore, as our business expands or if we make acquisitions in the future, there is a risk that we may encounter difficulties in obtaining the necessary licenses, approvals or permits. Additionally, the approvals, licenses, registrations and permits issued to us may be suspended or revoked in the event of noncompliance or alleged noncompliance with the terms and conditions or as a result of regulatory actions. Any failure to timely renew expired approvals or obtain required licenses, registrations or permits, as well as the suspension or revocation of any previously issued approvals, licenses, registrations and permits, or incidents of any noncompliance, may increase our operational costs and hinder our operations.

Failure to comply with 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 a range of laws and regulations imposed by the PRC government concerning food safety, environmental protection, health, fire safety, data protection and privacy, property and labor. Failure to comply with applicable laws and regulations could expose us to costs or liabilities, including monetary damages, fines, disruptions to our production capabilities, suspension of business operations, an impact on our financial performance, as well as adverse publicity, which could materially and adversely affect our business, financial condition and results of operations. For example, we are subject to the food safety laws and regulations. See "— Any failure to maintain our product quality or food safety could have a material adverse effect on our business, financial condition and results of operations."

We are also subject to a wide range of PRC environmental laws and regulations that aim to regulate emissions and their impact on air, land, and water. Failure to comply with environmental laws and regulations, or any future changes to them, could lead to alleged harm to employees or others in close proximity to our production bases. Significant costs associated with environmental compliance, remediation, compensatory requirements, or penalties and restrictions imposed by PRC governmental authorities or courts may materially and adversely affect our business, financial condition and results of operations.

Our historical results of operations and financial performance may not be indicative of future performance.

We commenced business operations in 2001 and experienced rapid growth during the Track Record Period. Our revenue increased from RMB12,105.6 million in 2022 to RMB13,964.9 million in 2023. Our revenue also increased from RMB13,964.9 million in 2023 to RMB15,029.6 million in 2024. Our gross profit margins remained relatively stable at 21.2%, 22.6% and 22.7% in 2022, 2023 and 2024, respectively.

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. There are certain risks that may impact our ability to sustain the same level of growth or maintain our revenue, gross profit margin, and net profit. These risks include, among others, customer demand for our products, fluctuations in the raw materials cost, supply chain management, competition in the industry, and our reputation or brand image. Additionally, unforeseen operational difficulties may arise. Failure to address these risks and challenges effectively may have an impact on our growth and profitability. Therefore, our historical results of operations may not be indicative of our future performance.

We may not be successful in implementing our business plans and strategies effectively or at all, which could materially and adversely affect our business, financial condition and results of operations.

Our business plans and strategies rely on assumptions about future events that carry risks and uncertainties. If these assumptions prove incorrect, it could impact the viability of our plans. We cannot guarantee successful implementation of our strategies, especially as we expand internationally. Failure to execute our plans effectively may hinder our growth, competitiveness, and ability to seize market opportunities. Additionally, unforeseen factors such as regulatory changes, labor availability, and customer demand shifts could materially and adversely affect our results. Our strategies may also increase operating costs and cash outflows. If we cannot implement our plans successfully or achieve desirable outcomes, we may face significant challenges in recouping costs, resulting in a material adverse impact on our business, financial condition, and results of operations.

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

Historically, we have financed our cash requirements through a combination of equity and debt financing, as well as cash generated from our operations. However, to support our ongoing operations, capital expenditures, investment plans, and other funding needs, we may need to seek external financing to supplement our internal sources of liquidity in the future.

We cannot guarantee that we will be able to obtain bank loans, renew existing credit facilities or secure equity financing in the future on favorable terms, or at all. In the event we seek to raise equity capital, it may result in the dilution of existing shareholders' ownership. If we are unable to secure adequate funding on favorable terms, or at all, it may hinder our ability to finance our existing operations, as well as develop or expand our business.

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

As of the Latest Practicable Date, we have obtained insurance policies that we consider customary for daily operations, aligning with standard commercial practices in China. See "Business — Insurance." We cannot assure you that our insurance will provide adequate coverage for all the risks in connection with our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs and diversion of our resources, which could have a material and adverse effect on our business, financial condition and results of operations.

Any significant disruption in our technology infrastructure or our failure to maintain the satisfactory performance, security and integrity of our technology infrastructure would materially and adversely affect our business, financial condition and results of operations.

It is crucial to maintain the proper functioning of our technology infrastructure as we heavily rely on it to operate our business. We rely on various technology systems critical to our quick-frozen food operations, including the electronic data interchange ("**EDI**") system for production process monitoring and quality control, supplier relationship management ("**SRM**") system for supplier management and raw material procurement, warehouse management system ("**WMS**") for cold storage warehouse management and transportation management system ("**TMS**") for temperature-controlled logistics tracking. However, we cannot guarantee that our business operations will not be disrupted by system failures. These systems are vulnerable to damage or interruption from power surges and outages, facility damage, physical theft, computer and telecommunications failures, inadequate redundancy, software upgrade failures and human error. Any design defects or damage to these systems could require significant investments to fix or replace, disrupt our operations, result in the loss or corruption of critical financial and operating data, and harm our reputation. As such, any significant disruption or malfunction in these systems could affect our production scheduling, inventory management, and temperature monitoring, which could materially and adversely affect our business, financial condition and results of operations.

Our acquisition and investment activities and other strategic transactions may present managerial, integration, operational and financial risks, which may prevent us from realizing the full intended benefit of the acquisitions we undertake.

We may continually and actively seek strategic opportunities for acquisitions of or investments in businesses, products, technologies, production capacity or know-how that we believe would benefit our product development, R&D capabilities, technology and distribution network. We cannot guarantee that we could successfully execute our expansion and acquisition plans and complete the relevant transactions as expected. In addition, our ability to grow through acquisitions and investments depends upon our ability to identify and integrate suitable targets and to obtain necessary financing at reasonable terms. In particular, acquisitions may involve significant risks and uncertainties, including, but not limited to: (i) difficulties in integrating acquired companies, personnel or products into our business, particularly the different quality management, customer service and other business functions; (ii) delays or failures in realizing the benefits of acquisitions and investments; (iii) diversion of our management's time and attention from other business concerns; (iv) higher than anticipated costs of integration; or (v) difficulties in retaining key employees of acquired businesses. Furthermore, we may also discover deficiencies in internal controls, data adequacy and integrity, product quality and regulatory compliance and liabilities in the businesses we have acquired which we did not uncover prior to such acquisitions. Consequently, we may become subject to penalties, lawsuits or other liabilities. Any difficulties in the integration of acquired businesses or products, or unexpected penalties, lawsuits or liabilities in connection with such businesses or products, could materially and adversely affect our business, financial condition and results of operations.

Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases may materially and adversely affect our business, financial condition and results of operations.

Our business could be materially and adversely affected by natural disasters, health epidemics and pandemics such as SARS, Ebola, Zika or COVID-19, acts of war, terrorism or other force majeure events, which may disrupt our supply chain, damage infrastructure, and hinder workforce productivity. Natural disasters such as snowstorms, earthquakes, fires, and floods can cause physical damage to our production facilities, equipment, and inventory which could result in production delays, inventory shortages and obsolete, which could increase our impairment and costs for repairs and replacements. Restrictions on travel and trade imposed during such events can also disrupt the flow of goods and materials, leading to delays in receiving essential inputs for production. Additionally, these events can lead to power outages, communication interruptions, and transportation disruptions, further hampering business operations.

RISKS RELATING TO OUR BUSINESS IN THE JURISDICTION WHERE WE OPERATE

Changes in economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines could have a material and adverse effect on our business, financial condition and results of operations.

Our business, financial condition and results of operations may be influenced by the economic, regulatory, political and social conditions in the country where we operate. Governments worldwide have implemented, and may continue to introduce, among others, various policies and measures to encourage the economic growth and guide the allocation of resources. The quick-frozen food industry in general is affected by macro-economic factors, including international, national, regional and local economic conditions, trade relationships, employment levels, customer demand and discretionary spending. Any changes in these factors may have material and adverse effect on our business, financial condition and results of operations.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with overseas offerings and future capital raising activities.

As the PRC laws and regulations in relation to overseas issuance and listing of shares develop, we may be required to make filings with or report to CSRC or other PRC regulatory authorities for our future capital raising activities. On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and their implementation guidelines. The Overseas Listing Trial Measures, which came into effect on March 31, 2023, mainly provide the scope of activities subject to the filing requirement, the entities subject to filing obligations, and the filing procedures. For more details, see "Regulatory Overview — Regulations on Overseas Securities Offering and Listing." We are required to file with the CSRC in accordance with the Overseas Listing Trial Measures after our application for the offering is submitted.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Archives Rules**"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. Any failure to comply with Archives Rules may materially affect our business, financial condition and results of operations.

We are closely monitoring how they will affect our operations and our future financing. In addition, if the CSRC or other PRC regulatory authorities in the future promulgate new rules or explanations imposing further requirements that we obtain their approvals or complete the required filing or other regulatory procedures for this offering or future capital raising activities, there can be no assurance that we will be able to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver.

The CSRC or other PRC regulatory authorities also may take actions requiring us, or making it advisable for us, to halt this offering or future capital raising activities before settlement and delivery of the Shares offered hereby. Consequently, if you engage in market trading or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that settlement and delivery may not occur.

We are subject to the currency exchange regulatory system.

The PRC government imposes supervision on the convertibility of RMB into foreign currencies. We receive the vast majority of our revenue in RMB. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency, or otherwise satisfy our foreign currency denominated obligations. Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demand, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of China.

You should assess the legal protections you are entitled to under legal system in the jurisdictions where we operate.

We are subject to the different applicable laws and regulations of the countries and regions where we operate. Our business and operations in China are subject to primarily written statutes, and prior court decisions offer limited precedential value. Furthermore, we cannot assure you that we can predict the effect of future legal developments in countries and regions where we operate, including the promulgation of new laws and changes in existing laws. In addition, legal proceedings may incur significant costs, divert our resources, and negatively affect our management's focus on strategic planning and execution, which may materially and adversely impact our operational efficiency and overall business performance.

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 the majority of our assets and subsidiaries are located in the PRC. The majority of our Directors, Supervisors and senior management reside within the PRC. The assets of these Directors, Supervisors and senior management also may be located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon us or most of our Directors, Supervisors and senior management outside the PRC. In addition, investors may also experience difficulties in enforcing judgments if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions.

Further, although we will be subject to the Listing Rules and the Takeovers Code upon the listing of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions may affect our business, financial condition and results of operations.

Our business operations and financial performance can be influenced by various factors related to international trade policies, geopolitics, trade protection measures, export controls, and economic or trade sanctions. These factors are subject to frequent changes and uncertainties, often driven by political, economic, and social dynamics beyond our control. Such changes can have an impact on trade agreements, tariffs, customs duties, and other aspects of international trade, potentially resulting in increased operational costs, including the costs for raw materials sourced from countries and regions other than Mainland China, and affecting our market access. Additionally, alterations in trade protection measures, such as the imposition of anti-dumping duties, countervailing duties, or safeguard measures, may lead to higher costs or restrictions on our exports. Moreover, export controls and economic or trade sanctions can impose limitations on our ability to export products or conduct business in specific markets. Non-compliance with these controls and sanctions can result in legal penalties, reputational harm, and the loss of export privileges.

Policies on foreign investment in the PRC may adversely affect our business and results of operations.

The investment activities of foreign investors in the PRC are subject to certain regulations regarding the industry participated and imposed to additional verification procedures by certain authorities. The Special Administrative Measures for Foreign Investment Access (Negative List) (Edition 2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》, the "**Negative List**") issued by the NDRC and MOFCOM, which set out in a unified manner the restrictive measures for the access of foreign investments such as the requirements for equity and senior management, and the industries that are prohibited for foreign investment. The Negative List covers 11 industries, and any field not covered by the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. As of the Latest Practicable Date, our main business in China did not fall within the Negative List. However, certain industries are specifically prohibited for foreign investment, which may restrict us from entering into these industries afterwards.

We are a PRC enterprise and we are subject to PRC tax on our global income, and any gains on the sales of our H Shares by investors and dividends paid to investors on our H Shares may be subject to PRC tax.

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

Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) with respect to PRC source income or gains at a rate of 20%. We are required to withhold related tax from dividend payments paid to non-PRC resident individuals, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax issued by the MOF and SAT (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) on May 13, 1994, dividends and bonuses income gained by foreign individuals from foreign-invested enterprises is exempted from individual income tax for the time being. According to the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from Transfer of Shares issued by the MOF and the STA (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) effective as of March 30, 1998, income from individuals' transfer of stocks of listed companies continued to be temporarily exempted from individual income tax. On February 3, 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (《國務院批轉發展改革委等部門關於深化收入分配制度改革若干意見的通知》). On February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》). According to these two documents, the PRC government is planning to cease foreign individuals' tax exemption for their dividends and bonuses income obtained from foreign-invested enterprises, and the MOF and the SAT should be responsible for making and implementing details of such plan. However, relevant implementation rules or regulations have not been promulgated by the MOF and the SAT. Considering the situations, non-resident individual holders of our H Shares should be aware that they may be obligated to pay PRC income tax on dividend and bonuses income realized from the H Shares.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided whether individual income tax shall be levied from non-PRC individuals on the transfer of shares in PRC enterprises listed on overseas stock exchanges, and there is no assurance that the PRC tax authorities will not change these practices, which could result in levying income tax on non-PRC individuals on gains from the sale of our H shares.

For non-PRC enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of our H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC 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》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities will be in accordance with the then effective laws and regulations and may change, and new taxes may be imposed, which in either case may adversely affect the value of your investment in our H Shares.

RISKS RELATING TO THE GLOBAL OFFERING

Our A Shares are listed on the Shanghai Stock Exchange, and the characteristics of the A Share and H Share markets may differ.

Our A Shares are listed on the Shanghai Stock Exchange. Following the Listing, our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be listed on the Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and *vice versa*. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

There has been no prior public market for our H Shares and the liquidity and market price of our H Shares may be volatile.

There was no public market for our H Shares prior to the Global Offering. There can be no guarantee that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the Global Offering. In addition, the Offer Price of our H Shares is expected to be fixed by agreement between the Overall Coordinators (for itself and on behalf of the Underwriters) and us, which may not be indicative of the market price of our H Shares following the completion of the Global Offering. If an active public market for our H Shares does not develop following the completion of the Global Offering, the market price and liquidity of our H Shares may be materially and adversely affected.

The liquidity, trading volume and market price of our H Shares following the Global Offering may be volatile, which could result in substantial losses to you.

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, Mainland China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Mainland China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. A number of Mainland China-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Mainland China-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares. These factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We have declared dividends in the past. We protect our Shareholders' interest by ensuring a consistent dividend policy. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of China and the Articles of Association, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of China. See "Financial Information — Dividends and Dividend Policy." No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

A future or perceived significant increase in the supply of our H Shares in public markets could cause the market price of our H Shares to decrease significantly, and dilute shareholdings of holders of H Shares.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

You will incur immediate and substantial dilution if the Offer Price of the Offer Shares is higher than the net tangible asset value per Share.

The Offer Price of our Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of our Offer Shares in the Global Offering will experience an immediate dilution. Existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible assets value per share of their shares. See Unaudited Pro Forma Financial Information in Appendix II to this Prospectus.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in China. As a result, from time to time, we publicly release our financial and operational information on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares is based on the regulatory requirements of the securities authorities, industry standards and market practices in China, which are different from those applicable to the Global Offering. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this Prospectus. As a result, prospective investors in our H Shares should be reminded that, in making their investment decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this Prospectus. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this Prospectus and any formal announcements.

Certain facts, forecast and other statistics in this prospectus are derived from various publicly available sources, which have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this Prospectus are derived from various publicly available sources, including government and official resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and 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. Nevertheless, information from government and official sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

Investors should read the entire Prospectus carefully and should not consider any particular statements in this Prospectus or in published media reports without carefully considering the risks and other information contained in this Prospectus.

The Global Offering is being made solely on the basis of the information and representations contained in this Prospectus, which are true and accurate to the best of our knowledge and belief. Any information not contained in this Prospectus should not be relied upon in making an investment decision with respect to the securities being offered. Prior to the publication of this Prospectus, there has been coverage in the media regarding us and the Global Offering, which may have contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. Investors should be aware that information and opinions published by third-party sources may have been based on outdated, incomplete, or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media's coverage of our Company and the Global Offering may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets, and the demand of advertisers.

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

This Prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and 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 inclusion of forward-looking statements in this Prospectus 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 Prospectus, 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 Prospectus are qualified by reference to this cautionary statement.

In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Our headquarters are based, and most of the business operations and assets of our Group, are managed and conducted in the PRC. Our executive Directors ordinarily reside in the PRC, and they play very important roles in our Company's business operations. It is in our best interests for them to be based in places where our Group has significant operations. We consider it practically difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our existing executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, or does not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to the following conditions:

(a) We have appointed Mr. Liu Mingming (劉鳴鳴), the Chairman of the Board and executive Director, and Mr. Ng Tung Ching Raphael (吳東澄), the joint company secretary, as our authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. The Authorized Representatives will be readily contactable by phone and email to promptly deal with inquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange. Our Company has provided contact details of the Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the authorized representatives;

(b) When the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) and senior management team promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the Authorized Representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e., mobile phone number, office phone number, email address and fax number, if applicable) of all Directors to facilitate communication with the Hong Kong Stock Exchange. Our Directors will also provide the phone number of the place of his/her accommodation to the Authorized Representatives in the event that any Director expects to travel or otherwise be out of office;

(c) All Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period of time;

(d) We have appointed Ping An of China Capital (Hong Kong) Company Limited as our Compliance Advisor upon the Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. The Compliance Advisor will always have access to our Authorized Representatives, Directors, Supervisors and members of our senior management, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available. The contact details of the Compliance Advisor have been provided to the Hong Kong Stock Exchange;

(e) The Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Advisor, and, to the extent reasonably practicable and legally permissible, we will keep the Compliance Advisor informed of all communications and dealings between the Hong Kong Stock Exchange and us; meetings between the Hong Kong Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will inform the Hong Kong Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Advisor; and

(f) The Company has designated staff members as the communication officer at the Company's headquarters after the Listing who will be responsible for maintaining day-to-day communication with the Authorized Representatives, and the Company's professional advisors in Hong Kong, including our legal advisor in Hong Kong and the Compliance Advisor, to keep abreast of any correspondences and/or inquiries from the Hong Kong Stock Exchange and report to the executive Directors to further facilitate communication between the Hong Kong Stock Exchange and the Company.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a Member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Liang Chen (梁晨) ("**Mr. Liang**"), our Board secretary, as one of our joint company secretaries. The Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have Mr. Liang as its joint company secretary, who has been the Board secretary since February 2011 and has extensive experience and familiarity with the Company's compliance matters, capital operation, investor relationship management and corporate governance. Mr. Liang has the necessary nexus to the Board and close working relationship with management of the Company in order to perform the duties of a joint company secretary and to take the necessary actions in the most effective and efficient manner. However, Mr. Liang presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Ng Tung Ching Raphael (吳東澄) ("**Mr. Ng**"), an associate member of The Hong Kong Chartered Governance Institute, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary. Mr. Ng will provide assistance to Mr. Liang for an initial period of three years from the Listing Date to enable Mr. Liang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Since Mr. Liang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Liang may be appointed as a joint company secretary of our Company. Pursuant to paragraph 13 of Chapter 3.10 under the Guide for New Listing Applicants, the waiver will be for a fixed period of time (the "**Waiver Period**") and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the applicant. The waiver is valid for an initial period of three years from the Listing Date, and is granted on the condition that Mr. Ng will work closely with Mr. Liang to jointly discharge the duties and responsibilities as company secretary and assist Mr. Liang in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Ng will also assist Mr. Liang in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Ng is expected to work closely with Mr. Liang and will maintain regular contact with Mr. Liang, the Directors, the Supervisors and the senior management of our Company. The waiver will be revoked immediately if Mr. Ng ceases to provide assistance to Mr. Liang as a joint company secretary for the three-year period after the Listing or where there are material breaches of the Listing Rules by our Company. In addition, Mr. Liang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the Listing. Mr. Liang will also be assisted by (a) Compliance Advisor of our Company, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisor of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations.

Before the expiration of the initial three-year period, the qualifications of Mr. Liang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied. We will demonstrate that Mr. Liang, having benefited from the assistance of Mr. Ng for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE 2023 SHARE OPTION INCENTIVE PLAN

Rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, *inter alia*, disclose in the prospectus full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards.

Paragraph 27 of Appendix D1A to the Listing Rules requires a listing applicant to disclose, *inter alia*, particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

Under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the prospectus must state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the prospectus.

Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants, the Hong Kong Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the applicant could demonstrate that such disclosures would be irrelevant or unduly burdensome, subject to certain conditions specified therein.

As of the Latest Practicable Date, our Company had granted outstanding options under the 2023 Share Option Incentive Plan to 1,379 grantees to subscribe for an aggregate of 11,028,800 A Shares, representing approximately 3.31% of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan). Among the outstanding options, two Directors (Mr. Huang Jianlian and Dr. Zheng Yanan), three members of senior management (Mr. Huang Qingsong, Ms. Tang Yi and Mr. Liang Chen), nine other connected persons of the Company, and 1,365 grantees who are employees of our Group and are not Directors, Supervisors, members of senior management, consultants or connected persons of the Company were granted options to subscribe for 160,000 A Shares, 220,000 A Shares, 409,000 A Shares, and 10,239,800 A Shares, respectively. Save for the aforementioned, no options were granted to any Director, Supervisor, member of senior management, connected person or consultant of our Company. No options under the 2023 Share Option Incentive Plan will be further granted after Listing and all granted options have been granted to specific individuals under the 2023 Share Option Incentive Plan.

We have applied to (i) the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A to the Listing Rules and (ii) the SFC for a certificate of exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with the disclosure of certain details relating to the 2023 Share Option Incentive Plan and the grantees in this Prospectus on the ground that the waiver and the exemption will not prejudice the interest of the investing public and full compliance with such disclosure requirements would be unduly burdensome for our Company for the following reasons:

(a) given that 1,379 grantees are involved for the grant of outstanding options under the 2023 Share Option Incentive Plan, our Directors consider that it would be unduly burdensome to disclose in this Prospectus full details of all the options granted by us to each of the grantees, which would significantly increase the cost and time required for information compilation and prospectus preparation for strict compliance with such disclosure requirements as the Company would need to collect and verify the addresses of a large number of the grantees to meet the disclosure requirement;

(b) the disclosure of the personal details of each grantee, including their names, addresses for the grantees and the number of options granted, may require obtaining consent from all the grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for our Company to obtain such consents given the number of the grantees;

(c) the grant and exercise in full of the options under the 2023 Share Option Incentive Plan will not cause any material adverse impact to the financial position of our Group;

(d) there will not be any new H Shares issued under the 2023 Share Option Incentive Plan as the foregoing plan is an A-share incentive scheme;

(e) our Directors consider that non-compliance with the above disclosure requirements would not prevent our Company from providing potential investors with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group;

(f) material information on the options under the 2023 Share Option Incentive Plan has been disclosed in "Appendix IV — Statutory and General Information — 2023 Share Option Incentive Plan" to provide prospective investors with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the options in making their investment decision, and such information includes:

  (i) a summary of the terms of the 2023 Share Option Incentive Plan;

  (ii) the aggregate number of A Shares subject to the outstanding options and the percentage in our total issued Shares of which such number represents;

  (iii) the potential dilutive effect and the impact on earnings per Share upon full exercise of the options and the issue of new Shares in respect of the options immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and no further Shares are issued under the 2023 Share Option Incentive Plan, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date); and

  (iv) the details of the outstanding options granted under the 2023 Share Option Incentive Plan by the range of underlying A Shares, including date of grant, vesting period, exercise price and the percentage of our Company's total issued share capital represented upon completion of the Global Offering.

In light of the above, our Directors believe that the grant of the waiver and exemption sought under this application and the non-disclosure of the required information will not hinder potential investors from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interest of the public investors.

The Stock Exchange has granted to us a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules with respect to the options granted under the 2023 Share Option Incentive Plan, subject to the conditions that:

(a) the grant of a certificate of exemption from strict compliance with the relevant Companies (Winding Up and Miscellaneous Provisions) Ordinance requirements by the SFC;

(b) on an individual basis, full details of the outstanding options granted by the Company under the 2023 Share Option Incentive Plan to (i) each of the Directors, Supervisors, members of the senior management and other connected persons of the Company and (ii) other grantees who had been granted options to subscribe for an aggregate number of 50,000 or more A Shares, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be disclosed in this Prospectus;

(c) in respect of the options granted by our Company under the 2023 Share Option Incentive Plan to grantees other than those referred to in sub-paragraph (b) above, disclosure will be made on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (i) less than 10,000 A Shares and (ii) 10,000 to 49,999 A Shares. For each lot of A Shares, the following details are disclosed in this Prospectus, including (1) the aggregate number of the grantees and the number of A Shares subject to the options granted to them under the 2023 Share Option Incentive Plan, (2) the consideration paid for the grant of the options granted under the 2023 Share Option Incentive Plan, and (3) the exercise period and the exercise price for the options granted under the 2023 Share Option Incentive Plan;

(d) the aggregate number of A Shares underlying the outstanding options and the percentage of our Company's total issued share capital represented by such number of A Shares as of the Latest Practicable Date will be disclosed in this Prospectus;

(e) the potential dilutive effect and the impact on earnings per Share upon full exercise of the options and the issue of new A Shares in respect of the options will be disclosed in this Prospectus;

(f) a summary of the principal terms of the 2023 Share Option Incentive Plan will be disclosed in the section headed "Appendix IV — Statutory and General Information — 2023 Share Option Incentive Plan" in this Prospectus;

(g) the particulars of this waiver are set out in this Prospectus; and

(h) a full list of all the Grantees with outstanding options over A Shares under the 2023 Share Option Incentive Plan, containing all details as required under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance be made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this Prospectus.

The SFC has granted us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the options granted under the 2023 Share Option Incentive Plan, subject to the conditions that:

(a) on an individual basis, full details of the outstanding options granted by the Company under the 2023 Share Option Incentive Plan to (i) each of the Directors, Supervisors, members of the senior management and other connected persons of our Company and (ii) other grantees who had been granted options to subscribe for an aggregate number of 50,000 or more A Shares, will be disclosed in the section headed "Appendix IV — Statutory and General Information — 2023 Share Option Incentive Plan" in Appendix IV to this Prospectus as required by paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted under the 2023 Share Option Incentive Plan to grantees other than those referred to in sub-paragraph (a) above, disclosure will be made on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (i) less than 10,000 A Shares and (ii) 10,000 to 49,999 A Shares. For each lot of A Shares, the following details are disclosed in this Prospectus, including (1) the aggregate number of the grantees and the number of A Shares subject to the options granted to them under the 2023 Share Option Incentive Plan, (2) the consideration paid for the grant of the options granted under the 2023 Share Option Incentive Plan, and (3) the exercise period and the exercise price for the options granted under the 2023 Share Option Incentive Plan;

(c) a full list of all the grantees containing all the particulars as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for physical public inspection in accordance with "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection" in Appendix V to this Prospectus;

(d) the particulars of this exemption will be disclosed in this Prospectus and that this Prospectus will be issued on or before June 25, 2025.

WAIVER IN RESPECT OF ACQUISITION AFTER THE TRACK RECORD PERIOD

Rules 4.04(2) and 4.04(4) of the Listing Rules require that the new applicant include in its accountants' report the results and balance sheet of any business or subsidiary acquired, agreed or proposed to be acquired, since the date to which its latest audited accounts have been made up, in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to Note (4) to Rule 4.04(4) of the Listing Rules, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis, and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

Background of the Acquisition

Our Company entered into a share purchase agreement on March 12, 2025 to purchase 70% of shares of Jiangsu Ding Wei Tai Food Co., Ltd. (江蘇鼎味泰食品股份有限公司) ("**Ding Wei Tai**") from a group of ten selling shareholders of Ding Wei Tai (the "**Sellers**" and each a "**Seller**"), including, among others, its controlling shareholder Shanghai Hai Xue Run Foods Co., Ltd. (上海海鱈潤食品有限公司) ("**Shanghai Hai Xue Run**") and Ding Wei Tai's second largest shareholder Lianyungang Laikar Consulting Management Partnership Enterprise (Limited Partnership) (連雲港萊卡爾諮詢管理合夥企業(有限合夥)) ("**Laikar Consulting**"), being the employee shareholding platform of Ding Wei Tai, both of which are controlled by Mr. Tan Guolin (譚國林) (the "**Acquisition**") and in aggregate hold approximately 62.37% of shares thereof prior to the Acquisition.

Ding Wei Tai was established in the PRC on March 6, 2014 and is specializing in R&D, production and sales of high-end quick-frozen flavored and processed products with the main raw material being imported deep-sea cod. Its product offerings also include quick-frozen bakery products, such as soft buns, bagels, toast, scones and German-style hard breads. Ding Wei Tai possesses export qualifications with its market presence covering, among others, Australia, Japan, Singapore and Hong Kong. As of the Latest Practicable Date, its registered capital is RMB57,848,608. Ding Wei Tai operates three high-level food industrial parks mainly in Jiangsu Province with a total area of more than 80,000 square meters. Our Directors believe that the Acquisition will further complement and improve our sales channels and enrich our existing product mix, thereby further consolidating our leading position in the quick-frozen food industry in China. The Acquisition will also help the Group expand our business into overseas markets and quick-frozen bakery products segment and strengthen our strategic alliance with companies whose business and growth strategies are complementary to those of the Group. Our Directors consider that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interest of our Company and the Shareholders as a whole.

The total consideration for the Acquisition is RMB444,500,000, which was determined through arms' length negotiations with the Sellers with reference to the valuation of Ding Wei Tai, being RMB635,000,000, assuming that the audited net profits would be no less than RMB55,700,000 for the year ended December 31, 2024, subject to adjustment by applying the P/E ratio of 11.40 in the event that the audited net profits of Ding Wei Tai would be less than RMB55,700,000. The consideration also takes into account Ding Wei Tai's registered capital and growth potential. The consideration of the Acquisition is expected to be fully settled in early July 2025 using our internal resource. For the avoidance of doubt, the proceeds of the Global Offering will not be used to fund the Acquisition.

According to the audited statutory financial statements of Ding Wei Tai for the year ended December 31, 2024 prepared in accordance with the PRC Generally Accepted Accounting Principles, (i) its total assets were approximately RMB585.5 million, (ii) its revenues were approximately RMB594.1 million, and (iii) its net profits were approximately RMB55.8 million.

To the best of our knowledge, information and belief, having made all reasonable enquiries, each of Ding Wei Tai and its ultimate beneficial owner(s), and each of the Sellers and their respective ultimate beneficial owner(s) is an Independent Third Party, and has no other past or present relationship (including, without limitation, family, business, financing, employment or otherwise) with the Company, its subsidiaries, the Shareholders, Directors, Supervisors or senior management, or any of their respective associates. Upon the completion of the Acquisition, which is expected to be in early July 2025, Ding Wei Tai will be held as to 70%, 23.09% and 6.91% by our Company, Shanghai Hai Xue Run and Laikar Consulting, respectively, and will become our subsidiary.

Conditions to the waivers granted by the Stock Exchange

We have applied to the Stock Exchange for, and the Stock Exchange has granted a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in respect of the Acquisition on the following grounds:

(a) Ordinary and usual course of business and independent third parties collaborating

As explained above, Ding Wei Tai is engaged in business activities complementary with and closely related to the existing business of our Group. As a result, we are of the view that entering into the Acquisition is within the ordinary and usual course of business of our Company. In addition, to the best of our knowledge, the counterparties of the Acquisition and their ultimate beneficial owners are third parties independent of our Company and its connected persons (as defined in Chapter 14A of the Listing Rules).

(b) Immateriality of the Acquisition

Based on the financial information of Ding Wei Tai available to our Company, all the applicable size test percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Acquisition by reference to the financials of our Group in the most recent audited financial year of the Track Record Period are less than 5%. Accordingly, our Directors believe that the Acquisition (i) is immaterial when compared to the scale of our Group's operations as a whole, (ii) has not resulted in any significant change to the financial position of our Group since December 31, 2024, and (iii) all information that is reasonably necessary for the potential investors to make an informed assessment of the activities or financial position of our Group has been included in this Prospectus. As such, a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect potential investors' assessment of our business and future prospects when considering an investment in our Company.

(c) Impracticality and undue burden

As the Acquisition is still going on, it's not reasonably practicable to fully familiarize with the accounting policies of Ding Wei Tai and to gather and compile the necessary financial information and supporting documents to prepare the financial information of Ding Wei Tai in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules. Given the immateriality of the Acquisition to the business, financial condition or operations of our Group, it would also be unduly burdensome and would require considerable time and resources for our Company and the Reporting Accountants to prepare the necessary information and supporting documents for the purpose of disclosure of the audited financial information of Ding Wei Tai in this Prospectus. As such, it would be impracticable and unduly burdensome for us to disclose the financial information of Ding Wei Tai in this Prospectus in strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules.

(d) Alternative disclosure of necessary information in this Prospectus

With a view of allowing potential investors to understand the Acquisition in greater detail, we have set out in this section alternative information in relation to the Acquisition which is comparable to the information that is required for a discloseable transaction under Chapter 14 of the Listing Rules, including, among other things, (i) descriptions of Ding Wei Tai's principal business activities, (ii) the consideration of the Acquisition, how the consideration was satisfied and the basis upon which the consideration was determined, (iii) a confirmation that each of the counterparty and the ultimate beneficial owner(s) of the counterparty is an Independent Third Party, (iv) the total assets, revenues and net profits of Ding Wei Tai for the latest financial year immediately preceding the transaction, and (v) the reasons for the Acquisition and the benefits which are expected to accrue to our Group as a result of the Acquisition.

ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of the issuer either in his or its own name or through nominees if the conditions in Rules 10.03(1) and (2) of the Listing Rules are fulfilled. It is provided in Rule 10.03(1) of the Listing Rules that no securities may be offered to existing shareholders on a preferential basis and no preferential treatment may be given to them in the allocation of the securities; and in Rule 10.03(2) that the minimum prescribed percentage of public shareholders required by Rule 8.08(1) must be achieved.

Paragraph 5(2) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to the existing shareholders of the applicant or their close associates, whether in their own names or through nominees, in the Global Offering unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled. Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will consider giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant's existing shareholders or their close associates to participate in an initial public offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed.

Prior to the Listing, our Company's share capital comprises entirely A Shares listed on the Shanghai Stock Exchange. We have a large and widely dispersed public A Share shareholder base.

We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 5(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders who (i) hold less than 5% of the total number of A Shares in issue of our Company prior to the completion of the Global Offering and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of our Company or the close associates of any such core connected person (together, the "**Existing Minority Shareholders**") or their close associates, subject to the conditions as follows:

(a) each Existing Minority Shareholder to whom our Company may allocate the H Shares in the International Offering holds less than 5% of the total number of A Shares in issue of our Company before Listing;

(b) each Existing Minority Shareholder is not, and will not be, a core connected person of our Company or any close associate of any such core connected person immediately prior to or following the Global Offering;

(c) none of the Existing Minority Shareholders have the right to appoint a Director and/or have any other special rights;

(d) allocation to the Existing Minority Shareholders or their close associates will not affect our ability to satisfy the public float requirement as prescribed by the Stock Exchange under Rule 8.08 of the Listing Rules or otherwise approved by the Stock Exchange;

(e) the Joint Sponsors will confirm to the Stock Exchange in writing that based on (a) their discussions with our Company and the Overall Coordinators; and (b) the confirmations provided to the Stock Exchange by our Company and the Overall Coordinators (confirmations (f) and (g) mentioned below), and to the best of their knowledge and belief, they have no reason to believe that any of the Existing Minority Shareholders or their close associates received any preferential treatment, or is in a position to exert influence on the Company to obtain actual or perceived preferential treatment in the allocation either as a cornerstone investor or as a placee by virtue of their relationship with our Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, and details of the allocation to the Existing Minority Shareholders holding more than 1% of the issued share capital of the Company immediately prior to the completion of the Global Offering will be disclosed in this Prospectus and/or the allotment results announcement, as the case may be;

(f) our Company will confirm to the Stock Exchange in writing that:

(i) in the case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company, other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, and the Existing Minority Shareholders or their close associates' cornerstone investment agreements do not contain any material terms which are more favorable to the Existing Minority Shareholders or their close associates than those in other cornerstone investment agreements; or

(ii) in the case of participation as placees, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates, nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, by virtue of their relationship with our Company in any allocation in the placing tranche;

(g) in the case of participation as placees, the Overall Coordinators will confirm to the Stock Exchange that, to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to the Existing Minority Shareholders or their close associates by virtue of their relationship with our Company in any allocation in the placing tranche.

PUBLIC FLOAT REQUIREMENTS

Rule 8.08(1)(a) and (b) of the Listing Rules requires that there shall be an open market for the securities for which listing is sought, and that a sufficient public float of an issuer's listed securities shall be maintained. Generally, at least 25% of the issuer's total issued share capital (excluding treasury shares) must at all times be held by the public. However, the class of securities for which listing is sought must not be less than 15% of the issuer's total issued share capital (excluding treasury shares), having an expected market capitalization at the time of listing of not less than HK$125 million.

Based on the maximum Offer Price of HK$66.00 and assuming no exercise of the Over-allotment Option, we expected that the market capitalization of our H Shares will exceed the minimum expected market capitalization of HK$125 million required by Rules 8.08(1)(b) and 19A.13A of the Listing Rules. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver that the minimum public float requirement under Rules 8.08(1)(b) and 19A.13A be reduced and the minimum percentage of our Company's H Shares (being the securities for which listing on the Stock Exchange is sought) upon completion of the Global Offering held by the public to be the higher of (a) 12.00% (assuming no exercise of the Over-allotment Option) and (b) such percentage of H Shares to be held by the public immediately after completion of the Global Offering, as increased by the H Shares to be issued upon any exercise of the Over-allotment Option, of the total enlarged issued share capital of the Company (excluding treasury shares).

In order to support the application of this waiver, the Company has confirmed to the Stock Exchange that the Company will

(a) comply with the public float requirement under Rule 8.08 of the Listing Rules where at least 25% of the Company's total number of issued shares (A Shares and H Shares in aggregate, excluding treasury shares) must be held by the public from time to time;

(b) announce the percentage of H Shares held by the public immediately after the completion of the Global Offering (before any exercise of the Over-allotment Option and after any exercise of the Over-allotment Option);

(c) confirm the sufficiency of public float in successive annual reports after its Listing (with respect to the Rule 8.08(1)(a) only); and

(d) implement appropriate measures and mechanisms to ensure continual maintenance of the minimum 12.00% public float of H Shares (or such higher percentage upon completion of any exercise of the Over-allotment Option, excluding treasury shares) upon Listing.

It is expected that after the Listing, our Company may consider the issuance of new H Shares for the implementation of employee incentive schemes or for other purposes, which may increase the total number and size of our H Shares and enhance the public float and liquidity of our H shares.

It is also expected that our H shares will be automatically qualified for trading through Shanghai-Hong Kong Stock Connect after the Listing upon announcement by the Shanghai Stock Exchange. Upon our H Shares become eligible for trading through Shanghai -Hong Kong Stock Connect, they can also be subscribed for and traded by public investors in the PRC in accordance with the rules of Shanghai-Hong Kong Stock Connect, which will further enhance the liquidity of our H shares upon Listing.

Furthermore, our Company has been from time to time repurchasing our A Shares on the Shanghai Stock Exchange which were cancelled by our Company afterwards. Our Company may further repurchase our A Shares pursuant to relevant mandate granted by the Board and the general meeting of the Company upon Listing, and such repurchases of A Shares which were cancelled afterwards will also increase the percentage of our H Shares in the total issued share capital of our Company and increase the public float percentage of our H Shares.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF H SHARES BY A CORNERSTONE INVESTOR WHO IS A CONNECTED CLIENT

Paragraph 5(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)) (collectively, the "**Distributors**", and each a "**Distributor**"), without the prior written consent of the Stock Exchange.

Paragraph 13(7) of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

Huatai Capital Investment Limited ("**HTCI**") has entered into a cornerstone investment agreement with the Company, Goldman Sachs (Asia) L.L.C. and China International Capital Corporation Hong Kong Securities Limited. HTCI and Huatai Securities Company Limited ("**HTSC**") will enter into a series of cross border delta-one OTC swap transactions (the "**Greenwoods OTC Swaps**") with each other and their ultimate clients (the "**HTCI Ultimate Clients (Greenwoods)**"), respectively, pursuant to which HTCI will hold the Offer Shares on a non-discretionary basis to hedge the Greenwoods OTC Swaps, respectively, while the economic risks and returns of the underlying Offer Shares are passed to the HTCI Ultimate

Clients (Greenwoods). HTCI, HTSC and Huatai Financial Holdings (Hong Kong) Limited ("**Huatai**"), one of the Underwriters of the Global Offering, are members of the same group of companies. Accordingly, HTCI is a connected client of Huatai.

We have applied for, and the Stock Exchange has granted, a consent under paragraph 5(1) of Appendix F1 to the Listing Rules to permit HTCI (in connection with the Greenwoods OTC Swaps) to participate in the Global Offering as a cornerstone investor on the following basis and conditions as set out in Paragraph 5 of Chapter 4.15 of the Guide for New Listing Applicants:

(a) any Offer Shares to be allocated to HTCI will be held on behalf of independent third parties;

(b) the cornerstone investment agreements of HTCI do not contain any material terms which are more favorable to HTCI than those in other cornerstone investment agreements;

(c) no preferential treatment has been, nor will be, given to HTCI by virtue of its relationship with Huatai, in any allocation of Offer Shares in the International Offering other than the assured entitlement under the cornerstone investment agreements;

(d) HTCI confirms that to the best of its knowledge and belief, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering as a cornerstone investor by virtue of its relationship with Huatai, other than the assured entitlement under the relevant cornerstone investment agreements;

(e) each of the Company, the Overall Coordinators and HTCI has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and

(f) details of the cornerstone investment and details of the allocations will be disclosed in this prospectus and the allotment results announcement.

DISCLOSURE OF OFFER PRICE

Paragraph 15(2)(c) of Appendix D1A to the Listing Rules provides that the issue price or offer price of each security must be disclosed in the prospectus. Pursuant to Paragraph 12 of the Guide, the Stock Exchange also allows an indicative offer price range to be included in the prospectus, as an alternative to the disclosure of a fixed offer price.

We have applied to the Stock Exchange a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules so that the Company will only disclose the maximum Offer Price in the Prospectus on the below basis:

(a) The Offer Price will be determined with reference to, among other factors, the closing price of the Company's A Shares on the Shanghai Stock Exchange on the last trading day on or before the Price Determination Date. Our Company is unable to control the trading price of our A Shares on the Shanghai Stock Exchange;

(b) Setting a fixed offer price or an offer price range with a low-end may adversely affect our ability to price our H Shares in the best interests of our Shareholders and the market price of the A Shares and the Hong Kong Offer Shares;

(c) Pursuant to paragraphs 9 and 10(b) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the amount payable on application and allotment on each share, and the price to be paid for shares subscribed for, shall be specified in the Prospectus, respectively. Disclosure of a maximum offer price complies with the requirements prescribed under paragraphs 9 and 10(b) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance by providing a clear indication of the maximum subscription consideration a potential investor shall pay for the Offer Shares; and

(d) A maximum Offer Price will be disclosed in this Prospectus. This alternative disclosure approach would not prejudice the interests of the investing public in Hong Kong.

The Stock Exchange has granted to us a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules on the conditions that the Prospectus will disclose:

(a) the maximum Offer Price;

(b) the time for the determination of the Offer Price and the form of its publication;

(c) the historical prices of the Company's A Shares and trading volume on the Shanghai Stock Exchange during the Track Record Period and up to the Latest Practicable Date;

(d) the determinants of the final Offer Price; and

(e) the source for investor to access the latest market price of the Company's A Shares.

See "Structure of the Global Offering — Pricing — Determining the Pricing of the Offer Shares" in this Prospectus for the historical prices of our A Shares and trading volume on the Shanghai Stock Exchange.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This Prospectus, for which our Directors (including any proposed director who is named as such in this Prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors (including any proposed director who is named as such in this Prospectus), having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

CSRC FILING

According to the Overseas Listing Trial Measures, we are required to complete the filing procedures with the CSRC in connection with the proposed Listing. We have submitted a filing to the CSRC for application for the Listing on January 23, 2025. The CSRC has issued the filing notice dated May 15, 2025, confirming our completion of the filing procedures in connection with the proposed Listing and the Global Offering as required under the Overseas Listing Trial Measures for the Global Offering.

THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS

This Prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 3,999,500 Offer Shares and the International Offering of initially 35,995,200 Offer Shares (subject to, in each case, reallocation on the basis referred to in "Structure of the Global Offering" in this Prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option).

The listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, subject to us and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around Wednesday, July 2, 2025. For further information regarding the Underwriters and the Underwriting Agreements, see "Underwriting" in this Prospectus.

The Offer Shares are offered solely on the basis of the information contained and representations made in this Prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this Prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this Prospectus or that the information in this Prospectus is correct as of any date subsequent to the date of this Prospectus.

STRUCTURE OF THE GLOBAL OFFERING

For details of the structure of the Global Offering (including its conditions) and the arrangements relating to the Over-allotment Option and stabilization, see "Structure of the Global Offering" and "Underwriting" in this Prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this Prospectus.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this Prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this Prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option).

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Friday, July 4, 2025. Save as the A Shares that have been listed on the Shanghai Stock Exchange and our pending application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares, no part of our share capital or debt securities is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date. Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Hong Kong Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangements as such arrangements may affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in “How to Apply for Hong Kong Offer Shares” in this Prospectus.

H SHARE REGISTER AND STAMP DUTY

All of the Offer Shares will be registered on our H Share register of members to be maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by us at our headquarters in the PRC.

Dealings in the H Shares registered on the H Share register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of members of our Company in Hong Kong, by ordinary post, at the H Shareholders' risk, to the registered address of each H Shareholder of our Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, partners, agents, advisers or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this Prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB7.1789 to US$1.00, (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.9146 to HK$1.00, and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK$7.8495 to US$1.00, being the PBOC rates prevailing on June 16, 2025.

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

LANGUAGE

If there is any inconsistency between this Prospectus and its Chinese translation, this Prospectus shall prevail. For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this Prospectus in both the Chinese and English languages. In the event of any inconsistency, the Chinese name shall prevail.

ROUNDING

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed in any table, chart or elsewhere in this Prospectus are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Liu Mingming (劉鳴鳴)	No. 76, Yunhai Villa, Huangcuo Siming District Xiamen, Fujian Province PRC	Chinese
Mr. Zhang Gaolu (章高路)	Room 104, Building 1 Wangjiangyuan Community 197 Jiangbin West Avenue Taijiang District Fuzhou, Fujian Province PRC	Chinese
Mr. Zhang Qingmiao (張清苗)	Huxi Living Area (1st and 2nd Floors Upper Left Unit of Yuan Liu Er Lou) 6 Xinghua Road Siming District Xiamen, Fujian Province PRC	Chinese
Mr. Huang Jianlian (黃建聯)	Unit 3-102, Building 3, Block 4 Green Garden New City Haicang District Xiamen, Fujian Province PRC	Chinese

Name	Address	Nationality
Non-executive Directors		
Dr. Zheng Yanan (鄭亞南)	Unit 17, Block 1, Lijing Garden Shunyi District Beijing PRC	Chinese
Mr. Dai Fan (戴凡)	Room 102, Unit 2, Building 1 Fucheng Garden 89 Bei Si Huan East Road Chaoyang District Beijing PRC	Chinese (Hong Kong)
Independent Non-executive Directors		
Dr. Zhao Bei (趙蓓)	Room 701, Baicheng Building 28 Xiamen University Siming District Xiamen, Fujian Province PRC	Chinese
Ms. Zhang Mei (張梅)	No. 107, Block 15, Fulu Fang 3 Gongmao Road, Jinyu Village Shangjie Town, Minhou County Fuzhou, Fujian Province PRC	Chinese
Mr. Zhang Yueping (張躍平)	Room 601, Building 4 240 Lvling Road Siming District Xiamen, Fujian Province PRC	Chinese
Dr. Liu Xiaofeng (劉曉峰)	Flat E, 30/F, Pine Mansion Harbour View Gardens 26 Taikoo Wan Road Taikoo Shing Hong Kong	Chinese (Hong Kong)

SUPERVISORS

Name	Address	Nationality
Mr. Zhang Guangxi (張光璽)	No. 137 Xi Dao Kou Fengtai District Beijing PRC	Chinese
Mr. Zhang Wei (張偉)	Room 227-1001, Dong Hai Wan Maluan Bay Metro Community Fulian Erli Haicang District Xiamen, Fujian Province PRC	Chinese
Ms. Wang Xiaojiao (王小嬌)	Room 521, Unit 5, Building 1 Yang Yun Apartment Xiayang South Road Haicang District Xiamen, Fujian Province PRC	Chinese

For further details on our Directors and Supervisors, see the section headed "Directors, Supervisors and Senior Management".

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**Goldman Sachs (Asia) L.L.C.** 68/F, Cheung Kong Center 2 Queen's Road Central Hong Kong
	China International Capital Corporation Hong Kong Securities Limited 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
Sponsor-Overall Coordinators, Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	**Goldman Sachs (Asia) L.L.C.** 68/F, Cheung Kong Center 2 Queen's Road Central Hong Kong
	China International Capital Corporation Hong Kong Securities Limited 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	**Ping An Securities (Hong Kong) Company Limited** Units 3601, 07& 11-13, 36/F The Center 99 Queen's Road Central Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	China Securities (International) Corporate Finance Company Limited 18/F, Two Exchange Square 8 Connaught Place, Central Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

Joint Bookrunners and Joint Lead Managers

China Galaxy International Securities (Hong Kong) Co., Limited
20/F Wing On Centre
111 Connaught Road, Central
Hong Kong

UOB Kay Hian (Hong Kong) Limited
6/F, Harcourt House
39 Gloucester Road
Hong Kong

GF Securities (Hong Kong) Brokerage Limited
27/F, GF Tower
81 Lockhart Road, Wan Chai
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central, Central
Hong Kong

China Industrial Securities International Capital Limited
32/F, Infinitus Plaza
199 Des Voeux Road Central, Sheung Wan
Hong Kong

Capital Market Intermediaries

Goldman Sachs (Asia) L.L.C.
68/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Ping An Securities (Hong Kong) Company Limited
Units 3601, 07& 11-13, 36/F The Center
99 Queen's Road Central
Hong Kong

CMB International Capital Limited
45/F, Champion Tower
3 Garden Road
Central
Hong Kong

China Securities (International) Corporate Finance Company Limited
18/F, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

China Galaxy International Securities (Hong Kong) Co., Limited
20/F Wing On Centre
111 Connaught Road, Central
Hong Kong

UOB Kay Hian (Hong Kong) Limited
6/F, Harcourt House
39 Gloucester Road
Hong Kong

GF Securities (Hong Kong) Brokerage Limited
27/F, GF Tower
81 Lockhart Road, Wan Chai
Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central, Central
Hong Kong

China Industrial Securities International Capital Limited
32/F, Infinitus Plaza
199 Des Voeux Road Central, Sheung Wan
Hong Kong

Legal Advisors to our Company

As to Hong Kong and U.S. laws
Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC laws
Tian Yuan Law Firm
Suite 509, Tower A, Corporate Square
35 Financial Street
Xicheng District
Beijing, PRC

Legal Advisors to the Joint Sponsors and the Underwriters

As to Hong Kong and U.S. laws
Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC laws
Haiwen & Partners
20/F, Fortune Financial Center
5 Dong San Huan Central Road
Chaoyang District
Beijing, PRC

Reporting Accountants and Independent Auditor	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Shanghai 200040, China
Compliance Advisor	**Ping An of China Capital (Hong Kong) Company Limited** Units 3601, 07 & 11-13 36/F, The Center 99 Queen's Road Central Hong Kong
Receiving Bank	**CMB Wing Lung Bank Limited** CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong

Registered Office	No. 2508, Xinyang Road Haicang District Xiamen, Fujian Province PRC
Headquarters and Principal Place of Business in the PRC	No. 2508, Xinyang Road Haicang District Xiamen, Fujian Province PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Company's Website	**www.anjoyfood.com** *(The information contained in this website does not form part of this Prospectus)*
Joint Company Secretaries	**Mr. Liang Chen (梁晨)** No. 2508, Xinyang Road Haicang District Xiamen, Fujian Province PRC **Mr. Ng Tung Ching Raphael (吳東澄)** *(Associate Member of The Hong Kong Chartered Governance Institute)* 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Authorized Representatives	**Mr. Liu Mingming (劉鳴鳴)** No. 2508, Xinyang Road Haicang District Xiamen, Fujian Province PRC **Mr. Ng Tung Ching Raphael (吳東澄)** 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong

Audit Committee	Ms. Zhang Mei (張梅) *(Chairperson)* Mr. Dai Fan (戴凡) Dr. Zhao Bei (趙蓓)
Nomination Committee	Mr. Zhang Yueping (張躍平) *(Chairperson)* Mr. Liu Mingming (劉鳴鳴) Ms. Zhang Mei (張梅)
Remuneration and Evaluation Committee	Dr. Zhao Bei (趙蓓) *(Chairperson)* Mr. Zhang Gaolu (章高路) Mr. Zhang Yueping (張躍平)
Strategy Committee	Mr. Liu Mingming (劉鳴鳴) *(Chairperson)* Mr. Zhang Qingmiao (張清苗) Mr. Huang Jianlian (黃建聯)
Sustainability Committee	Mr. Liu Mingming (劉鳴鳴) *(Chairperson)* Mr. Zhang Qingmiao (張清苗) Dr. Zheng Yanan (鄭亞南) Mr. Huang Jianlian (黃建聯) Mr. Zhang Yueping (張躍平)
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Principal Banks	**China Everbright Bank, Xiamen Branch** Floor 1-7, Mingfang Building No. 160 Hubin Middle Road Siming District Xiamen, Fujian Province PRC
	China Construction Bank, Xiamen Xinyang Sub-branch Floor 1-2, West Side No. 19 Xinsheng Road, Xinyang Street Haicang District Xiamen, Fujian Province PRC

The information and statistics set out in this section and other sections of this Prospectus were extracted from the F&S Report, a market research report prepared by Frost & Sullivan, an independent global consulting firm that was commissioned by the Company, and from various official government publications and available resources from public market research. The Company engaged Frost & Sullivan to prepare the F&S Report in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, any of the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering (other than Frost & Sullivan), and no representation is given as to its accuracy. For discussion of risks related to the Group's industry, see "Risk Factors — Risks Relating to Our Industry and Business" in this Prospectus.

OVERVIEW OF GLOBAL QUICK-FROZEN FOOD INDUSTRY

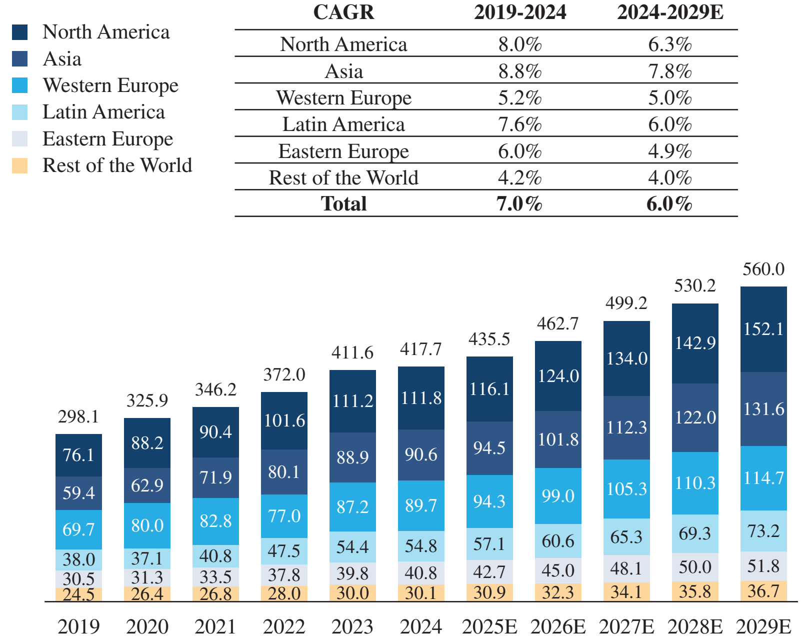
Quick-frozen food refers to pre-packaged food, designed for dining settings, that is made from major raw materials such as aquatic ingredients, meat, grains, powdered ingredients and beans to which water, oil, condiments and other auxiliary materials are added, and which is processed through washing, cutting, seasoning, marinating, cooking and quick-freezing process. The quick-freezing process rapidly lowers the food's thermal center temperature to below -18°C. Quick-frozen food should be stored, transported, and sold at such temperature.

In recent years, the global quick-frozen food industry has witnessed significant growth, building on an already robust foundation. From 2019 to 2024, the market size of the global quick-frozen food industry grew at a CAGR of 7.0%, reaching USD417.7 billion by 2024. Looking ahead, the global quick-frozen food industry is expected to grow steadily, driven by factors such as increasing penetration among customers, diversification of product categories, technological advancements and enhanced infrastructure. From 2024 to 2029, the global quick-frozen food industry is expected to grow at a CAGR of 6.0%. On a regional scale, North America, Asia and Western Europe represent the largest regional markets globally. In 2024, the Asian quick-frozen food market reached USD90.6 billion and is expected to lead the growth rate among the markets of all regions at a CAGR of 7.8% over the next five years.

Market Size of Quick-Frozen Food Industry in the World, by Revenue, breakdown by Region

USD Billion, 2019-2029E

CAGR	2019-2024	2024-2029E
North America	8.0%	6.3%
Asia	8.8%	7.8%
Western Europe	5.2%	5.0%
Latin America	7.6%	6.0%
Eastern Europe	6.0%	4.9%
Rest of the World	4.2%	4.0%
Total	**7.0%**	**6.0%**



Source: World Bank, Frost & Sullivan

Overview of the Major Markets for Quick-Frozen Food

The global quick-frozen food industry is at varying development stages across different countries. China is the world's second-largest market for quick-frozen food products, which remains in a growth phase, with substantial room for expansion. Southeast Asia as an emerging market is developing rapidly, showing swift increases in both market size and industry concentration. For countries such as United Kingdom, the United States and Japan, quick-frozen food industries in these countries have reached a mature stage which is characterized by steady growth and high market concentration.

Market Size and Industry Concentration of Quick-frozen Food Industry in Selected Countries and Regions

Country/Region	Market Size of Quick-frozen Food Industry (2024)	CAGR of Market Size (2024-2029E)	Market Share of Top Five Companies (in terms of Revenue in 2024)
United States	USD61.6 Billion	6.7%	~ 43%
China	**USD31.4 Billion**	**9.4%**	**~ 15%**
Germany	USD16.9 Billion	5.8%	~ 35%
United Kingdom	USD11.8 Billion	5.6%	~ 40%
Japan	USD9.9 Billion	3.1%	~ 70%
Southeast Asia	USD10.7 Billion	14.0%	< 5%
– Indonesia	USD3.2 Billion	14.1%	< 8%
– Philippines	USD1.2 Billion	13.5%	< 5%
– Thailand	USD1.0 Billion	14.5%	< 7%

Source: Statistical Bureau and Industry Association of Respective Countries, Frost & Sullivan

- ***Quick-frozen food industry in China***. With a market size of USD31.4 billion in 2024, China represents the second largest market in this industry, and the quick-frozen food industry in China is still in its growth phase compared to mature markets. With recovery in growth of the catering industry, rising individual customer and household consumption, and increasing penetration among both businesses and individual customers, China's quick-frozen food industry is projected to grow rapidly at a CAGR of 9.4% from 2024 to 2029. On the other hand, the industry remains relatively fragmented, with the top five market players holding only 15% market share in terms of revenue in 2024 — far below the concentration rates of mature markets (i.e. 43% in the United States, 40% in the United Kingdom, and 70% in Japan). This suggests considerable potential for further market consolidation. Per capita consumption of quick-frozen food in China was 10.0 kilograms in 2024, substantially lower than in mature markets (i.e. 62.6 kilograms in the United States, 45.9 kilograms in the United Kingdom, and 25.3 kilograms in Japan).

- ***Overview of the Quick-Frozen Food Industry in the United Kingdom***. Europe, a key segment of the global quick-frozen food industry, has a long history of development and well-established consumer patterns. Major players in this market include both local companies and multinational corporations. The quick-frozen food market in the United Kingdom is relatively developed, with top five companies holding approximately 40% market share in terms of revenue in 2024. While the top players are multinational companies benefiting from extensive supply chains, brand recognition and a diverse range of product offerings, the market has not yet reached a monopolistic state, and no single player dominates the industry. This creates opportunities for new entrants, who can capture market share by introducing differentiated products, such as those catering to specific consumer groups such as the Chinese community. The United Kingdom has a well-established cold chain logistics system, which ensures that quick-frozen foods are kept with the required temperature throughout the entire transportation process, from production to retail. This efficient infrastructure supports the reliable distribution of quick-frozen food products and contributes to the market's growth. The market size of quick-frozen food in the United Kingdom in terms of revenue was USD11.8 billion in 2024, and is expected to reach USD15.5 billion in 2029, representing a CAGR of 5.6%.

- ***Quick-frozen food industry in Southeast Asia***. Southeast Asia's quick-frozen food industry as a late starter experienced rapid growth reaching a market size of approximately USD10.7 billion in 2024, and is projected to grow at a CAGR of 14.0% from 2024 to 2029. Meanwhile, the industry remains highly fragmented, with the top five market players holding a combined market share of below 5% in terms of revenue in 2024. There is no dominant local company, suggesting significant opportunities for further consolidation. The region's large population and rising trend for convenient dining make it particularly receptive to quick-frozen food products, especially those popular in China. The substantial halal food market, especially in Indonesia — home to the world's largest halal food consumption population — presents a unique opportunity, as quick-frozen foods are produced with consistent process and quality. Furthermore, Southeast Asia's established reputation in the halal food sector is likely to enhance the recognition of major market players in the global halal market.

- ***Quick-frozen food industry in mature markets***. In countries such as the United States, the United Kingdom and Japan, the quick-frozen food industry is well-established, characterized by its large market size and high market concentration. Particularly in the United States, where the quick-frozen food industry has a long development history and a mature market, the competitive landscape is stable and concentrated. In 2024, the top five leading players held approximately 43% of the total market share in terms of revenue. In recent years, the overseas expansion of Chinese brands and culture has led to a steady increase in the penetration of Chinese cuisine globally. The global market for Chinese cuisine restaurants is witnessing rapid growth at a CAGR of 8.6% from 2024 to 2029. As a result, the export market for quick-frozen flavored and processed products is expected to enter a phase of accelerated growth. In the catering industry, catering businesses specialized in hot pot and malatang are leading the overseas expansion, with robust momentum in global markets. The overseas hot pot catering market is projected to reach USD70.4 billion by 2029, with a CAGR of 10.1% from 2024 to 2029, presenting significant growth opportunities for quick-frozen flavored and processed products in conjunction with the global expansion of hot pot and similar culinary styles. The global quick-frozen food market is witnessing a rising acceptance of quick-frozen food among businesses and individual customers, with the customer base progressively expanding beyond Chinese communities, demonstrating sustained growth potential.

Different regions around the world offer different food ingredients, which enable global procurement and production, which creates cost advantages for developing localized operations. This presents an opportunity for companies to develop high-end products by sourcing raw materials from premium production regions.

OVERVIEW OF CHINA'S QUICK-FROZEN FOOD INDUSTRY

Quick-frozen food in China mainly includes quick-frozen flavored and processed products, quick-frozen prepared dishes and quick-frozen flour and rice products, along with others such as quick-frozen soup products.

- ***Quick-frozen flavored and processed products***. Quick-frozen flavored and processed products refer to pre-packaged food that is made from aquatic ingredients and/or meat as the main raw materials, combined with other ingredients such as grains, beans and eggs, plus condiments. Quick-frozen flavored and processed products are mainly produced through seasoning and shaping process, followed by quick-freezing.

- ***Quick-frozen prepared dishes***. Quick-frozen prepared dishes refer to pre-packaged dish products that are made from aquatic ingredients and/or meat as the main raw materials, combined with other ingredients and condiments. Quick-frozen prepared dishes products undergo pre-processing (such as cutting, mixing, marinating, kneading, shaping and seasoning) and/or pre-cooking (such as frying, deep-frying, baking, boiling or steaming) process, followed by quick-freezing process. They mainly include semi-finished and finished dish products which require heating or cooking before final consumption.

- ***Quick-frozen flour and rice products***. Quick-frozen flour and rice products refer to pre-packaged food that is made from grains such as wheat, rice, corn and other cereal products as the main raw materials, combined with other ingredients and condiments. They are processed through pre-cooking and quick-freezing.

Market Size of China's Quick-Frozen Food Industry

Compared to markets with well-established quick-frozen food industries such as Japan and the United States, China's quick-frozen food industry is in the development phase. The industry experienced rapid growth from 2019 to 2024 at a 11.8% CAGR, reaching RMB221.2 billion in 2024. China's quick-frozen food industry is set for continued expansion, driven by several factors including growing demand from the catering businesses, increased household consumption due to increasing penetration among individual customers, improved product quality and nutrition and enhanced cold chain infrastructure. With a projected CAGR of 9.4% from 2024 to 2029, the industry is expected to outpace other food and beverage related industries such as staple food, snacks, oil, condiments and liquid milk, indicating strong growth potential. Quick-frozen food accounted for over 20% of the packaged food market in terms of revenue in 2024. Packaged food refers to products that are pre-quantified and packaged in specific materials and containers, mainly including ready-to-eat food, ready-to-heat food, ready-to-cook food and prepared ingredients.

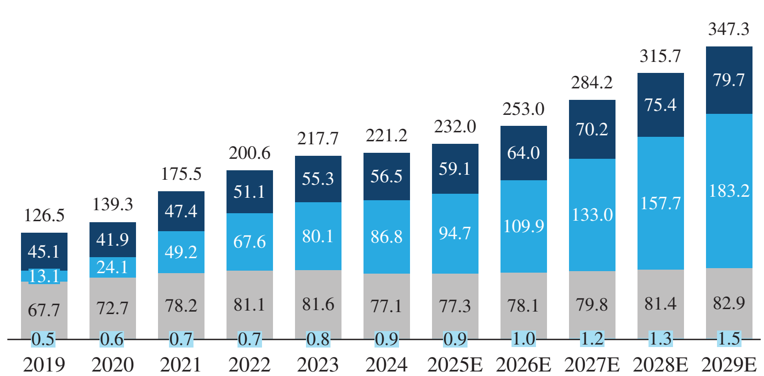
Overview of China's Quick-Frozen Food Industry

Market Size of China's Quick-Frozen Food, in Terms of Revenue, Breakdown by Product Category

Market Size of Quick-Frozen Food Industry in China, in terms of Revenue, breakdown by Product Category
RMB Billion, 2019-2029E

- Quick-Frozen Flavored and Processed Products
- Quick-Frozen Prepared Dishes
- Quick-Frozen Flour and Rice Products
- Others

CAGR	2019-2024	2024-2029E
Quick-Frozen Flavored and Processed Products	4.6%	7.1%
Quick-Frozen Prepared Dishes	45.9%	16.1%
Quick-Frozen Flour and Rice Products	2.6%	1.5%
Others	11.1%	11.6%
Overall	**11.8%**	**9.4%**



Source: National Bureau of Statistic, Frost & Sullivan

Driving Factors for China's Quick-Frozen Food Industry

Increasing Chain Rate in China's Catering Market

The chain rate of catering industry in China increased from 13.3% in 2019 to 22.0% in 2024. While this rate remains lower than those of mature markets (approximately 55% in the United States and approximately 50% in Japan), it is expected to continue rising. These restaurant chains encompass diverse Chinese catering formats, including hot pot, malatang and barbecue, all of which generate significant demand for standardized and prepared ingredients. Quick-frozen food companies are well-positioned to meet the needs of these restaurant chains by providing quality products that ensure consistent taste across multiple locations. Furthermore, the China's catering industry experienced stable growth in 2024 with the recovery and improvement of offline consumption scenario. Its market size in terms of revenue reached RMB5,571.8 billion in 2024, growing at a CAGR of 3.6% from 2019 to 2024. It is expected that China's catering industry will continue the expansion in the future, promoting the growth of demand for quick-frozen food in China.

Group Catering Businesses' Pursuit of Standardization, Quality, and Efficiency

The group catering market, with a market size of RMB2,067.1 billion in 2024, is characterized by suppliers primarily offering meals and services in a group setting. This market has witnessed rapid growth in recent years, with a projected CAGR of 9.1% from 2024 to 2029. Group catering requires a high level of standardization and quality assurance, particularly regarding food safety, consistent quality, and operational efficiency, all of which align seamlessly with the characteristics of quick-frozen food. Accordingly, the quick-frozen food industry is expected to benefit significantly from the expansion of the group catering market.

Growth of Western Cuisine

In 2024, China's western cuisine market reached RMB917.5 billion, accounting for 16.5% of the overall catering market. From 2024 to 2029, this market is expected to grow at a CAGR of 9.8%, outpacing the overall China's catering market. This growth is driven by Western dishes becoming more localized, menu options diversifying, and expanding into lower-tier cities. Additionally, in comparison with Chinese cuisine, the simpler cooking methods in Western cuisine make it easier to achieve standardization in production of quick-frozen foods, resulting in consistent quality and taste. Therefore, the widespread use of quick-frozen foods in western cuisine restaurants is driving the growth of the quick-frozen food industry.

Increasing Penetration Among Individual Customers in the Household Consumption Scenarios

Quick-frozen foods offer significant convenience and variety, effectively addressing the time constraints faced by household customers in an increasingly fast-paced lifestyle. This growing demand is further supported by the rise in disposable income, as Chinese residents' per capita disposable income grew from RMB30,733 in 2019 to RMB41,314 in 2024, at a

CAGR of 6.1%. As purchasing power increases, customers are seeking greater variety, better quality, more convenient and better tasting options, which has led to higher adoption of quick-frozen food products in households with its characteristic of easy and convenient for cooking, making them an essential part of daily life.

Enhanced Cold Chain Infrastructure as a Solid Foundation

China's quick-frozen food industry has experienced steady growth, driven by improvements on the supply side, including the availability of raw materials, advancements in technologies, and the development of cold chain infrastructure. China is the largest producer of pork and a major producer of poultry and aquatic ingredients, ensuring a stable and sufficient supply of raw materials for quick-frozen food production. Advancements in technologies, such as automation and smart technologies, have enabled companies to swiftly respond to evolving market demand. Cold chain infrastructure, particularly the expansion of refrigerated trucks, has laid a solid foundation for the development of the quick-frozen food industry. From 2019 to 2024, the number of refrigerated trucks increased from 215,000 to 495,000, supporting the industry's growth. This infrastructure improvement contributed to the expansion of the cold chain logistics market, which grew from RMB339 billion in 2019 to RMB536 billion in 2024, with a CAGR of 9.6%. The enhanced cold chain infrastructure has improved transportation efficiency, reduced product losses, and established a more reliable distribution network. As a result, improvements on the supply side have led to higher efficiency and lower operational costs for quick-frozen food companies, which resulted in more affordable products for end customers. At the same time, the increased efficiency and broader distribution network have expanded the variety and accessibility of products, providing customers with more choices, further promoting the growth of the quick-frozen food industry.

Future Industry Opportunities

- ***Industry consolidation expected to increase***: As customer demands diversify and market competition intensifies, coupled with encouragement of M&A policies and the emergence of M&A opportunities, the consolidation of the quick-frozen food industry is expected to accelerate. In the past five years, the market share of the top five companies in the quick-frozen flavored and processed products industry increased from around 17% in 2019 to 22% in 2024. Companies that rely on single channel or product category may face growth limitations, struggling to meet the increasingly varied needs of customers. In contrast, companies with a diverse product portfolio and omni-channel strategies will be able to expand further. These businesses, with strong supply chain integration, innovation capabilities, and widespread market reach, can better respond to market changes and leverage synergies between products and channels to enhance overall competitiveness.

- ***Expansion into global market***: The global quick-frozen food industry is at varying stages of development across different countries. As demand for quick-frozen foods continues to grow worldwide, the internationalization of Chinese quick-frozen food products presents significant opportunities for future expansion. This shift reflects the increasing global demand for convenient and high-quality quick-frozen food, positioning Chinese companies to tap into international markets and fuel further growth in the global industry.

- ***Diversified consumption scenarios***: The quick-frozen food industry is experiencing transformation, with an expanding presence across diverse consumption scenarios. In addition to traditional household and restaurant settings, there has been rapid expansion in venues such as tourist attractions, community convenience stores, canteens, and discount stores. At the same time, growing consumer awareness of food safety has led to increased demand for healthier, nutritious choices, making quick-frozen foods more popular.

- ***Nationwide product expansion and seasonal products available year-round***: The quick-frozen food industry is increasingly expanding its geographic coverage, with regional specialties now available across the country. Additionally, seasonal festival foods are being offered year-round, driven by growing consumer demand for diverse, convenient catering options that cater to different tastes and occasions. This shift highlights the industry's adaptability to evolving customer preferences, offering a wider range of products to suit various geographical and seasonal needs.

Entry Barrier, Threats and Challenges for China's Quick-Frozen Food Industry

Entry Barrier

- ***Sales Network***: A diversified sales network is a key entry barrier for new quick-frozen food companies, as they need to establish multiple sales channels, such as direct sales and distribution, to achieve both breadth and depth in market coverage. In addition, the distribution model typically requires establishing close and stable partnerships with distributors nationwide, necessitating long-term market cultivation and channel maintenance. Building such a sales network needs time, financial investment and local resources, making it difficult for new entrants to establish a sales network at scale in the short term.

- ***Scale Barriers***: Large-scale companies in quick-frozen food industry benefit from stronger bargaining power over upstream suppliers, enabling them to secure raw materials at lower costs and optimize supply chain efficiency. On the other hand, establishing quick-frozen food production facilities requires substantial capital investment in advanced production equipment, cold chain logistics infrastructure and quality control systems. Economies of scale allow companies to spread these costs over larger production volumes, improving overall efficiency and profitability.

- ***Production Technique***: The production in the quick-frozen food industry relies on quick-freezing technologies, as they ensure stringent quality standards at each stage of production, from raw material procurement to finished product delivery. These quick-freezing technologies preserve the nutritional value and taste of foods and extend the shelf life of the products. To achieve this, companies must be equipped with precise production equipment, a high level of standardization and stringent quality assurance systems to ensure consistency and efficiency throughout the production process. For new entrants, the lack of critical technological expertise, equipment investment, industry experience and financial support makes it difficult to establish a competitive quick-freezing technology system in the short term.

- ***Brand***: In quick-frozen food industry, established brands have built strong consumer trust and attracted a loyal customer base over time through consistent product quality and popular products, reinforcing their market position. For new entrants, significant investment and long-term commitment in brand building and marketing is required to gain consumer trust and recognition, creating a substantial barrier for newcomers.

The Group has created a flywheel effect by its capabilities in product development, sales network development and production capacity. By continually launching popular products across various categories, it has built a strong product portfolio that meets diverse market demands. In parallel, the Group's extensive sales network nationwide ensures market coverage, reaching both businesses and individual customers across catering and home cooking scenarios. The Group's production model and production capacity generate economies of scale, contributing to cost efficiency and reinforcing its competitive advantage.

Threats and Challenges

- ***Raw Material Price Fluctuations***: The cost of quick-frozen food is highly dependent on raw materials, the availability and price of which are susceptible to extreme weather events or natural disasters. These events can directly impact crop yields, livestock production, seafood supply and overall raw material availability, leading to shortages and price volatility. Such uncertainties pose significant challenges for companies in maintaining stable cost and supply of raw materials, requiring them to mitigate risks with strategies such as diversifying sourcing and building strategic inventories.

- ***Reliability and Cost Challenges in Cold Chain Logistics***: The quick-frozen food industry more heavily relies on cold chain logistics than other food-related industries, with every stage of the supply chain, including production, storage, transportation and sales, requiring strict temperature control. Any failure or instability in the cold chain, such as temperature fluctuations or equipment malfunctions, can lead to product deterioration, which in turn affects food quality, consumer experience and brand reputation. As a result, the quick-frozen food industry has high demands for reliable cold chain equipment and robust cold chain management. Furthermore, the construction and maintenance of cold chain facilities require substantial capital investment, including the ongoing maintenance of refrigerated vehicles, cold storage facilities and other related infrastructure, which presents challenges in cost control for companies.

Competitive Landscape of China's Quick-Frozen Food Industry

The Group ranked first in China's quick-frozen food industry, maintaining a dominant position with a market share of approximately 6.6% in 2024.

The following chart presents China's top five quick-frozen food companies in terms of the revenue from quick-frozen food in 2024:

Ranking	Company name	Market share
1	**The Group**	**6.6%**
2	Company A	3.3%
3	Company B	2.9%
4	Company C	1.3%
5	Company D	0.9%

Source: Public information or filings of respective companies, Frost & Sullivan

Notes:

(1) Company A is a private company established in 1997, with headquarter located in Zhengzhou, China. The company offers a range of major product categories, including quick-frozen dumpling, sweet dumplings, noodles and other related food products.

(2) Company B is a listed company established in 1992 and listed on the Shenzhen Stock Exchange, with headquarter located in Zhengzhou, China. The company's business scope primarily encompasses the production and sales of quick-frozen foods, convenience meals, canned foods, pastries and other related products.

(3) Company C is a private company established in 1978, with headquarter located in Hong Kong, China. The company's main products include quick-frozen dumplings, steamed buns, sweet dumplings and other related food products.

(4) Company D is a private company established in 1975, with headquarter located in Taiwan, China. The company's main products include quick-frozen meatballs, sausages meat products, dumplings and other related food products.

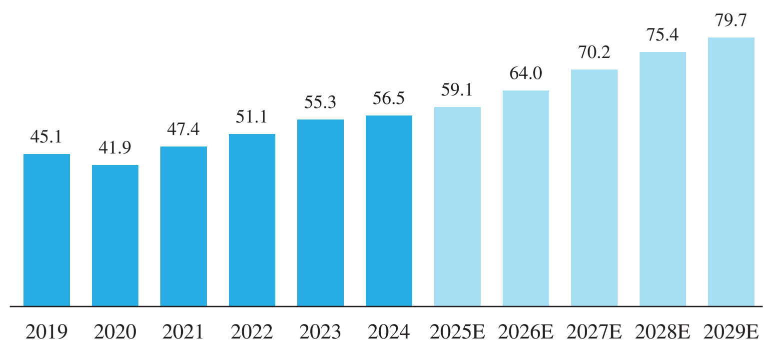
China's Quick-Frozen Flavored and Processed Products Industry

China's quick-frozen flavored and processed products industry has shown strong growth in recent years. In 2020, the restaurant businesses had limited operating hours due to public health incidents, coupled with production disruptions on the supply side, which limited the industry's growth that year. Between 2019 and 2024, the industry's market size grew at a CAGR of 4.6%, reaching RMB56.5 billion in 2024. China's quick-frozen flavored and processed products industry is expected to grow rapidly with a projected CAGR of 7.1% from 2024 to 2029, driven by several factors including increasing diversification of dining options like hot pot, malatang and barbecue, and increasing demand for premium products.

Market Size of Quick-Frozen Flavored and Processed Food Industry in China, in terms of Revenue

RMB Billion, 2019-2029E

CAGR	2019-2024	2024-2029E
Quick-Frozen Flavored and Processed Food	4.6%	7.1%



Source: National Bureau of Statistic, Frost & Sullivan

Competitive Landscape of China's Quick-Frozen Flavored and Processed Products Industry

In 2024, the Group ranked first in China's quick-frozen flavored and processed products industry in terms of the revenue. The following chart presents China's top five quick-frozen flavored and processed products companies in terms of the revenue in 2024:

Ranking	Company name	Market share
1	**The Group**	**13.8%**
2	Company D	2.6%
3	Company E	2.1%
4	Company F	1.9%
5	Company G	1.7%

Source: Public information or filings of respective companies, Frost & Sullivan

Notes:

(1) Company E is a private company established in 2004, with headquarters located in Zhangzhou, China. The company's main products include quick-frozen flour and rice products, quick-frozen prepared dishes and other related food products.

(2) Company F is a listed company established in 2005 and listed on the Shenzhen Stock Exchange, with headquarter located in Fuzhou, China. The company is primarily engaged in the production and sales of quick-frozen meatballs, fish balls, frozen prepared dishes and other related food products.

(3) Company G is a listed company founded in 2005 and listed on the Shanghai Stock Exchange, with headquarters located in Weifang, China. The company is primarily engaged in the research and development, production and sales of quick-frozen prepared dishes, mainly including sausages, fried products and other related food products.

Future Trend of China's Quick-Frozen Flavored and Processed Products Industry

- *Enhanced popularity and market penetration in both catering and household consumption.* In the catering industry, the increasing penetration rate of chain operations has driven increased demand for standardized and safety-compliant catering solutions. Quick-frozen flavored and processed products effectively address these requirements through customized solutions for chain restaurants, leading to enhanced market penetration. For individual customers, the growing prevalence of new retail and e-commerce platforms has significantly broadened the market reach of quick-frozen flavored and processed products, enabling access to a wider customer base, and, as a result, driving the increase of the household consumption.

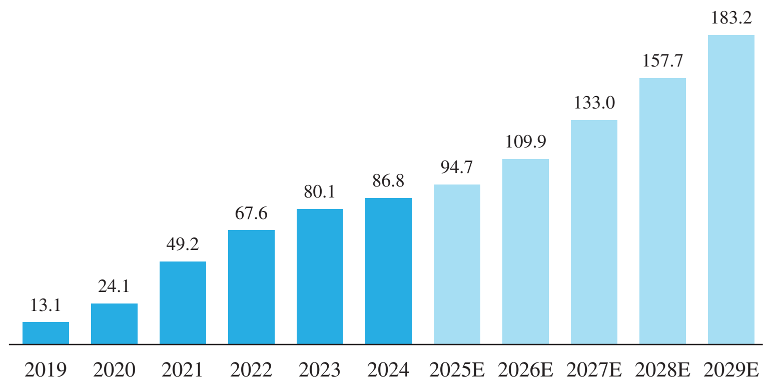
- *The quick-frozen flavored and processed products with high quality at competitive prices have significant expansion potential.* Customer demand for quality quick-frozen flavored and processed food products at competitive prices continues to rise, driven by increasing emphasis on nutritional value and food safety. The growing chain rate and increasing average customer spending in certain scenarios, such as hot pot, are stimulating demand for these products. In addition, the rapid development of new consumption scenarios in China, including tourist attractions, community convenience stores, canteens, and discount stores, is fostering customer habits for quick-frozen food products such as roasted pork sausage. The lock-fresh product line represents an example of the upgrade trend in quick-frozen flavored and processed food products.

China's Quick-Frozen Prepared Dishes Industry

China's quick-frozen prepared dishes industry is in its early stages but has seen dramatic growth, with a CAGR of 45.9% from 2019 to 2024, reaching RMB86.8 billion by 2024. Fast growing quick-frozen prepared dishes industry is primarily driven by the escalating demand from both catering businesses and individual customers. Catering businesses, that are characterized by chain operations that emphasize standardization and efficiency, have seen increased demand for quick-frozen prepared dishes alongside the rising penetration rate of chain operations. For individual customer, there is an emerging need for convenient cooking amidst a fast-paced lifestyle which has led to a growing preference for quick-frozen prepared dishes in household consumption. The Chinese market shows stronger acceptance of new products, particularly prepared dishes such as seasoned crayfish-related products and seasoned chicken products. The industry is projected to maintain strong growth with a CAGR of 16.1% from 2024 to 2029.

Market Size of Quick-Frozen Prepared Dishes Industry in China, in terms of Revenue
RMB Billion, 2019-2029E

CAGR	2019-2024	2024-2029E
Quick-Frozen Prepared Dishes	45.9%	16.1%



Source: National Bureau of Statistic, Frost & Sullivan

Competitive Landscape of China's Quick-Frozen Prepared Dishes Industry

The Group ranked first in China's quick-frozen prepared dishes industry in terms of revenue in 2024. The following chart presents China's top five quick-frozen prepared dishes companies in 2024:

Ranking	Company name	Market share
1	**The Group**	**5.0%**
2	Company H	1.6%
3	Company I	1.6%
4	Company J	1.2%
5	Company K	0.8%

Source: Public information or filings of respective companies, Frost & Sullivan

Notes:

(1) Company H is a private company established in 1993, with headquarter located in Chengdu, China. The company's research and development covers numerous categories, including hot pot ingredients, barbecue ingredients, sausages and others. Representative products include quick-frozen crispy pork, spicy beef and other related food products.

(2) Company I is a listed company founded in 2001 and listed on the Shenzhen Stock Exchange, with headquarter located in Zhanjiang, China. The Company is principally engaged in the processing and sale of aquatic products. The manufacturing of quick-frozen prepared dishes is only a small portion of its business. The quick-frozen food products of Company I mainly include quick-frozen flavored fish, crayfish and other related food products.

(3) Company J is a private company established in 2006, with headquarter located in Xiamen, China. The company is engaged in the research and development, production and marketing of quick-frozen prepared dishes, with main products including quick-frozen garlic-flavored spareribs, short ribs and other related food products.

(4) Company K is a private company founded in 2006, with headquarter located in Putian, China. The company's products primarily include quick-frozen flavored and processed products, with representative products including quick-frozen oyster sauce beef strips, black fish fillets and other related food products.

The Future Trend of China's Quick-Frozen Prepared Dishes Industry

China's quick-frozen prepared dishes industry remains in its early stages. The industry was fragmented, with the top five companies holding only 10.2% of China's market share in terms of revenue in 2024, highlighting significant room for improvement compared to mature markets. As demand for quality products and industry standards rises, companies committed to excellence are likely to gain competitive advantages. The introduction of national standards for China's quick-frozen prepared dishes industry marks a significant regulatory shift, establishing a strong foundation for sustained growth.

While product quality is a primary focus, supply chain and distribution capabilities are gaining importance. Quick-frozen prepared dishes stand out from other quick-frozen food products through their diverse taste profiles and greater product variety. As the industry matures and companies expand nationwide, efficient supply chains and distribution networks become increasingly crucial.

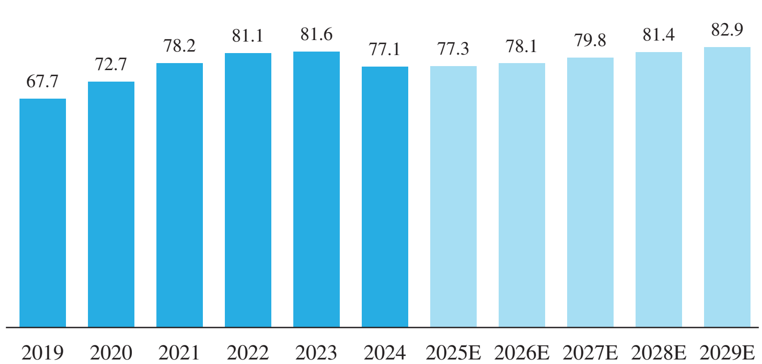
China's Quick-Frozen Flour and Rice Products Industry

China's quick-frozen flour and rice products industry has entered matured phase in recent years, showing distinct trends between traditional and emerging products. The industry's market size grew at a CAGR of 2.6% from 2019 to 2024, reaching RMB77.1 billion by 2024. Several factors are expected to drive continued steady growth, including diversification of new products, consumer preferences, and expanding consumption scenarios. The industry expects a CAGR of 1.5% from 2024 to 2029. Traditional products like dumplings, sweet dumplings, and rice dumplings have reached maturity in the industry due to their deep integration into Chinese food culture and long development cycle, resulting in a stage for stable development. In contrast, emerging products like shumai and Chinese pancakes are experiencing relatively faster growth. These innovative offerings cater to evolving customer preferences, contributing to sustained demand and reflecting a shift toward more diversified product offerings in the industry.

Market Size of Quick-Frozen Flour and Rice Products Industry in China, in terms of Revenue

RMB Billion, 2019-2029E

CAGR	2019-2024	2024-2029E
Quick-Frozen Flour and Rice Food	2.6%	1.5%



Source: National Bureau of Statistic, Frost & Sullivan

Competitive Landscape of China's Quick-frozen Flour and Rice Products Industry

The Group ranked the fourth in China's quick-frozen flour and rice products industry in terms of revenue in 2024, while it ranked first in terms of revenue from emerging quick-frozen flour and rice products, which refers to quick-frozen flour and rice products other than traditional ones, namely dumplings, sweet dumplings, and rice dumplings, in the same year.

The following chart presents China's top five quick-frozen flour and rice products companies in terms of revenue in 2024:

Ranking	Company name	Market share
1	Company A	8.8%
2	Company B	7.3%
3	Company C	3.7%
4	**The Group**	**3.2%**
5	Company L	1.8%

Source: Public information or filings of respective companies, Frost & Sullivan

Note:

(1) Company L is a listed company established in 2012, with headquarter located in Zhengzhou, China. The company's main products include quick-frozen Chinese fried dough, steamed buns and other related food products.

The Future Trend of China's Quick-Frozen Flour and Rice Products Industry

The quick-frozen flour and rice products industry is increasingly characterized by diversification and innovation. Traditional quick-frozen flour and rice products such as dumplings, sweet dumplings, and rice dumplings have reached a mature stage after years of development. Meanwhile, emerging quick-frozen flour and rice products, such as Chinese pancake and shumai, are gaining popularity among customers due to their unique appeal and potential to tap into new market segments. These emerging quick-frozen flour and rice products are becoming key growth drivers of the industry, offering significant development opportunities. Furthermore, advancements and innovation in production processes are expected to expand the variety of quick-frozen flour and rice products, catering to customers' evolving and diverse preferences.

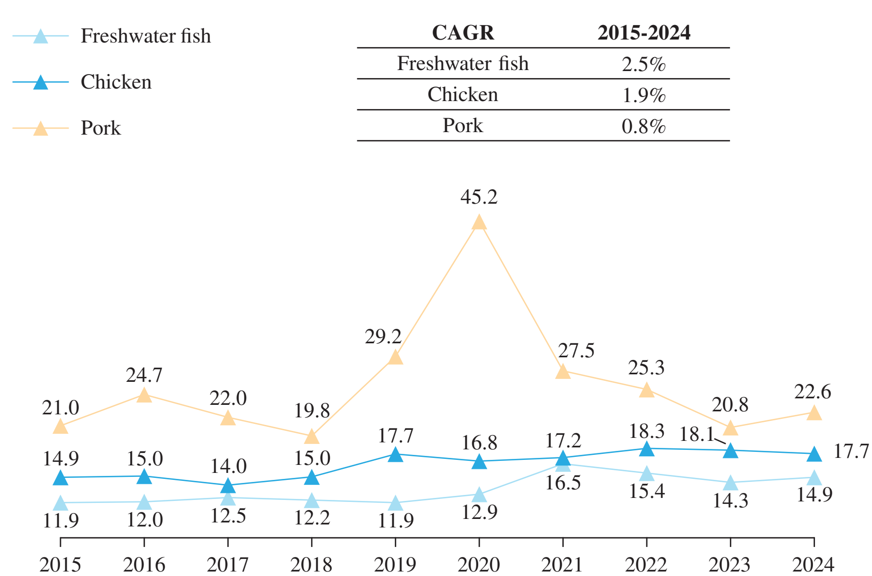
Historical Price Trends of Quick-frozen Foods and Major Raw Materials

In recent years, China's economy has shown steady growth. However, uncertainties about the economic outlook have made consumers more cautious with their spending. Although the government has introduced various policies to encourage consumption, it will take time to rebuild consumer confidence. As a result, this cautious approach is likely to slow consumption growth in the short term, and prices for quick-frozen foods in China are expected to remain stable over the next two to three years. On a positive note, as disposable incomes and purchasing power continue to rise, along with effective macroeconomic policies, consumer confidence is projected to return to normal levels within three years. This rebound could lead to steady increases in quick-frozen food prices in China.

The chart below shows the price trends of major raw materials in the quick-frozen food industry. Due to the impact of public health incidents on fish farming, the supply of freshwater fish was reduced, leading to an increase in prices in 2021. By 2024, the price of freshwater fish reached RMB14.9 per kilogram. Chicken prices remained relatively stable throughout the period from 2015 to 2024, reaching RMB17.7 per kilogram in 2024. Pork prices, however, experienced fluctuations during the period. The outbreak of ASF in 2018 reduced the supply of live hogs, driving its price to a peak in 2020. As supply of pork subsequently recovered and demand weakened, pork prices declined, eventually decreasing to RMB22.6 per kilogram in 2024. During the period from 2022 to 2023, the prices of major raw materials generally declined. As the Group's average selling prices for quick-frozen food products remained stable, the Group's gross profit margin increased.

Price of Major Raw Materials

RMB/Kilogram, 2015-2024



CAGR	2015-2024
Freshwater fish	2.5%
Chicken	1.9%
Pork	0.8%

**Notes: The price of major raw material is the average price for the whole year*

Source: Ministry of Commerce of the People's Republic of China, Frost & Sullivan

As the impact of ASF subsides, pork prices are expected to follow the typical price cycle of pork in the coming period. In 2025, with an anticipated increase in the production volume of commercial hogs, and assuming stable market demand, pork prices are expected to stabilize without significant fluctuations. Furthermore, the prices of chicken and freshwater fish are expected to show a steady upward trend from 2025 to 2029.

SOURCE OF INFORMATION

In connection with the Global Offering, we engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report about, the global quick-frozen food industry, China's quick-frozen food industry, China's quick-frozen flavored and processed products industry, China's quick-frozen prepared dishes food industry and China's quick-frozen flour and rice food industry. Frost & Sullivan is an independent global consulting firm, which was founded in 1961 in New York. It offers industry research and market strategies, and provides growth consulting and corporate training. In connection with the market research services provided, we have paid a fee of RMB680,000 to Frost & Sullivan, which we believe to be consistent with market rates.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan adopted the following assumptions: (i) the global social, economic and political environment is likely to remain stable in the five years from 2025 to 2029 (the "**Forecast Year**"), (ii) purchasing power is expected to continue to rise rapidly in emerging regions and to grow steadily in developed regions, (iii) the impact of the public health incidents is phased and temporary, China's economy shows long-term positive fundamentals, and (iv) related industry drivers such as growing purchasing power and other key drivers are likely to drive the quick-frozen food industry in the Forecast Year.

Except as otherwise noted, all the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Frost & Sullivan has prepared the Frost & Sullivan Report based on detailed primary research which involved discussing the status of quick-frozen food industry with certain leading industry participants and secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Our Directors confirm that, after taking reasonable care, there has been no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict or have an impact on such information.

REGULATORY OVERVIEW

We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section summarizes the principal PRC laws, rules and regulations that we believe are relevant to our business and operations.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT

On December 29, 1993, the Standing Committee of the National People's Congress (the "**NPCSC**") issued the Company Law of PRC (《中華人民共和國公司法》) (the "**PRC Company Law**"), which was lasted amended on December 29,2023. The PRC Company Law regulates the establishment, operation and management of corporate entities in China and classifies companies into limited liability companies and limited companies by shares.

On March 15, 2019, the National People's Congress (the "**NPC**") promulgated the Law of the PRC on Foreign Investment (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which became effective on January 1, 2020. On December 26, 2019, the State Council promulgated the Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "**Implementing Regulations of Foreign Investment Law**", which came into effect on January 1, 2020. On September 6, 2024, the National Development and Reform Commission (the "**NDRC**") and the Ministry of Commerce of the PRC (the "MOFCOM") promulgated the Special Administrative Measures for Foreign Investment Access (Negative List) (Edition 2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which became effective on November 1, 2024.

Pursuant to the Foreign Investment Law, the Implementing Regulations of Foreign Investment Law and the Negative List, the PRC implements a system of pre-entry national treatment plus negative list management for foreign investment. The Negative List specifies the areas in which investment is restricted, and foreign investors must meet the conditions set out in the Negative List to invest in those areas; areas outside the Negative List are managed in accordance with the principle of consistency between domestic and foreign investment.

In addition, according to the Negative List and the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council on December 11, 2001 and updated on March 29, 2022, the final foreign ownership of foreign-invested value-added telecommunications enterprises (except e-commerce business, domestic multi-party communication business, storage-and-forwarding business or call center business) is capped at 50%.

On December 30, 2019, the MOFCOM and the State Administration for Market Regulation (the "**SAMR**") promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which came into effect on January 1, 2020. According to the Measures for the Reporting of Foreign Investment Information, the foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities pursuant to the measures for carrying out investment activities directly or indirectly in PRC.

LAWS AND REGULATIONS RELATING TO FOOD OPERATION

Food Safety

On February 28, 2009, the NPCSC promulgated the Food Safety Law, which came into effect on June 1, 2009 and was last revised by the NPCSC on April 29, 2021. On July 20, 2009, the State Council promulgated the Implementing Regulations of the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》) (the "**Implementing Regulations of the Food Safety Law**"), which was last revised by the State Council on October 11, 2019 and came into effect on December 1, 2019. According to the Food Safety Law and the Implementing Regulations of the Food Safety Law, food producers and operators shall, in accordance with laws, regulations and food safety standards, engage in production and operation activities, establish a sound food safety management system, and take effective measures to prevent and control food safety risks, thus ensuring food safety.

According to the Food Safety Law, supervision duties related to food safety shall be undertaken by the State Council and its relevant departments. The State Council shall establish a food safety committee. The food safety supervision and administration departments under the State Council shall exercise supervision and administration over food production and operation activities. The health administrative department under the State Council shall organize the implementation of risk monitoring and risk assessment of food safety and shall formulate and issue national food safety standards in concert with the food safety supervision and administration departments under the State Council. The standardization administrative department under the State Council shall provide the reference codes for these national standards. Food safety standards are mandatory standards. No mandatory food standards other than food safety standards shall be formulated. Other relevant departments under the State Council shall carry out relevant food safety work.

Furthermore, the State has established a food safety traceability system. According to the relevant laws and regulations above, food producers and operators shall establish a whole process food safety traceability system, and truthfully record and keep information on procurement inspection, pre-delivery examination, food sales, etc. in accordance with the requirements, so as to ensure the traceability of food products. The food safety supervision and administration departments under the State Council shall establish a coordination mechanism for whole-process food safety traceability in collaboration with the agriculture administrative department and other related departments under the State Council.

On March 18, 2024, six departments, including the State Administration for Market Regulation, have jointly issued the "Notice on Enhancing the Safety Supervision of Prepared Dishes and Promoting the High-quality Development of the Industry" (《關於加強預製菜食品安全監管促進產業高質量發展的通知》). This notice, for the first time, clarifies the scope of prepared dishes and specifies the safety requirements at the national level. It provides strong support for supervision and regulatory enforcement, further promoting the healthy development of the prepared dishes industry and safeguarding food safety for the people.

According to the "Notice on Enhancing the Safety Supervision of Prepared Dishes and Promoting the High-quality Development of the Industry", prepared dishes are made from one or more edible agricultural products and their processed forms as raw materials, with or without the use of seasonings and other auxiliary materials, and without the addition of preservatives. They are industrially pre-processed (such as stirring, marinating, tumbling, shaping, stir-frying, frying, baking, boiling, steaming, etc.) and may or may not be accompanied by seasoning packs. These pre-packaged dishes comply with the storage, transportation, and sales conditions indicated on the product label and are intended to be consumed after heating or cooking. They do not include staple food products such as quick-frozen grain and rice products, convenience foods, boxed meals, covered dishes, steamed buns, pastries, roujiamo, bread, hamburgers, sandwiches, pizzas, etc.

In addition to defining the scope of prepared meals, the notice also puts forward general requirements for promoting the standardization system construction of prepared meals, strengthening food safety supervision of prepared meals, and promoting the high-quality development of the prepared meal industry in a coordinated manner.

Food Production and Operation Licensing

On January 2, 2020, the SAMR promulgated the Administrative Measures of Food Production Licensing (《食品生產許可管理辦法》) (the "**Administrative Measures of Food Production Licensing**"), which came into effect on March 1, 2020. According to the provisions of the Administrative Measures of Food Production Licensing, the food production license is subject to the principle of one license for one entity, which means a food producer shall obtain a food production license to engage in food production activities. The market supervision authorities shall implement classified licensing for food production. The SAMR shall be responsible for formulating general rules and detailed rules on reviewing food production licensing and shall adjust food categories according to the needs of supervision and management.

On June 15, 2023, the SAMR promulgated the Measures for the Administration of Food Operation Licensing and Registration (《食品經營許可和備案管理辦法》), which came into effect on December 1, 2023. According to the Measures for the Administration of Food Operation Licensing and Registration, the SAMR shall be responsible for guiding the national administration of food operation licensing and registration. In addition to certain statutory circumstances, anyone plans to engage in food sales and provide catering services within the territory of the PRC shall obtain a food operation permit in accordance with the law. Whoever sells prepackaged food only shall report to the local market regulatory department of the county or above where it is located for recordation. Food operators engaging in food operation activities at different operation sites shall obtain food operation licenses or make registration for record separately in accordance with the law. An application for a food operation permit shall be filed based on the main business form of the food trader and the category of the business item.

According to the Food Safety Law, the Implementing Regulations of the Food Safety Law, the Administrative Measures of Food Production Licensing and the Measures for the Administration of Food Operation Licensing and Registration, the State implements a licensing system for the food production and operation and food additives. Enterprises engaging in food production, sales and catering services shall obtain a license in accordance with the law. The food production permit is valid for five years. Where the production or operation conditions of a food producer or operator change and no longer satisfy the requirements for food production or operation, the food producer or operator shall immediately take corrective measures and shall re-apply for the license in accordance with the law if necessary. For packaging materials with direct contact with food and other food-related products with higher risks, the production licensing shall be implemented in accordance with the relevant administrative provisions of the State on production licenses for industrial products. Food producers and operators engaging in food production and operation activities without obtaining a food production permit or those engaging in the production activities of food additives without obtaining a food additive production license, may be subject to confiscation of illegal gains, illegally produced and operated food and food additive products and tools, facilities and raw materials used for illegal production and operation. In addition, they may be subject to fines, orders of suspension of production and/or operation, detention and even criminal penalties.

On November 29, 2021, the SAMR promulgated the SAMR Announcement on Matters relating to the Record- filing for the Sale of Only Pre-packaged Food (《市場監管總局關於僅銷售預包裝食品備案有關事項的公告》), which stipulates that an entity trading in food but only for sale of pre-packaged food shall apply for the record-filing when registering for market entity registration. The record-filing formalities shall be completed before carrying out such businesses. Those who have obtained food operation licenses are not required to go through the record- filing before the expiration of their food operation licenses.

Food Recall System

On March 11, 2015, the China Food and Drug Administration (currently merged into the SAMR) promulgated the Administrative Measures for Food Recall (《食品召回管理辦法》, the "**Administrative Measures for Recall**") which became effective on September 1, 2015 and amended on October 23, 2020.

According to the Administrative Measures for Recall, where food operators find that the food involved thereby is unsafe, they must immediately suspend the operations, inform relevant food producers and operators of the suspension of production and operation, recommend consumers stop eating, and take necessary measures to prevent and control food safety risks. Food producers knowing that any food produced and traded thereby is unsafe must voluntarily recall such food. Food producers and operators must faithfully record the name, trademark, specification, production date, batch number, quantity and other contents of unsafe food subject to the suspension of production and operation, recall and disposal. Records must be kept for at least two years.

Where food operators violate the Food Safety Law and the Administrative Measures for Food Recall and do not immediately suspend operation or voluntarily recall unsafe food, follow the prescribed time limit to activate recall procedures, recall unsafe food products in accordance with the recall plan or dispose of unsafe food products, the food and drug administrative authorities shall issue warnings to them and impose fines between RMB5,000 and RMB30,000 on them.

LAWS AND REGULATIONS ON FEED PRODUCTION

According to the Regulations on Administration of Feed and Feed Additives (《飼料和飼料添加劑管理條例》), which became effective on May 29, 1999 and latest amended on March 1, 2017, and the Measures for the Administration of Feed and Feed Additives Production Licensing (《飼料和飼料添加劑生產許可管理辦法》), which became effective on July 1, 2012 and latest amended on January 7, 2022, applicants for the establishment of feed, including single ingredient feed, concentrated feed, compound feed and concentrate supplement, production enterprises shall file applications with the feed administration departments under people's governments of provinces, autonomous regions and municipalities directly under the central government for a production license. Such production license is valid for a period of five years.

LAWS AND REGULATIONS ON ONLINE RETAIL BUSINESS

According to the E-Commerce Law of the PRC (《中華人民共和國電子商務法》) which was promulgated by the NPCSC on August 31, 2018 and became effective on January 1, 2019, e-commerce operators refer to 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, including e-commerce platform operators, intraplatform business operators and other e-commerce operators that sell commodities or offer services through a self-built website or other network services. An e-commerce operator shall, in business operation, abide by the principles of voluntariness, equality, fairness and good faith, observe the law and business ethics, fairly participate 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 quality of products or services and accept the supervision by the government and the public.

E-commerce operators shall complete the market entity registration (unless no such registration is required by laws and administrative regulations) and obtain the relevant administrative licenses for conducting those operational activities which are required by law to obtain administrative licenses. Commodities sold or services offered by e-commerce operators shall meet the requirements to protect personal and property safety and the environmental protection requirements, and e-commerce operators shall not sell or provide any commodity or service prohibited by laws and administrative regulations. E-commerce operators shall (including without limitation): (i) continuously display its business license information and administrative license, or relevant information which indicates that it does not need to complete the market entity registration in a prominent position on its homepage; (ii) disclose information about commodities or services in a comprehensive, truthful, accurate and timely manner so as to safeguard the consumers' right to know and right of choice; (iii) deliver commodities or services according to its commitment or the ways and time limits as agreed upon with consumers, and bear the risks and responsibilities when commodities are in transit; and (iv) bring the tie-in sales of commodities or services to consumers' attention in significant manner and shall not set tie-in commodities or services as default options. Where an e-commerce operator ceases to engage in e-commerce business, it shall continuously announce relevant information in a prominent position on its homepage 30 days in advance.

According to the Administrative Measures for the Supervision on Online Trading (《網絡交易監督管理辦法》) which was promulgated by the SAMR on March 15, 2021 and became effective on May 1, 2021 and amended on March 18, 2025, e-commerce operators shall obtain relevant administrative licenses required by law.

LAWS AND REGULATIONS RELATING TO FOREIGN TRADE

The Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》, the "**Foreign Trade Law**") governs the order of foreign trade. The Foreign Trade Law was promulgated by NPCSC on May 12, 1994, and amended on April 6, 2004, November 7, 2016, and December 30, 2022, respectively. In the latest 2022 amendments, the NPCSC deleted the requirements of Filling Records for foreign trade operators.

According to the Customs Law of the People's Republic of China (《中華人民共和國海關法》, the "**Customs Law**") which was promulgated by NPCSC on January 22, 1987, became effective on July 1, 1987, and latest amended on April 29, 2021, where a consignee or consignor of import or export goods or a Customs clearing enterprise go through Customs declaration procedures, they shall file for record with the Customs in accordance with law.

According to the Announcement of General Administration of Customs on Matters Related to the Merger of Enterprise Customs Declaration and Inspection Qualification (《海關總署關於企業報關報檢資質合併有關事項的公告》), the enterprise filed for record with the Customs could acquire the import and export inspection and quarantine record and consignee or consignor record at the same time.

Pursuant to the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), which was promulgated by the General Administration of Customs on November 19, 2021 and effective from January 1, 2022, customs declaration entities refer to the consignees and consignors of import and export goods and customs declaration enterprises recorded with the customs. If the consignees and consignors of import and export goods and customs declaration enterprises apply for recordation, they shall obtain the qualification of market entities; among them, if the consignees and consignors of import and export goods apply for recordation, they shall also obtain the recordation of the foreign trade operators. The recordation of the customs declaration entities is valid for a long period of time, while the temporary recordation is valid for one year, after the expiry re-application of recordation can be made.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the NPCSC on February 22, 1993 and most recently amended on December 29, 2018 and effective from the same date, producers shall be responsible for the quality of their products and sellers shall adopt measures to maintain the quality of products for sale. Where a defective product causes physical injury or damage to a third-party's property, the victim may claim compensation from the manufacturer or the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer, and *vice versa*, if the manufacturer pays compensation and it is the seller that is liable, the manufacturer has a right of recourse.

LAWS AND REGULATIONS ON CONSUMER RIGHTS AND BENEFITS

The principal legal provisions for the protection of consumer interests are set out in the PRC Consumer Rights and Interests Protection Law (the "**Consumer Protection Law**") (《中華人民共和國消費者權益保護法》), which was promulgated on October 31, 1993, and came into effect on January 1, 1994, and was subsequently amended in 2009 and 2013. Pursuant to the Consumer Protection Law, business operators must guarantee that the commodities they sell satisfy the requirements for personal or property safety, provide consumers with authentic information about the commodities, and guarantee the quality, function, usage, and term of validity of the commodities. Failure to comply with the Consumer Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacing or repairing the commodities, mitigating the damages, compensation, and restoring the reputation, and subject the business operators or the responsible individuals to criminal penalties if business operators commit crimes by infringing the legitimate rights and interests of customers.

LAWS AND REGULATIONS ON INFORMATION SECURITY AND DATA PRIVACY

On May 28, 2020, the NPC approved the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**"), which has come into effect on January 1, 2021. Pursuant to the Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or make public personal information of others.

On November 7, 2016, the NPCSC promulgated the PRC Cyber Security Law (《中華人民共和國網絡安全法》, the "**Cyber Security Law**"), which became effective on June 1, 2017. The Cyber Security Law requires network operators to perform certain functions related to cybersecurity protection and strengthen the network information management. For instance, under the Cyber Security Law, when collecting and using personal information, in accordance with the Cyber Security Law, network operator shall abide by the "lawful, justifiable and necessary" principles. Network operator shall collect and use personal information by announcing rules for collection and use, expressly notify the purpose, methods and scope of such collection and use, and obtain the consent of the person whose personal information is to be collected. Network operator shall not disclose, tamper with or destroy personal information that it has collected, or disclose such information to others without prior consent of the person whose personal information has been collected, unless such information has been processed to prevent specific person from being identified and such information from being restored.

On June 10, 2021, the NPCSC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which became effective on September 1, 2021. It stipulates that each organization or individual collecting data shall adopt legal and proper methods, and shall not steal or obtain data by other illegal methods, and the data processing activities shall comply with laws and regulations, respect social mores and ethics, comply with commercial ethics and professional ethics, be honest and trustworthy, perform obligations to protect data security, and undertake social responsibility. Besides, it is necessary to establish and improve a whole-process data security management system in accordance with the provisions of laws and regulations, organize and carry out data security education and training, and adopt corresponding technical measures and other necessary measures to ensure data security. The use of the Internet and other information networks to carry out data processing activities shall perform the above-mentioned data security protection obligations on the basis of the network security level protection system.

On August 20, 2021, the NPCSC issued the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) (the "**PIPL**"), which integrates the scattered rules with respect to personal information rights and privacy protection. The PIPL aims to protect the rights and interests of personal information, regulate the processing of personal information, safeguard the orderly and free flow of personal information in accordance with the law, and promote the rational use of personal information. The PIPL establishes a comprehensive system of rules for the processing of personal information, including that the processing of personal information shall have a clear and reasonable purpose, that the processing of sensitive information is subject to additional protection, that the provision of personal information to outsiders and the entrusted processing of personal information requires the signing of a special agreement to ensure security, that the preservation, deletion, disclosure and automated decision-making of personal information should comply with special rules, and that processors of personal information should have appropriate organizational, institutional and technical measures in place. The PIPL provides four compliance approaches for the cross-border transfer of personal information, namely, passing the data cross-border transfer security assessment organized by the Cyberspace Administration of China (the "**CAC**"), entering into a contract with the overseas recipient under the standard contract formulated by the CAC, applying for Personal Information Protection Certification (《個人信息保護認證》), and complying with international treaties or agreements concluded by China or to which it is a party. Processing of personal information in violation of the provisions of the PIPL or failure to comply with the relevant personal information protection obligations will result in the relevant entity being subject to warnings, fines, suspension of business for rectification, revocation of business permits and business licenses, and/or even being pursued for criminal liability.

With regard to data processing activities closely related to national security, public interests and personal rights and interests as mentioned in the forementioned laws, provisions such as the Critical Information Infrastructure Protection Regulations (《關鍵信息基礎設施安全保護條例》), the Measures for Cross-border Data Transfer Security Assessment (《數據出境安全評估辦法》), and the Measures for the Standard Contract for the Cross-border Transfer of Personal Information (《個人信息出境標準合同辦法》) have been introduced in succession to strengthen data regulation in terms of the identity of data processors, data types and special data processing activities.

On December 28, 2021, a number of departments, including the Ministry of State Security, jointly issued the Cybersecurity Review Measures (《網絡安全審查辦法》), which came into effect on February 15, 2022. The Cybersecurity Review Measures stipulate that critical information infrastructure operators procuring network products and services and network platform operators conducting data processing activities that influence or may influence national security should be subject to rigorous cybersecurity review by the Cybersecurity Review Office set up by the CAC. In addition, network operators holding the personal information of more than 1 million users and newly listing on foreign markets must report for cybersecurity review with the Cybersecurity Review Office. If network products and services, data-processing activities or foreign listing acts affect or may affect national security, the Network Security Review Office, after reporting to the Central Cyberspace Affairs Commission for approval, may conduct a cybersecurity review in accordance with the provisions of the Cybersecurity Review Measures. Pursuant to the Cybersecurity Review Measures, any violation is subject to penalties under the Cybersecurity Law and the Data Security Law, including government enforcement actions and investigations, fines, penalties, and suspension of non-compliant operations.

On September 24, 2024, the State Council of China promulgated the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》), which came into effect on January 1, 2025. According to the Administration Regulations on Cyber Data Security, where network data handlers carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations.

On March 22, 2024, the CAC promulgated the Provisions on Facilitating and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》), which came into effect on the date of publication. The Provisions on Facilitating and Regulating Cross-Border Data Flows update the Measures for Cross-border Data Transfer Security Assessment and the Measures for the Standard Contract for the Cross-border Transfer of Personal Information previously implemented by the CAC, clarifying the criteria for declaring the important data cross-border transfer security assessment, and proposing that a data processor does not need to declare the security assessment of cross-border data transfer if the data processor has not been notified by the relevant department or region or has been publicly released as important data.

REGULATIONS ON OVERSEAS SECURITIES OFFERING AND LISTING

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") promulgated Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and five supporting guidelines, which came into effect on March 31, 2023.

Pursuant to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either directly or indirectly, are required to fulfill the filing procedure with the CSRC and report the relevant information through filing reports and legal opinions. The Overseas Listing Trial Measures provides that an overseas listing or offering is explicitly prohibited, if any of the following: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as scrutinized and determined in accordance with law by competent authorities under the State Council; (iii) the domestic company intending to make the securities offering and listing, or the controlling shareholder(s) and the actual controller of such company, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

The Overseas Listing Trial Measures also provides that the overseas securities offering and listing will be deemed as an indirect overseas offering by PRC domestic companies if (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year are accounted for by PRC domestic companies; and (ii) the issuer's principal business activities are conducted in the PRC, or its principal place(s) of business are located in the PRC, or the senior executives responsible for its business operations and management are mostly Chinese citizens or persons domiciled in the PRC. Where an issuer submits an application for offering or listing to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted to the overseas regulators. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on any material events, such as change of control, investigation or punishment taken by overseas securities regulatory authorities or other competent authorities, change of listing status or listing plate, or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

If domestic companies fail to fulfill the above-mentioned filing procedures or offer and list in an overseas market against the prohibited circumstances, they would be ordered to rectify, warned, and fined between RMB1 million and RMB10 million. The directly liable personnel would be warned and fined between RMB0.5 million and RMB5 million. The controlling shareholders and actual controllers of such domestic companies that organize or instruct the aforementioned violations would be warned and fined between RMB1 million and RMB10 million. The directly liable personnel would be fined between RMB0.5 million and RMB5 million. The securities companies and securities service providers failing to supervise the domestic companies for compliance of relevant rules would be warned and fined between RMB0.5 million and RMB5 million. The directly liable personnel would be warned and fined between RMB0.2 million and RMB2 million. Also, if there are any false records, misleading statement or any material omission in the filing documents, the domestic companies would be ordered to rectify, warned, and fined between RMB1 million and RMB10 million. The directly liable personnel would be imposed warnings and fined between RMB0.5 million and RMB5 million. The controlling shareholders and actual controllers of such domestic companies who organize or instruct the aforementioned violations or conceal the relevant matters leading to the occurrence of the aforementioned violations would be warned and fined between RMB1 million and RMB10 million. The directly liable personnel would be fined between RMB0.5 million and RMB5 million. The securities companies or securities service providers who fail to act with due diligence, make false records, misleading statements or material omissions in the documents produced and issued domestically, or in the documents produced and issued overseas which led to disruption of the domestic market order and infringement on the lawful rights and interests of domestic investors, would be, amongst others, fined up to 10 times of the service fees or between RMB0.5 million and RMB5 million if there are no service fees or the service fees are less than RMB0.5 million. The directly liable personnel would be warned and fined between RMB0.2 million and RMB2 million.

On February 24, 2023, the CSRC and other three relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》, the "**Archives Rules**"). Pursuant to the Archives Rules where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

LAWS AND REGULATIONS ON ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》, the "**Environmental Protection Law**") was promulgated and effective on December 26, 1989, and amended on April 24, 2014. This legislation has been formulated for the purpose of protecting and improving both the living environment and the ecological environment, preventing and controlling pollution, other public hazards and safeguarding people's health.

According to the provisions of the Environmental Protection Law, in addition to other relevant laws and regulations of the PRC, the Ministry of Environmental Protection and its local counterparts take charge of administering and supervising said environmental protection matters. According to the provisions of the Environmental Protection Law, the environmental impact statement shall be made for any such construction project and construction projects which have not carried out environmental impact assessment shall not commence construction.

Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal part of the project. Installations for the prevention and control of pollution shall not be dismantled or left idle without authorization.

The Environmental Protection Law makes it clear that the liabilities for any violation of said law include, fine, rectification within a time limit, compulsory ceasing of operations, compulsory shutout or closedown, restitution, or even criminal punishment.

Environmental Impact Assessment and Completion Acceptance

According to the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》) promulgated by the NPCSC on October 28, 2002, and latest amended on December 29, 2018, and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and amended on July 16, 2017 and effective on October 1, 2017, and the Interim Measures for the Acceptance Examination of Environmental Protection Facilities of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the Ministry of Environmental Protection (currently known as the Ministry of Ecology and Environment) on November 20, 2017, the State implements classified management on the environmental impact assessment of construction projects in accordance with the degree of impact of construction projects on the environment. Construction entities shall organize the preparation of environmental impact report, environmental impact statement, or filling in environmental impact registration form in accordance with the degree of impact of construction projects on the environment. According to the Regulations on the Administration of Construction Project Environmental Protection, where a construction entity put the construction project into production or use while the complementary environmental protection facilities of a construction project are not constructed or have not undergone acceptance inspection or do not pass acceptance inspection, the ecological environment authorities at the county level or above shall order it to make correction within a stipulated period and impose a fine ranging from RMB200,000 to RMB1 million; where correction is not made within the stipulated period, a fine ranging from RMB1 million to RMB2 million shall be imposed; for the person-in-charge and other responsible personnel, a fine ranging from RMB50,000 to RMB200,000 shall be imposed; where the construction project causes significant environmental pollution or ecological damage, the production or use shall be suspended, or the project shall be closed down upon approval by the competent government.

Pollutant Discharge Permit

According to the Law on Prevention and Control of Water Pollution of the PRC (《中華人民共和國水污染防治法》) promulgated on May 11, 1984 and most recently amended on June 27, 2017, and the Environmental Protection Law, and the Administrative Measures for Pollutant Discharge Permit (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024, the Ministry of Ecology and Environment and its local counterparts at or above county level shall take charge of the administration and supervision on the matters of prevention and control of water pollution. The State implements a pollutant discharge permit management system and enterprises and other production operators that are included in the classification management catalog of pollutant discharge permits for stationary pollution sources shall apply for and obtain a pollutant discharge permit, and the pollutant discharge entities that are not included in the scope are not required to apply for a pollutant discharge permit for the time being.

Pursuant to the Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste of the PRC (《中華人民共和國固體廢物污染環境防治法》), which was promulgated by the NPCSC in 1995 and was latest amended on April 29, 2020, all enterprises and individuals generating or engaging in the collection, storage, transport, utilization or disposal of solid wastes shall adopt measures to prevent or reduce environmental pollution by solid wastes and shall bear liability for any resulting environmental pollution in accordance with the law. In accordance with the Catalog of Classified Management of Pollutant Discharge Permits for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) promulgated by the Ministry of Ecology and Environment on December 20, 2019, the State implements key management, simplified management and registration management of pollutant discharge permits based on factors such as the amount of pollutants generated and discharged, the degree of impact on the environment. The pollutant discharge entity that generates or discharges very small amount of pollutants and has small impact on the environment shall be implemented registration management, and is not required to apply for a pollutant discharge license, but shall fill in the pollutant discharge registration form on the national pollutant discharge license management information platform.

LAWS AND REGULATIONS ON LANDS AND HOUSES

According to the Civil Code of the PRC, which became effective on January 1, 2021, the owner has the right to possess, use, benefit and dispose of his/her movable and immovable properties. The lessee may sublet the leased property to a third party with the consent of the lessor. If the lessee sublets, the lease contract between the lessee and the lessor continues to be valid. If the lessee sublets without the lessor's consent, the lessor has the right to terminate the lease. In addition, if there is a change of ownership of the leased property during the period of the lessee's occupation under the lease contract, this will not affect the validity of the lease contract.

According to the Land Administration Law of PRC (《中華人民共和國土地管理法》, the "**Land Administration Law**"), as promulgated by the NPCSC on June 25, 1986, latest amended on August 26, 2019, the land can be classified by use into agricultural land, construction land, and unused land. The construction land can be further classified into state-owned and collectively managed construction land, and land users may obtain the land use right of the construction land according to the Land Administration Law. The registration of ownership and use rights of land shall be carried out in accordance with the laws and administrative regulations on the registration of immovable property. The planning period of the general land use plan shall be prescribed by the State Council. General land use plans are subject to a hierarchy of approvals. Amendments to the approved general land use plan shall be approved by the original approving authority. Without such approval, the uses of land determined in the general land use plan shall not be modified. The State has established a land survey system, a land statistics system and a national land management information system to dynamically monitor land utilization.

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), as promulgated by the NPCSC on October 28, 2007, latest amended on April 23, 2019, a construction work planning permit must be obtained from the competent urban and rural planning government authority for the construction of any structure, fixture, road, pipeline or other engineering projects within an urban or rural planning area. After obtaining a construction work planning permit, subject to certain exceptions, a construction enterprise must apply for a construction work commencement permit from the construction authority under the local people's government at the county level or above in accordance with the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the NPCSC, on November 1, 1997 and latest amended on April 23, 2019. According to the Rules on the Administration of Construction Quality (《建設工程質量管理條例》) which was promulgated by the State Council on January 30, 2000 and latest amended on April 23, 2019, and the Administrative Measures for Filing of the Inspection and Acceptance on Construction Completion of Buildings and Municipal Infrastructures (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) which was promulgated by the former Ministry of Construction on April 4, 2000 and latest amended on October 19, 2009, upon the completion of a construction project and before it is delivered for use, the construction enterprise shall organize the design, construction, and project supervision entities, as well as other relevant entities, to conduct an acceptance inspection. They must then submit the acceptance inspection report, along with the approval and licensed use documents issued by the departments of planning, public security, fire prevention, environmental protection, and so on, to the construction administrative department or other relevant departments for record-filing.

In addition, according to the Fire Control Law of the People's Republic of China (《中華人民共和國消防法》), promulgated by the NPCSC on April 29, 1998, and most recently amended on April 29, 2021, and the Interim Provisions on the Management of Fire Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), promulgated by the former Ministry of Construction on April 1, 2020, and most recently amended on August 21, 2023, upon completion of special construction projects, the construction enterprise shall apply to the competent authorities of housing and urban-rural development for fire safety inspection and acceptance ("**Fire Acceptance**"). For other construction projects outside of special construction projects, upon completion, the construction unit shall file a record with the competent authorities of housing and urban-rural development after acceptance, and the competent authorities of housing and urban-rural development shall conduct spot checks. Special construction projects that are required by law to undergo Fire Acceptance shall not be put into use without Fire Acceptance or if the Fire Acceptance is unqualified. Other construction projects that fail the spot check shall be stopped from use. For special construction projects that are required by law to undergo Fire Acceptance, if they are put into use without Fire Acceptance or if the Fire Acceptance is unqualified, or for other construction projects that fail the spot check after acceptance and are not stopped from use, the competent authorities of housing and urban-rural development shall, within their jurisdiction, order the cessation of construction, use, or business operations, and impose a fine ranging from RMB30,000 to RMB300,000. Furthermore, for other construction projects, if the construction enterprise fails to file a record with the competent authorities of housing and urban-rural development as required by law after acceptance, the competent authorities of housing and urban-rural development shall order the correction and impose a fine of up to RMB5,000.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed on each lease agreement.

LAWS AND REGULATIONS ON LABOR

According to the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**"), which was implemented on January 1, 2008 and amended on December 28, 2012, labor contracts must be concluded in writing if labor relationships are to be or have been established between enterprises or institutions and the laborers. Enterprises and institutions are forbidden to force the laborers to work beyond the time limit and the employers must pay laborers compensation for working overtime in accordance with national regulations. Labor wages must not be lower than local minimum wage standards and must be paid to the laborers in a timely manner. According to the Labor Law of the PRC (《中華人民共和國勞動法》) effective as of January 1, 1995, as amended on August 27, 2009 and December 29, 2018, enterprises and institutions must establish and perfect their system of work place safety and sanitation, strictly abide by state rules and standards and educate laborers regarding the same. Workplace safety and sanitation facilities must comply with state-fixed standards.

Production Safety Law

Pursuant to the Law on Work Safety of the PRC (《中華人民共和國安全生產法》) (the "**Law on Work Safety**",) effective on November 1, 2002 and amended on August 27, 2009, August 31, 2014 and June 10, 2021 respectively, enterprises engaged in production activities must strengthen safety production management, establish and improve the responsibility system for safe production and ensure a safe production environment. The State establishes and implements a system for the accountability of production safety accidents. If the company fails to comply with the provisions of the Law on Work Safety, the supervisory authority on production safety may issue a rectification order, impose a fine, order the company to cease production and operation, or revoke the relevant permit.

Regulations on Social Insurance and Housing Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) effective as of July 1, 2011 and as amended on December 29, 2018, the Regulations on Occupational Injury Insurance (《工傷保險條例》) effective as of January 1, 2004 and as amended on December 20, 2010, the Regulations on Unemployment Insurance (《失業保險條例》) effective as of January 22, 1999, the Interim Measures concerning Maternity Insurance for Enterprise Employees (《企業職工生育保險試行辦法》) effective as of January 1, 1995, the Interim Regulations concerning the Levy of Social Insurance (《社會保險費徵繳暫行條例》) effective as of January 22, 1999 and as amended on March 24, 2019 and the Regulations concerning the Administration of Housing Fund (《住房公積金管理條例》) effective as of April 3, 1999, and amended on March 24, 2002 and March 24, 2019, enterprises and institutions in the PRC must provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance, as well as a housing fund and other welfare plans.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Trademarks

Trademarks are protected by the PRC Trademark Law (《中華人民共和國商標法》) which was promulgated in 1982 and subsequently amended in 1993, 2001, 2013 and 2019, respectively, as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) promulgated in 2002 and amended in 2014 by the State Council. The Trademark Office under National Intellectual Property Administration (the "**NIPA**") handles trademark registrations and grants a term of ten years to registered trademarks which may be renewed for consecutive ten-year periods upon request by the trademark owner. The trademark registrant may, by concluding a trademark licensing contract, authorize other persons to use the registered trademark. The licensor shall supervise the quality of the goods for which the licensee uses the licensor's registered trademark, and the licensee shall guarantee the quality of the goods for which the registered trademark is used. The party authorized to use another's registered trademark must indicate the name of the licensee and the place of origin on the goods that bear the registered trademark. When granting others use of the registered trademarks, the licensor shall file the trademark license with the Trademark Office for their records, and the Office shall announce the same. Without putting the trademark license on record, the trademark may not be used to defend a *bona fide* third party.

Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》, the "**Patent Law**"), promulgated by the NPCSC on March 12, 1984, and latest revised on October 17, 2020 and came into effect on June 1, 2021, and the Rules for the Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, latest amended on December 11, 2023 and became effective on January 20, 2024, the patent administrative department under the State Council is responsible for administration of patent-related work nationwide. The patent administration departments of province or autonomous regions or municipal governments are responsible for administering patents within their respective jurisdictions. The PRC Patent Law and its implementation rules divide patents into three types, "invention," "utility model" and "design." Invention patents are valid for twenty years, while design patents are valid for fifteen years and utility model patents are valid for ten years, from the date of application. The patentee shall pay an annual fee commencing from the year in which the patent right is granted. The PRC patent system adopts a "first come, first file" principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who files the application first. A third-party player must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the use constitutes an infringement of the patent rights.

Domain Names

The Measures for the Administration of Internet Domain Names (the "**Domain Name Measures**", 《互聯網域名管理辦法》) was promulgated by the Ministry of Industry and Information Technology of the PRC (the "**MIIT**") in 2017, which adopts "first to file" rule to allocate domain names to applicants, and provide that the MIIT shall supervise the domain names services nationwide and publicize the PRC domain name system. After completion of the registration procedures, the applicant will become the holder of the relevant domain name.

The Copyright

The PRC has enacted various laws and regulations relating to copyright protection. The Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated on September 7, 1990, latest amended on November 11, 2020 and became effective from June 1, 2021 by the NPCSC, provides that PRC citizens, legal persons, or other organizations, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology, and computer software. The term "copyright" includes moral rights and economic rights, and anyone who commits copyright infringement is subject to civil liability.

Where the right licensed is an exclusive licensing right, the contracts shall be made in writing, except in cases where works are to be published by newspapers and periodicals according to the Implementing Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》), which was promulgated by State Council on August 2, 2002, latest amended on January 30, 2013 and became effective on March 1, 2013. Any person, who concludes an exclusive licensing contract or assignment contract with a copyright owner, may submit, for filing, the contractual documents to the copyright administrative department.

The Regulations on Computer Software Protection (《計算機軟件保護條例》), which was promulgated on June 4, 1991, amended on January 30, 2013 and became effective on March 1, 2013 by the State Council, stipulates that Chinese residents, legal entities or other organizations enjoy copyright in the software which they have developed, whether published or not, and a software copyright owner may register it with the software registration institution recognized by the copyright administration department of the State Council. The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration on February 20, 2002 with immediate effect, regulates registration of software copyright, exclusive licensing contracts for software copyright and transfer contracts. The Copyright Protection Center of China (the "**CPCC**") is the designated software registration authority. The CPCC grants registration certificates to computer software copyright applicants which conform to the provisions of both the Regulations on Computer Software Protection and the Measures for the Registration of Computer Software Copyright.

The PRC is also a signatory to some major international conventions on the protection of copyright. For example, the PRC became a member of the Berne Convention for the Protection of Literary and Artistic Works in October 1992, the Universal Copyright Convention in October 1992, and the Agreement on Trade-Related Aspects of Intellectual Property Rights in December 2001. According to these conventions, a qualified foreign copyright owner may enjoy certain copyright in China and a copyright owner in China may also acquire specific foreign copyright protection.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》), as amended in August 5, 2008, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the State Administration of Foreign Exchange (the "**SAFE**") or its designated banks is obtained.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign exchange capital and external debts and funds recovered from overseas listing) may convert from foreign currency into RMB on a self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under the domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

According to the Notice of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on October 23, 2019 and amended by SAFE Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) which was promulgated on December 4, 2023, foreign-invested enterprises engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to the law on the condition that the current Special Administrative Measures for Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

LAWS AND REGULATIONS ON TAXES

Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), which became effective on January 1, 2008 and was latest amended on December 29, 2018, and the Regulations on the Implementation of EIT Law (《中華人民共和國企業所得稅法實施條例》) which was promulgated by the State Council on December 6, 2007, came into effect on January 1, 2008 and was latest amended on November 22, 2024, enterprises are classified as resident enterprises and non-resident enterprises. Enterprises which are established in China in accordance with PRC laws or established pursuant to foreign laws with their "de facto management bodies" located in the PRC are deemed a "resident enterprise" and subject to an enterprise income tax rate of 25% on their global income. Non-resident enterprises are subject to (i) an enterprise income tax rate of 25% on their income generated by their establishments or places of business in the PRC and their income derived outside the PRC which are effectively connected with their establishments or places of business in the PRC; and (ii) an enterprise income tax rate of 10% on their income derived from the PRC but not connected with their establishments or places of business located in the PRC. Non-resident enterprises without establishment or place of business in the PRC are subject to an enterprise income tax of 10% on their income derived from the PRC. High and new technology enterprises that need the support of the country are entitled to enjoy the reduced enterprise income tax rate of 15%.

Value-Added Tax ("VAT")

According to the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated on December 13, 1993 and latest amended on November 19, 2017, together with the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated on December 25, 1993, came into effect on the same day and was amended on December 15, 2008 and October 28, 2011 with effect from November 1, 2011, entities and individuals engaged in selling goods or labor services of processing, repair or maintenance, selling services, intangible assets or immovables within the PRC or importing goods to the PRC are subject to the payment of value-added tax. Pursuant to the Notice of the Ministry of Finance of the PRC and the SAT on Adjusting Value-Added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) effective on May 1, 2018, a taxpayer who was previously subject to a 17% tax rate on VAT-taxable sales activities shall have the applicable tax rate adjusted to 16%. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), which came into effect on April 1, 2019, for VAT-taxable sales or imported goods of a VAT general taxpayer previously subject to VAT tax rate of 16%, the tax rate shall be adjusted to 13%.

REGULATIONS ON DIVIDEND DISTRIBUTION

The principal regulations governing dividends distributions by companies is the PRC Company Law. PRC companies are required to set aside as general reserves at least 10% of their after-tax profit, until the cumulative amount of their reserves reaches 50% of their registered capital. PRC companies are not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

OVERVIEW

The Group's history traces back to December 2001, when the Company was established as a limited liability company under the laws of the PRC with the name of Xiamen Huashun Minsheng Food Co., Ltd. (廈門華順民生食品有限公司). We started the journey to achieve market leadership from the establishment of a nationwide brand of quick-frozen flavored and processed products, followed by the launch of quick-frozen flour and rice products with a differentiated strategy in 2007 during our brand building period from 2001 to 2011. We established leadership in the quick-frozen flavored and processed products market in 2015 with four widely popular products each making a significant revenue, and a nationwide sales network of approximately 500 distributors. In 2018, we strategically entered the quick-frozen prepared dishes market to further strengthen our leading position. After over 20 years of development, we have become the largest quick-frozen food company in China in terms of revenue in 2024, and ranked first in the quick-frozen flavored and processed food market in China in 2024 and in the quick-frozen prepared dishes market in China in 2024, according to Frost & Sullivan.

Since February 2017, our A Shares have been listed on the Shanghai Stock Exchange with the stock code of 603345. For details, see "— Corporate Development and Major Shareholding Changes" below.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our Group's key corporate and business development milestones:

Year	Event
2001	In December, we started our business and operation in Xiamen, Fujian.
2010	In October, our "Anjoy" trademark was recognized as a "Well-known Trademark of China" by the State Administration for Industry and Commerce.
2011	In March, our Company was converted into a joint stock company with limited liability.
2012	In December, our new production base in Wuxi was put into operation.
2013	In August, we were awarded with Industry Leading Brand in Chinese Frozen Food by the Steering Committee of the Sixth China Frozen Food Industry Conference.
2014	In November, we were recognized as a National Key Leading Enterprise in Agricultural Industrialization.
2015	In December, our R&D center was recognized as a National Enterprise Technology Center.
2016	In December, we were awarded with Most Influential Aquatic Products Enterprise and Brand by China Aquatic Products Processing and Marketing Alliance.

Year	Event
2017	In February, our A Shares were listed on the Shanghai Stock Exchange. In March, our R&D laboratory in Xiamen was accredited as a "CNAS National Laboratory" by China National Accreditation Service for Conformity Assessment.
2018	In July, we conducted public issuance of the 2018 Convertible Bonds of RMB500 million.
2020	In July, we conducted public issuance of the 2020 Convertible Bonds of RMB900 million. We became the largest quick-frozen food company in China in terms of annual revenue for the first time, according to Frost & Sullivan.
2021	In March, we expanded our footprints into the overseas market by acquiring a majority interest in Oriental Food Express Limited, the UK's leading producer of Chinese quick-frozen food cuisines with the brand "Kung Fu Food".
2022	In March, we completed a private placement of A Shares, raising net proceeds of over RMB5,600 million.
2023	Our annual production capacity exceeded one million tons for the first time.
2024	In March, we were recognized as "The Top Chinese Prepared Dish Company in 2024" by the Hurun Research Institute.
2025	In February, we were included in the Hurun China 500 of 2024 (2024年胡潤中國500強). We acquired Ding Wei Tai to enhance synergy, strengthen core business, and boost brand and channel development. In April, we were selected for the first batch of China's premium consumer brands by the Ministry of Industry and Information Technology.

OUR PRINCIPAL SUBSIDIARIES

As of the Latest Practicable Date, we had 11 principal subsidiaries and all of them were established in the PRC. The following table sets forth the detailed information of these principal subsidiaries as of the Latest Practicable Date:

Name of Subsidiary	Date of Establishment and Commencement of Business	Equity Interest Attributable to our Group	Registered Capital	Principal Activities
		(%)	*(RMB in million)*	
Wuxi Huashun Minsheng Foods Co., Ltd. (無錫華順民生食品有限公司) ("**Wuxi Huashun**")	December 9, 2005	100.00	500	Food processing and production

Name of Subsidiary	Date of Establishment and Commencement of Business	Equity Interest Attributable to our Group	Registered Capital	Principal Activities
		(%)	(RMB in million)	
Wuxi Anjoy Foods Marketing Co., Ltd. (無錫安井食品營銷有限公司) ("**Wuxi Anjoy Marketing**")	November 5, 2007	100.00	312	Food wholesaling and retailing
Taizhou Anjoy Foods Co., Ltd. (泰州安井食品有限公司) ("**Taizhou Anjoy**")	March 28, 2011	100.00	965	Food processing and production
Liaoning Anjoy Foods Co., Ltd. (遼寧安井食品有限公司) ("**Liaoning Anjoy**")	July 23, 2013	100.00	635	Food processing and production
Sichuan Anjoy Foods Co., Ltd. (四川安井食品有限公司) ("**Sichuan Anjoy**")	May 3, 2016	100.00	810	Food processing and production
Hubei Anjoy Foods Co., Ltd. (湖北安井食品有限公司) ("**Hubei Anjoy**")	November 27, 2017	100.00	500	Food processing and production
Henan Anjoy Foods Co., Ltd. (河南安井食品有限公司) ("**Henan Anjoy**")	October 18, 2018	100.00	930	Food processing and production
Guangdong Anjoy Foods Co., Ltd. (廣東安井食品有限公司) ("**Guangdong Anjoy**")	May 26, 2020	100.00	766	Food processing and production
Shandong Anjoy Foods Co., Ltd. (山東安井食品有限公司) ("**Shandong Anjoy**")	April 2, 2021	100.00	655	Food processing and production
Honghu Xinhongye Food Co., Ltd. (洪湖市新宏業食品有限公司) ("**Honghu Xinhongye**")	October 25, 2017	90.00(1)	80	Food processing and production
Hubei New Liuwu Foodstuff Group Co., Ltd. (湖北新柳伍食品集團有限公司) ("**Hubei New Liuwu**")	July 23, 2019	70.00(2)	260	Food processing and production

Notes:

(1) As of the Latest Practicable Date, Honghu Xinhongye was held by us as to 90% and by Mr. Xiao Huabing (肖華兵), the founder and a director of Honghu Xinhongye, as to 10%.

(2) As of the Latest Practicable Date, Hubei New Liuwu was held by us as to 70% and by Mr. Liu Zhonghu (柳忠虎), the founder, chairman of the board of directors and general manager of Hubei New Liuwu, as to 30%.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Incorporation of our Company in December 2001

In December 2001, our Company was established with an initial registered share capital of RMB2 million contributed by Guoli Minsheng and other then shareholder. The shareholding structure of our Company as of the date of the establishment was as follows:

Name of the Shareholder	Amount of Registered Capital	Approximate Percentage of Shareholding
	(RMB)	*(%)*
Guoli Minsheng[(1)]	1,500,000	75.00
Chen Yongshan (陳永山)[(2)]	500,000	25.00
Total	**2,000,000**	**100.00**

Notes:

(1) Guoli Minsheng is an investment company focusing on equity investment in unlisted and listed enterprises. For the information of Guoli Minsheng, see "Relationship with our Single Largest Shareholder".

(2) Chen Yongshan (陳永山) was then the general manager of the Company and is an Independent Third Party as of the Latest Practicable Date.

Shareholding Changes from 2002 to 2010 and Conversion into a Joint Stock Company in 2011

From April 2002 to November 2010, the Company went through several rounds of capital injection and share transfers, including (i) the capital increase of RMB8 million in April 2002 by then shareholders together with two new shareholders Fuzhou Youkasi Technology Service Co., Ltd. (福州尤卡斯技術服務有限公司) ("**Fuzhou Youkasi**") subscribing RMB2.5 million in cash and Xiamen Huashun Food Industry Co., Ltd. (廈門華順食品工業有限公司) ("**Xiamen Huashun Industry**") subscribing RMB1 million in cash, (ii) the transfer of 25% equity interests held by Fuzhou Youkasi to Guoli Minsheng and the transfer of 15% equity interests held by Chen Yongshan to Guoli Minsheng in October 2002, both at a consideration equivalent to the respective registered capital subscribed by them, (iii) acquisition by Mr. Liu Mingming of 10% equity interests held by Xiamen Huashun Industry and the capital increase of RMB6.75 million subscribed by Guoli Minsheng in cash in December 2003, (iv) the transfer of 19% equity interests held by Guoli Minsheng to Fujian Dongfang Hengji Kemao Co., Ltd. (福建東方恒基科貿有限公司, currently known as Zhongtai Fuli Technology Development Co., Ltd. (中泰富力科技发展有限公司)) ("**Dongfang Hengji**") at a consideration of RMB5.41 million and the transfer of 56% equity interests held by Guoli Minsheng to Mr. Liu Mingming at a consideration of RMB15.946 million in September 2005, (v) the capital increase of RMB20 million in May 2007 subscribed by Guoli Minsheng in cash, (vi) the transfer of 8.66% equity interests held by Dongfang Hengji to Lv Wenbin (呂文斌) at a consideration of RMB8.27463 million, and (vii) the capital increase of RMB33.25 million in November 2010 by then shareholders together with the new shareholders, Mr. Zhang Qingmiao, Mr. Huang Jianlian and Mr. Huang Qingsong. Save for Mr. Liu Mingming, Mr. Zhang Qingmiao, Mr. Huang Jianlian and Mr. Huang Qingsong, each of the aforementioned entities and individuals is an Independent Third Party as of the Latest Practicable Date. In March 2011, our Company was converted into a joint stock company with limited liability with a registered capital of RMB70 million. After the conversion, the shareholding structure of our Company was as follows:

Name of the Shareholder	Number of Shares Held	Approximate Percentage of Shareholding
		(%)
Guoli Minsheng	42,359,400	60.50
Liu Mingming (劉鳴鳴)	12,415,700	17.74
Zhang Qingmiao (張清苗)	5,250,000	7.50
Lv Wenbin (呂文斌)(1)	4,199,900	6.00
Huang Jianlian (黃建聯)	2,887,500	4.13
Huang Qingsong (黃清松)	2,887,500	4.13
Total	**70,000,000**	**100.00**

Notes:

(1) Lv Wenbin is an Independent Third Party as of the Latest Practicable Date.

(2) For the background of the remaining individual shareholders, see "Directors, Supervisors and Senior Management".

Shares Capital Increases prior to the Listing on the Shanghai Stock Exchange

Prior to the listing on the Shanghai Stock Exchange, the Company received investment from external investors including private equity fund and professional equity investment institutions in June 2011, with the subscription of the share capital increase of RMB1.85 million, representing 2.51% shareholding of our Company, at a consideration of RMB30,136,500 by Shenzhen Xiushui Investment Co., Ltd. (深圳秀水投資有限公司), and the share capital increase of RMB1.8 million, representing 2.45% shareholding of our Company, at a consideration of RMB29,322,000 by Shenzhen Tongsheng Chuangye Investment Enterprise (Limited Partnership) (深圳市同盛創業投資企業(有限合夥)). The consideration for the investments was determined based on arm's length negotiations between the relevant parties after taking into account, among others, our then valuation and the business operations and financial performance of our Group. In December 2012, the share capital of our Company increased to RMB162,030,000 by way of a bonus issue on the basis of twelve new Shares for every ten existing Shares held by all then Shareholders by way of conversion of capital reserve.

After the aforesaid share transfers and share capital increases and immediately prior to the listing on the Shanghai Stock Exchange, the shareholding structure of our Company was as follows:

Name of the Shareholder	Number of Shares Held	Approximate Percentage of Shareholding
		(%)
Guoli Minsheng	93,190,600	57.51
Liu Mingming	27,314,500	16.86
Zhang Qingmiao	11,550,000	7.13
Lv Wenbin	9,239,900	5.70
Huang Jianlian	6,352,500	3.92
Huang Qingsong	6,352,500	3.92
Shenzhen Xiushui Investment Co., Ltd. (深圳秀水投資有限公司)(1)	4,070,000	2.51
Shenzhen Tongsheng Chuangye Investment Enterprise (Limited Partnership) (深圳市同盛創業投資企業(有限合夥))(1)	3,960,000	2.45
Total	**162,030,000**	**100.00**

Note:

(1) Each of Shenzhen Xiushui Investment Co., Ltd. and Shenzhen Tongsheng Chuangye Investment Enterprise (Limited Partnership) is an Independent Third Party as of the Latest Practicable Date.

Listing on the Shanghai Stock Exchange in February 2017

As approved by the CSRC, our Company completed the initial public offering and listing of our A Shares on the Shanghai Stock Exchange (stock code: 603345) in February 2017, under which a total of 54,010,000 new A Shares were issued. Immediately following this offering, our registered share capital increased to RMB216.04 million, and the shareholding structure of our Company was as follows:

Name of the Shareholder	Number of Shares Held	Approximate Percentage of Shareholding
		(%)
Guoli Minsheng	93,190,600	43.14
Liu Mingming	27,314,500	12.64
Zhang Qingmiao	11,550,000	5.35
Lv Wenbin	9,239,900	4.28
Huang Jianlian	6,352,500	2.94

Name of the Shareholder	Number of Shares Held	Approximate Percentage of Shareholding
		(%)
Huang Qingsong	6,352,500	2.94
Shenzhen Xiushui Investment Co., Ltd.	4,070,000	1.88
Shenzhen Tongsheng Chuangye Investment Enterprise (Limited Partnership)	3,960,000	1.83
Other Public Shareholders	54,010,000	25.00
Total	**216,040,000**	**100.00**

Since February 2017, our A Shares have been listed on the Shanghai Stock Exchange (stock code: 603345). Our Directors confirmed that we had no instance of non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects since our listing on the Shanghai Stock Exchange and, to the best knowledge of our Directors after having made all reasonable enquiries, there was no material matter that should be brought to investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Based on the filings on the website of the Shanghai Stock Exchange and the information available in the public domain, our PRC Legal Advisor is of the view that the above confirmation of our Directors with regard to our compliance record is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Advisor's view above, nothing has come to the Joint Sponsors' attention that would cause them to cast reasonable doubt on our Directors' confirmation with regard to the compliance record of the Company on the Shanghai Stock Exchange in any material respect.

Issuance of 2018 Convertible Bonds and Redemption

To satisfy funding needs of our Company for the construction of quick-frozen foods production line, in July 2018, we conducted public issuance of convertible bonds of RMB500,000,000.00 at a par value of RMB100 (the "**2018 Convertible Bonds**") and the 2018 Convertible Bonds were listed on Shanghai Stock Exchange (bond code: 113513) on July 31, 2018. The conversion period is from the first trading day after six months from the date of completion of the issuance of the 2018 Convertible Bonds to the maturity date of the 2018 Convertible Bonds, i.e., from January 18, 2019 to July 11, 2024 with the initial conversion price as RMB35.46 per A Share, which was adjusted to RMB35.08 per A Share effective on June 19, 2019 after declaration of dividends for 2018. During the conversion period, the Company has the right to redeem part or all of the 2018 Convertible Bonds at its principal amount together with accrued and unpaid interest if, among others, during the conversion period, if at least fifteen trading day in thirty consecutive trading days the closing price of the A Shares is not lower than 130% of the conversion price. On June 10, 2019, the Board resolved to exercise Company's redemption right as triggered under the aforementioned situation and redeem all the outstanding 2018 Convertible Bonds after close of market on July 4, 2019.

As of July 4, 2019, the 2018 Convertible Bonds in the amount of RMB496,160,000.00 had been converted into 14,026,649 A Shares. The outstanding 2018 Convertible Bonds in the amount of RMB3,840,000.00 were redeemed by the Company on July 5, 2019 at the price of RMB3,853,061.57. Our registered share capital increased to RMB230,066,649 following the conversion and redemption of the 2018 Convertible Bonds. The 2018 Convertible Bonds were delisted on Shanghai Stock Exchange on July 5, 2019.

Restricted Shares Issued under the Restricted Shares Incentive Plan

In November 2019, the Company adopted the 2019 Restricted Shares Incentive Plan to establish and improve the Company's long-term incentive and restraint mechanism. Under the 2019 Restricted Shares Incentive Plan, 6,608,000 restricted A Shares were granted to 255 grantees including connected persons of the Company. Following the completion of the CSDCC registration of the restricted A Shares granted under the 2019 Restricted Shares Incentive Plan, our registered share capital increased to RMB236,674,649. As of the Latest Practicable Date, there was no outstanding restricted A Shares granted under the 2019 Restricted Shares Incentive Plan and the restricted A Shares granted pursuant to the 2019 Restricted Shares Incentive Plan have all been released from the restriction period and have become A Shares with unlimited conditions of sale.

Issuance of 2020 Convertible Bonds and Redemption

To satisfy funding needs of our Company for the construction of various quick-frozen foods production lines of Hubei Anjoy, Henan Anjoy and Liaoning Anjoy, in July 2020, we conducted public issuance of convertible bonds of RMB900,000,000.00 at a par value of RMB100 (the "**2020 Convertible Bonds**") and the 2020 Convertible Bonds were listed on Shanghai Stock Exchange (bond code: 113592) on July 31, 2020. The conversion period is from the first trading day after six months from the date of completion of the issuance of the 2020 Convertible Bonds to the maturity date of the 2020 Convertible Bonds, i.e., from January 14, 2021 to July 7, 2026 with the initial conversion price as RMB115.90 per A Share. During the conversion period, the Company has the right to redeem part or all of the 2020 Convertible Bonds at its principal amount together with accrued and unpaid interest if, among others, during the conversion period, if at least fifteen trading day in thirty consecutive trading days the closing price of the A Shares is not lower than 130% of the conversion price. On February 3, 2021, the Board resolved to exercise Company's redemption right as triggered under the aforementioned situation and redeem all the outstanding 2020 Convertible Bonds after close of market on March 5, 2021.

As of March 5, 2021, the 2020 Convertible Bonds in the amount of RMB898,298,000.00 had been converted into 7,749,711 A Shares. The outstanding 2020 Convertible Bonds in the amount of RMB1,702,000.00 were redeemed by the Company on March 8, 2021 at the price of RMB1,706,256.70. Our registered share capital increased to RMB244,424,360 following the conversion and redemption of the 2020 Convertible Bonds. The 2020 Convertible Bonds were delisted on Shanghai Stock Exchange on March 8, 2021.

Private Placement of A Shares in 2022

In November 2021, our Company obtained approval from the CSRC for a private placement of A Shares, the purpose of which was to fund the quick-frozen food production line construction project and quick-frozen food new construction project. The 48,884,872 new A Shares issued in this private placement were priced at RMB116.08 each, which was determined based on various factors, including the average price of the 20 trading days prior to the pricing date and the subscription of the shares by potential investors. The 48,884,872 new A Shares were eventually placed to 19 investors, including 18 institutional investors who are Independent Third Parties and Mr. Xiao Huabing (肖華兵), the founder and a director of Honghu Xinhongye, raising net proceeds of approximately RMB5,634.57 million, out of which we have utilized approximately RMB1,923.96 million as of December 31, 2024. The net proceeds raised from the private placement have been and will be used for construction of new production lines for quick-frozen food products, expansion of current production lines, techniques upgrade and improvement projects, digitalization, brand profile management and marketing system, and general working capital needs. Following the completion of this private placement of A Shares, our registered share capital increased to RMB293,294,232 in March 2022.

OUR SINGLE LARGEST SHAREHOLDER

As of the Latest Practicable Date, the total issued Shares of our Company was held as to approximately 25.00% by Guoli Minsheng, our Single Largest Shareholder, which was in turn held by Ms. Hang Jianying as to approximately 29.94% and Ms. Lu Qiuwen as to approximately 25.15%, respectively. On September 10, 2023, Ms. Hang Jianying and Ms. Lu Qiuwen entered into a concert party agreement (the "**Acting in Concert Agreement**"), pursuant to which they agreed to act in concert in shareholders' meetings of Guoli Minsheng for five years from the date of the agreement, and Ms. Hang Jianying's decision shall prevail if there is any disagreement between Ms. Hang Jianying and Ms. Lu Qiuwen. Ms. Hang Jianying and Ms. Lu Qiuwen are regarded as the "*de facto* controllers" (實際控制人) of the Company pursuant to the PRC Company Law and the Administration Measures on Takeover of Listed Companies (上市公司收購管理辦法) promulgated by the CSRC since then, and Mr. Zhang Gaolu is no longer the "*de facto controllers*" of our Company as he ceased to hold any equity interests in Guoli Minsheng. In addition, Guoli Minsheng has voluntarily undertaken not to sell any Share in any means held by it from January 25, 2024 to January 24, 2029.

ACQUISITIONS, DISPOSALS AND MERGERS

We have conducted strategic acquisitions to expand our business coverage both horizontally to overseas markets and vertically in upstream raw material supply chain. In August 2021, the Company completed the acquisition of 70% equity interests in Oriental Food Express Limited, a producer of Chinese quick-frozen food cuisines in UK with the brand "Kung Fu Food", through acquisition of 57.5% equity interest from Mr. Dakun Wang, being an Independent Third Party prior to the acquisition, and additional share capital subscription thereof at a total consideration of approximately RMB47,379,900, which was determined based on the valuation of the equity interests acquired as appraised by an independent professional valuer. In August 2022, the Company completed the acquisition of 70% equity interests in Hubei New Liuwu, a leading processor and supplier of quality surimi and crayfish for the Group's production, at a total consideration of RMB644,000,000, which was determined based on the valuation of the equity interests acquired as appraised by an independent professional valuer, from Mr. Liu Zhonghu and Mr. Liu Jing, each being an Independent Third Party prior to the aforementioned acquisition.

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisition, disposal or merger which would fall within the scope of Rule 4.05A of the Listing Rules.

REASONS FOR THE LISTING

Our Company seeks to be listed on the Hong Kong Stock Exchange as the Listing will present us with an opportunity to promote our Group's internationalization strategy and overseas business layout, enhance overseas financing capability of our Company and further improve our comprehensive competitiveness. The Listing will expand our investor base, provide further capital for the development and expansion of our business, broaden our access to capital markets and provide an additional fundraising platform for our Company should the need arise, further strengthen our business profile and market position in the food industry, and enhance our international presence. We aim to continue strengthening our competitive edge in existing business and maintain leading position in the industry, explore more profit growth opportunities, reinforce competitive advantages in domestic and overseas markets, attract talents with global visions and international perspectives and implement our long-term growth strategies for our continuous business development. We currently intend to use the net proceeds from the Global Offering for expanding our sales and distribution network; strengthening our procurement capabilities, optimizing our supply chain and building a supply chain system; digitalizing our business operations; product development and technological innovation; and working capital and general corporate purposes. See "Business — Our Strategies" and "Future Plans and Use of Proceeds" for more details.

2023 SHARE OPTION INCENTIVE PLAN

Our Company adopted the 2023 Share Option Incentive Plan on October 13, 2023. The purpose of the 2023 Share Option Incentive Plan is to promote our long-term incentive mechanism, attract and retain outstanding talents, and effectively combine the interests of Shareholders, the Company and the employees. See "Appendix IV — Statutory and General Information — 2023 Share Option Incentive Plan" for details.

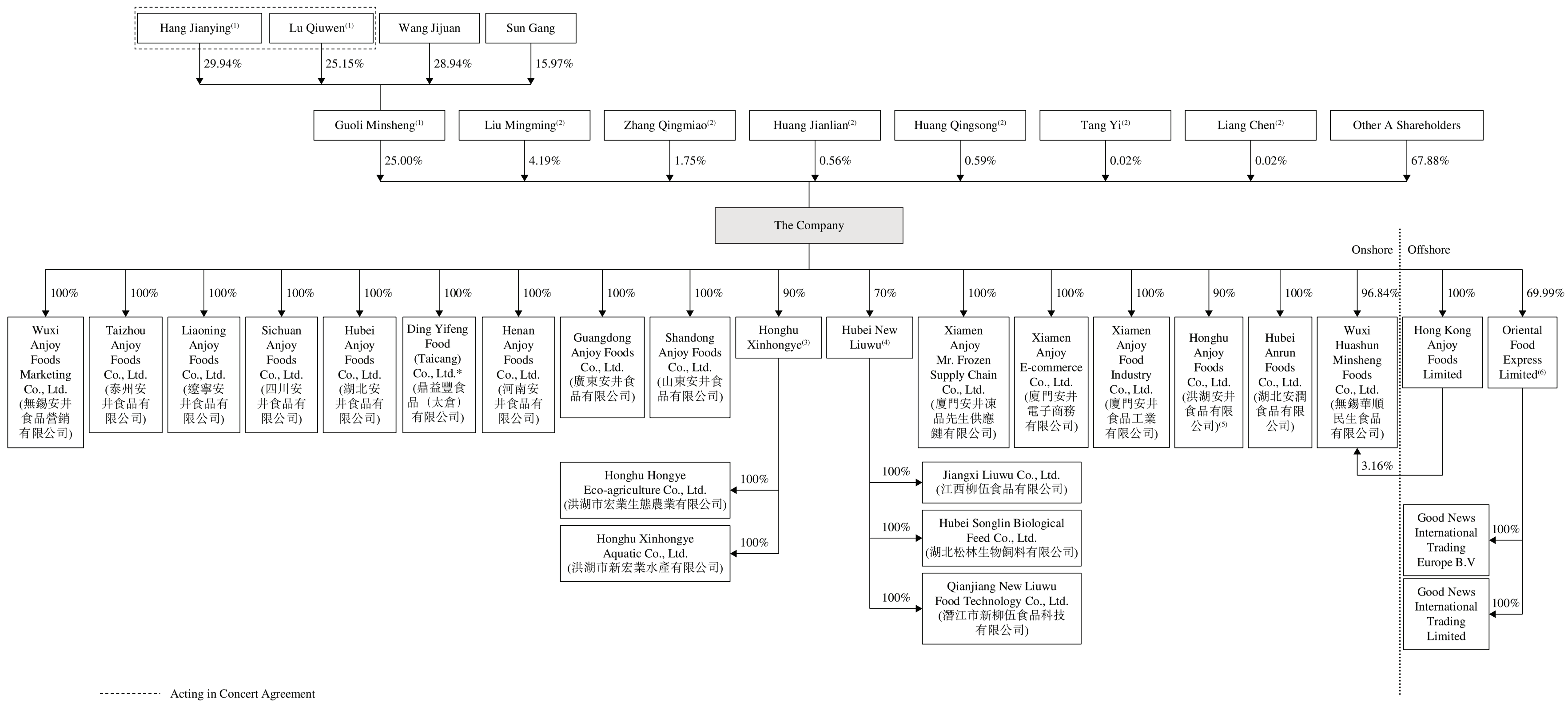
PUBLIC FLOAT

Upon Listing, to the best knowledge of the Company, a total number of 95,099,088 A Shares, representing approximately 28.53% of our Company's total issued Shares (excluding the treasury shares), held by Guoli Minsheng, Mr. Liu Mingming, Mr. Zhang Qingmiao, Mr. Huang Jianlian, Mr. Huang Qingsong, Ms. Tang Yi and Mr. Liang Chen and their respective close associates, will not be considered as part of the public float since they will be considered as our Company's core connected persons (as defined under the Listing Rules).

To the best knowledge of our Company, over 25% of our Company's total issued Shares (excluding the treasury shares) will be held by the public upon completion of the Global Offering as required under Rule 8.08(1)(a) of the Listing Rules. Immediately upon completion of the Global Offering, assuming that (i) 39,994,700 H Shares are issued and sold to public shareholders in the Global Offering and (ii) the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan, our H Shares will represent not less than 12% of our Company's total issued Shares (excluding the treasury shares). We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver that the minimum public float requirement under Rules 8.08(1)(b) and 19A.13A be reduced and the minimum percentage of our Company's H Shares (being the securities for which listing on the Stock Exchange is sought) upon completion of the Global Offering held by the public to be the higher of (a) 12.00% (assuming no exercise of the Over-allotment Option) and (b) such percentage of H Shares to be held by the public immediately after completion of the Global Offering, as increased by the H Shares to be issued upon any exercise of the Over-allotment Option, of the total enlarged issued share capital of the Company.

OUR CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE COMPLETION OF THE GLOBAL OFFERING

The following chart illustrates our corporate and shareholding structure immediately prior to the Global Offering:



Notes:

(1) Ms. Hang Jianying and Ms. Lu Qiuwen entered into the Acting in Concert Agreement on September 10, 2023 and they held in aggregate of approximately 55.09% equity interests in Guoli Minsheng. Ms. Hang Jianying and Ms. Lu Qiuwen are regarded as the "*de facto* controllers" of the Company pursuant to the PRC Company Law and the Administration Measures on Takeover of Listed Companies promulgated by the CSRC.

(2) Each of the relevant Shareholders is a director and/or member of senior management of the Company, see "Directors, Supervisors and Senior Management" in this Prospectus for details of each of them.

(3) As of the Latest Practicable Date, Honghu Xinhongye was held by us as to 90% and by Mr. Xiao Huabing (肖華兵), the founder and a director of Honghu Xinhongye, as to 10%.

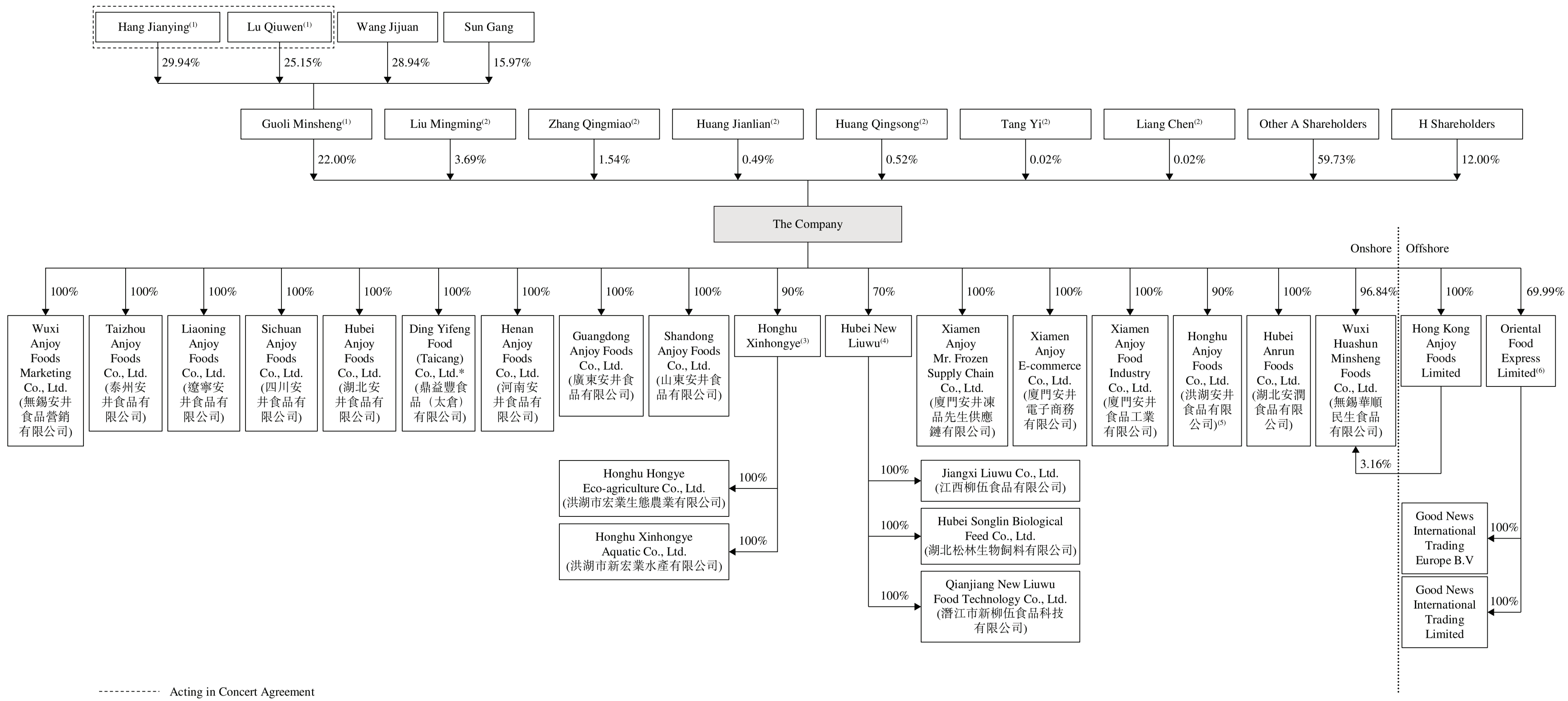
(4) As of the Latest Practicable Date, Hubei New Liuwu was held by us as to 70% and by Mr. Liu Zhonghu (柳忠虎), the founder and a director of Honghu New Liuwu, as to 30%.

(5) As of the Latest Practicable Date, Honghu Anjoy Foods Co., Ltd. (洪湖安井食品有限公司) was held by us as to 90% and by Mr. Xiao Huabing, the founder and a director of Honghu Xinhongye, as to 10%.

(6) As of the Latest Practicable Date, Oriental Food Express Limited was held by us as to 69.99% and by Mr. Dakun Wang, the chief executive officer of Oriental Food Express Limited, as to 30.01%.

OUR CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE GLOBAL OFFERING

The following chart illustrates our corporate and shareholding structure immediately following the completion of the Global Offering, assuming that the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date:



Notes (1) to (6): Please refer to the sub-section headed "— Our Corporate Structure Immediately Prior to the Completion of the Global Offering" above for details.

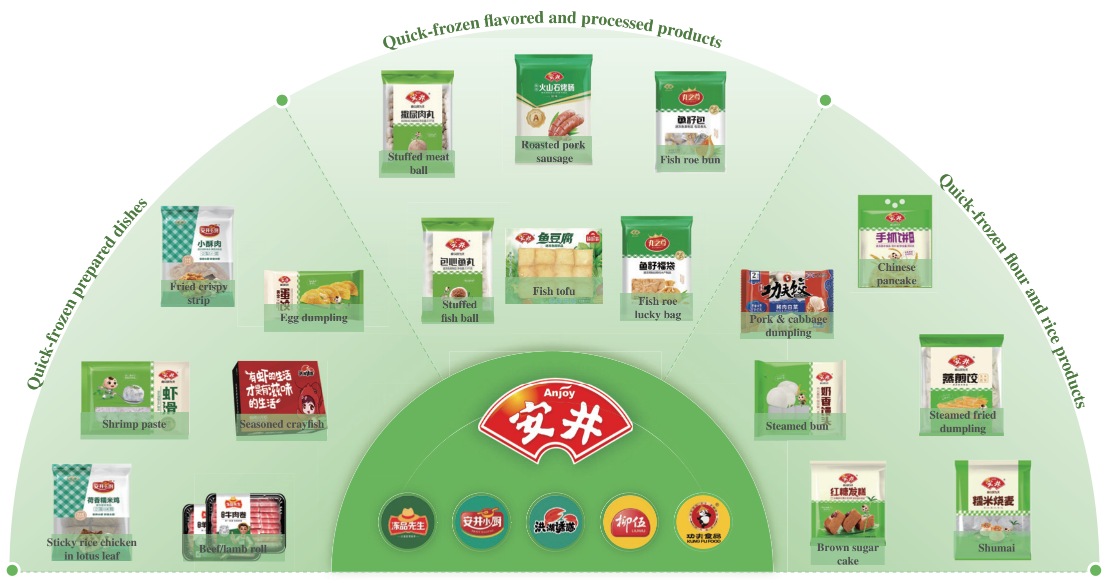
OVERVIEW

We are a leading quick-frozen food company in China, dedicated to providing food products for various consumption occasions, whether at home, in restaurants or on the go. We are the largest quick-frozen food company in China in terms of revenue in 2024, with a market share of 6.6%, according to Frost & Sullivan. Specifically within the quick-frozen food industry, we ranked first in the quick-frozen flavored and processed food market in China in 2024, with a market share of 13.8%, around five times the size of the second largest player. We ranked first in the quick-frozen prepared dishes market in China in 2024, with a market share of 5.0%, exceeding the market shares of the second through fourth-ranked players combined. We ranked fourth in the quick-frozen flour and rice food market in China in 2024, with a market share of 3.2%. China's quick-frozen food industry is competitive and fragmented, with the top five players holding an aggregate market share of 15.0% in terms of revenue in 2024.

We have developed a diverse product portfolio across three categories, namely quick-frozen flavored and processed products, quick-frozen prepared dishes and quick-frozen flour and rice products. Our products are strategically positioned across diverse market segments and price points to meet varying customer needs. We have established a brand portfolio anchored by our flagship "Anjoy ( )" brand, complemented by our proprietary brands "Frozen-food Master ( )" and "Anjoy Xiaochu ( )", alongside our strategically acquired brands including "Honghu Temptation ( )", "Liuwu ( )" and "Kung Fu Food ( )".

The following diagram illustrates our diversified and extensive product portfolio across three categories:

Brand and Product Portfolio



Since our inception in 2001, our core management team, comprising experts in the industry, has demonstrated keen foresight in anticipating customer needs and navigating market dynamics. Their expertise has enabled us to successfully capitalize on critical growth opportunities in the quick-frozen food industry. Through our differentiated development strategies, we have become the leader in this fast-growing market.

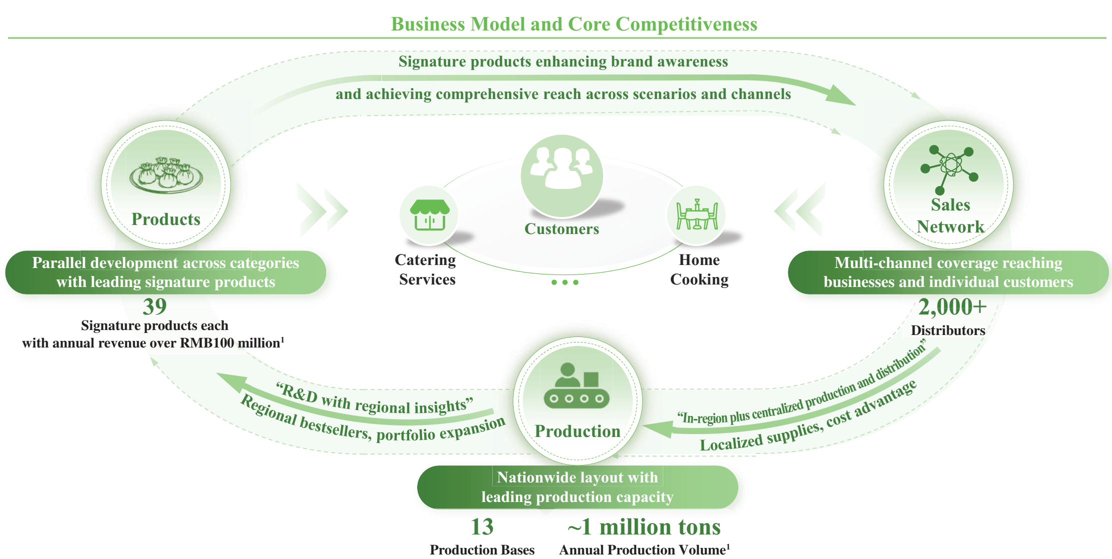
The following chart sets forth our journey to achieve market leadership:

Our Journey

Note: (1) Since 2022. Source: Frost & Sullivan.

Our Core Competitiveness

Our market leadership is anchored in and reinforced by a flywheel effect created by our capabilities in product development, sales network development and production capacity. As illustrated by the following diagram, our continual launches of signature products across categories have formed a product portfolio that meets diverse market demand while maintaining product quality and enhancing brand awareness. The strength of our product development has generated tremendous momentum across our sales channels. We have built an extensive national sales network reaching both businesses and individual customers, covering catering and home cooking scenarios, mainly through cooperation with our distributors. Our ability to meet nationwide demand while exploring regional opportunities and to continually launch signature products is underpinned by our regional market insights. It is also supported by the economies of scale from our production capacity and flexible production model, encompassing in-region production for majority of our products and centralized production for certain products such as beef roll, lamb roll, those that are primarily made of freshwater fish and those that are primarily made of chicken (in-region plus centralized production model).



Note: (1) For the year ended December 31, 2024.

Products. Leveraging our product development capabilities, we have continually launched various products for business customers as well as developed signature products into product series for individual customers. In 2024, we had 39 signature products, each generating revenue exceeding RMB100 million. Our Lock-Fresh product line, introduced in 2019, highlights our effective product development. This product line features fresh-keeping small packages. It was specifically designed for individual customers and has successfully expanded our presence in the retail market. Our Lock-Fresh product line has generated over RMB1.0 billion in revenue in 2022 and maintaining strong momentum with 17.6% revenue growth from 2022 to 2023, followed by 18.9% revenue growth in 2024 compared to 2023, while sustaining consistent and remarkable profitability.

Sales Network. Our product portfolio has enabled us to forge deeper connections with our distributors and direct sales customers, while continually expanding our sales network and market penetration. Our multichannel sales network, anchored by our distributors, has achieved comprehensive coverage across China, reaching both businesses and individual customers for varied consumption scenarios. In particular, we have empowered our distributors to grow with us and have built a loyal and well-established distribution network. As of December 31, 2024, 736 distributors had worked with us for five or more than five years, contributing RMB8.7 billion in revenue in 2024, which accounted for over 70% of our total revenue from distributors in the same period. The average annual revenue generated per distributor was RMB6.1 million in 2024, significantly higher than that of other leading industry players in China, according to Frost & Sullivan.

Production. Building upon our nationwide sales network, we have strategically established production bases in regions where business scale has reached critical mass to meet regional sales demand, implementing an in-region plus centralized production model. This approach enables us to optimize logistics costs, respond swiftly to market changes and, together with our economies of scale, create costs advantages that allow us to offer more quality products at competitive prices. As of December 31, 2024, we operated 13 production bases with total annual production capacity of over one million tons. To further strengthen our product development capabilities, we have implemented the approach of "R&D with regional insights" (產地研). This approach enables us to rapidly launch new products featuring local ingredients, culinary styles and the potential to appeal to the taste of nationwide consumers.

We have continuously delivered financial performance with robust growth and profitability at an industry-leading scale of operations during the Track Record Period. Our revenue increased by 15.4% from RMB12,105.6 million in 2022 to RMB13,964.9 million in 2023. Our revenue also increased by 7.6% from RMB13,964.9 million in 2023 to RMB15,029.6 million in 2024. Our net profit margin was 9.2%, 10.7% and 10.1% in 2022, 2023 and 2024, respectively.

OUR STRENGTHS

China's Largest Quick-Frozen Food Company

We are the largest quick-frozen food company in China in terms of revenue in 2024, with a market share of 6.6%, according to Frost & Sullivan. Specifically within the quick-frozen food industry, we ranked first in the quick-frozen flavored and processed food market in China in 2024, with a market share of 13.8%, around five times the size of the second largest player; we ranked first in the quick-frozen prepared dishes market in China in 2024, with a market share of 5.0%, surpassing the market shares of the second through fourth-ranked players combined; we ranked the fourth in the quick-frozen flour and rice food market in China in 2024, with a market share of 3.2%. Our operational excellence is demonstrated by our sustained growth trajectory.

The quick-frozen food industry presents significant growth opportunities. According to Frost & Sullivan, driven by continuous development of cold chain logistics infrastructure, increasing restaurant chain penetration and rising customer demand for convenience, the size of China's quick-frozen food market reached RMB221.2 billion in 2024 and is expected to grow at a CAGR of 9.4% from 2024 to 2029, making it one of the fastest-growing sectors in China's consumer goods industry. The market remains fragmented, with the top five players holding a combined market share of approximately 15.0% in 2024, compared with approximately 43% in the United States, 40% in the United Kingdom and 70% in Japan, presenting substantial consolidation opportunities.

We have consistently developed products that are widely used in both catering and home cooking scenarios. Leveraging our product portfolio, we have steadily increased our brand recognition and have become one of the most influential and renowned companies in China's quick-frozen food industry, according to Frost & Sullivan. We have also played a leading role in driving industry development and promoting best practices within China's quick-frozen food industry. During the Track Record Period, we participated in the formulation and revision of three international standards and 19 national standards. As an industry leader with comprehensive capabilities, we are well-positioned to capitalize on the consolidation opportunities and further expand our market share amid the industry's rapid development.

Comprehensive Sales Network With Deep Multichannel Penetration

Our comprehensive multichannel coverage strategy has enabled us to build and empower our reliable and experienced distributors. This extensive coverage is complemented by strategic direct engagement with targeted enterprise customers, key accounts, new retail and e-commerce platforms, allowing us to swiftly adapt to evolving market trends. Through these diverse channels, we have achieved comprehensive coverage across both businesses and individual customers.

Strong Distribution Network

Leveraging our strong brand and competitive product portfolio, we have established an extensive distribution network that provides both nationwide coverage and deep regional market penetration. We remain committed to providing comprehensive support to our distributors, from sales network development and maintenance to brand promotion and marketing, as well as data analysis and management tools. Through our dedicated support and services, we have built strong relationships with our distributors based on shared values, mutual trust and deep cooperation. As of December 31, 2024, 736 distributors had worked with us for five or more than five years, contributing RMB8.7 billion in revenue in 2024, which accounted for over 70% of our total revenue from distributors in the same period. Our distribution network has enabled us to achieve comprehensive coverage across China, reaching all first and second-tier cities, as well as over 250 lower-tier cities.

Our sales team works closely with distributors to expand their coverage of points of sale, continually increasing our network density and market penetration. Specifically, we support our distributors in developing points of sale, thereby building a comprehensive sales network to reach customers. Our sales team proactively assists distributors in organizing influential marketing events such as order fairs while strengthening distributor-customer relationships through carefully curated product offerings and targeted promotional campaigns that enhance their sales performance. We execute our brand visibility strategy in collaboration with our distributors. The distinctive storefront designs and visual presentation featuring the Anjoy brand identity and visual elements strengthen our brand awareness as well as the overall sales performance.

We empower our distributors with digital tools, helping them improve operational efficiency and facilitating their decision-making in sales, marketing, inventory management and performance review through data analysis. Our "Anjoy Home" customer relationship management ("**CRM**") system is customized according to distributors' needs and is frequently upgraded based on their feedback. The system enables distributors to streamline their operations through features such as online ordering, logistics tracking and sales analytics.

Strategic Direct Engagement with Sales Channels

Complementing our distribution network, we strategically engage with various sales channels to capture emerging market opportunities and strengthen our market presence. We provide products well-suited to market demand to targeted enterprise customers, including chain catering companies and food companies, promptly addressing their specific needs. For example, we launched customized products with a leading chain catering company specialized in malatang. In 2024, the revenue from sales to this leading chain catering company specialized in malatang amounted to RMB137.4 million. Our partnerships with targeted enterprise customers have expanded our sales network while broadening our product portfolio. We also connect directly with end customers through new retail and e-commerce platforms, capturing online retail opportunities and gathering firsthand customer feedback. This direct engagement helps us to continually enhance our product development and marketing strategies. Driven by our deep understanding of these sales channels and presence on major platforms, our revenue from sales to new retail and e-commerce platforms grew by 33.1% from 2022 to 2023 and further by 18.4% from 2023 to 2024.

Diversified Product Portfolio Across Categories Anchored by Signature Products

Drawing on our deep understanding of the quick-frozen food industry and keen insight into customer preferences, we have developed a diversified and extensive product portfolio across three categories to meet evolving customer needs. We strategically entered into the fast-growing quick-frozen prepared dishes market, pursuing parallel development across three product categories and particularly promoting our sausage products. As a result of our focused efforts and rapid development, we have achieved a leadership position and were recognized as The Top Chinese Prepared Dish Company in 2024 (2024最具實力中國預製菜生產企業) by the Hurun Research Institute.

Our industry-leading product development capabilities, built on our successful track record of launching products, enable us to consistently introduce signature products for both nationwide and regional markets and develop signature products into product series. During the Track Record Period, we offered over 500 types of products across three categories, positioning us as one of the companies with the most extensive product offerings in the quick-frozen food industry, according to Frost & Sullivan. To cater to diverse needs across different regions and consumption scenarios, we offer differentiated flavors and multiple packaging options, forming a diverse product portfolio that enhances brand awareness and deepens channel penetration.

Our product development strategy focuses on creating and promoting products for business customers as well as developing products into product series for individual customers through our extensive sales network. We have developed signature products that have maintained popularity for over a decade, such as fish tofu, stuffed meat balls and brown sugar cakes. These signature products have strengthened our brand recognition and forged stronger connections with customers, driving sustained growth for our distributors and us. In 2024, we had 39 products each generating annual revenue exceeding RMB100 million, including four products exceeding RMB500 million, demonstrating our product development and commercialization capabilities.

The following chart illustrates the launch timeline of a selection of our signature products:

Launch Timeline of Signature Products

Our extensive product portfolio, continual launches of various products and developing signature products into product series are based on our solid R&D capabilities. We implement an "R&D with regional insights" approach, which allows us to customize product flavors and ingredients for different regions while maintaining consistency in our main product categories nationwide. We have successfully introduced products tailored to regional preferences, such as roe-stuffed fried fish balls in South China and tender fish balls in Central China, which have been well-received in their respective markets.

Our R&D activities are anchored by our Xiamen and Wuxi R&D centers and supported by R&D departments at our production bases across the country. These R&D centers and departments form a nationwide layout of R&D capabilities that support our product development and production capabilities. Our R&D center has been recognized as a National Enterprise Technology Center (國家級企業技術中心), making it the first and the only R&D center in the quick-frozen surimi product industry to receive this recognition as of December 31, 2024. We have also established key laboratories at our production bases across the country.

In-Region Plus Centralized Production and Economies of Scale Yielding Cost Advantage

Centered on our in-region production and distribution strategy, we have progressively established a nationwide layout of production bases. Our production bases leverage regional supply chains while maintaining proximity to customers, enabling us to quickly adapt to changing customer tastes and industry trends, minimize logistics costs and achieve economies of scale that translate into significant cost advantages.

As of December 31, 2024, we operated 12 domestic production bases and one overseas production base in the United Kingdom. Our production processes feature digital traceability and real-time production management. Through our nationwide production bases, we have established an efficient in-region operation model where each domestic production facility serves markets within a 500-kilometer radius, reducing logistics costs while enabling efficient sales channel penetration and rapid adjustments to production plans and product development strategies based on market feedback. Our strategy of in-region production and distribution reduces transportation distances among raw material suppliers, production bases, distributors and end customers, enhancing cold chain logistics efficiency. Our logistics costs as a percentage of revenue were 2.0% in 2022 and 1.9% in 2023, significantly lower than industry averages, according to Frost & Sullivan. Following our strategy of in-region production and distribution, we continue to introduce regional specialty products to optimize production capacity utilization. In addition to our in-region production model, we also implement centralized production of certain products that achieved nationwide large scale sales to leverage the economies of scale. In 2024, we achieved an industry-leading production utilization rate of 97.2%. Our commitment to technological advancement drives continual improvements in production processes, as evidenced by our over 400 patents as of the Latest Practicable Date.

In 2024, our total annual designed capacity was over one million tons. Our industry-leading scale provides cost advantages in procuring key raw materials. According to Frost & Sullivan, the average purchase prices of our fresh fish and surimi in 2024 were significantly lower than market averages. Through acquisitions of companies including Honghu Xinhongye and Hubei New Liuwu, we expanded vertically into the raw material supply chain, ensuring stable supplies of surimi and crayfish for our production.

These cost advantages enable us to offer customers quality products at competitive prices, which deepen our sales coverage and enlarge sales volume, further enhancing our economies of scale and creating a virtuous cycle. Our financial performance during the Track Record Period demonstrates these advantages, with our gross profit margin rising from 21.2% in 2022 to 22.7% in 2024, positioning us as an industry leader in the quick-frozen food industry, according to Frost & Sullivan.

Advanced Digitalization Capabilities Empowering Decision-Making and End-to-End Operational Efficiency

We are committed to achieving comprehensive digital management and operations. Through in-house R&D as well as utilization and customization of external technologies, we digitalize and optimize processes from strategy formulation to business execution, enhancing the timeliness and accuracy of decision-making and overall management. Our Business Intelligence system enables real-time analysis of information across multiple areas, including products, customers, regional markets and marketing strategies on the sales side, as well as cost analysis and meticulous management on the production side. Our improved decision-making capabilities strengthen collaboration with distributors, enhance production efficiency and improve quality control processes. For example, we adjust marketing strategies and promotion plans based on sales data. Our digitalized quality control system enables full-process traceability from raw material sourcing, through production, packaging and logistics, to customer receipt, ensuring comprehensive quality monitoring. In 2023, we were recognized as one of the "Top 100 Benchmark Smart Factories in China," one of only two companies in the food industry to attain this achievement.

Digitalized Distributor Management

We empower distributors through our proprietary "Anjoy Home" CRM system and Fastsell order management system. The "Anjoy Home" CRM system enables our distributors to manage online orders and track logistics, facilitating their sales management and decision-making. The system also integrates the sales network with our internal decision management platform, making our production and sales planning more efficient. Additionally, our distributors can opt to use our Fastsell system, which assists them in connecting with downstream business partners and securing orders promptly.

Digitalized Production Management

Our self-developed Enterprise Data Integration (EDI) system integrates seamlessly with our production process, automatically generating production plans and specifying process parameters. The system rigorously monitors and ensures product quality, enhances production safety and comprehensively increases production efficiency. Leveraging the EDI system, we have increased overall labor productivity by more than 10% and reduced training time for new staff by approximately 70%. In 2023, we became the first company in China's quick-frozen food industry to earn "intelligent production capability maturity level III" certification from the China Electronics Standardization Institute, demonstrating our excellence in production management.

Digitalized Logistics Management

Through our digital logistics system, we strictly manage and control warehousing, storage, delivery processes to minimize spoilage and risks. Our logistics tracking system enables real-time monitoring of temperature and humidity in refrigerated trucks and cold storage facilities while tracking geographical location and responsible personnel at each transportation stage. This real-time monitoring is crucial for ensuring product quality.

Visionary and Experienced Management Team and Proactive Corporate Culture

Our Chairman, Mr. Liu Mingming, and general manager, Mr. Zhang Qingmiao, are visionary and determined entrepreneurs, each having over 30 years of industry experience and profound understanding of the quick-frozen food industry. Under their leadership, we have developed a professional and stable management team with extensive experience and industry insights. Many team members have contributed to drafting and formulating standards for the quick-frozen food industry. Our core management team, with its industry expertise, strategic vision, leadership and execution capabilities, has led us to become a leading quick-frozen food company in China.

We believe our continual efforts in team building support our long-term growth. We have introduced comprehensive talent development and incentive programs which, combined with our vibrant corporate culture, enhanced employee retention and engagement. We were among the first companies in China's quick-frozen food industry to implement employee stock ownership incentives. As of December 31, 2024, approximately 8% of our employees had received share option incentives.

We have cultivated strong entrepreneurial values and work ethic throughout our organization. Our corporate culture has fostered team bonding and motivation, laying the foundation for rapid and sustainable business expansion while empowering us to create long-term value for both customers and the quick-frozen food industry. This entrepreneurial spirit has enabled us to successfully incubate two quick-frozen food brands, "Frozen-food Master" and "Anjoy Xiaochu", which focus on quick-frozen prepared dishes and have rapidly grown to expand our product portfolio.

OUR STRATEGIES

We are committed to becoming the world's leading quick-frozen food company. Our aim is to strengthen our leading position and enhance profitability in China's quick-frozen food market while expanding our presence in overseas markets. To accomplish this, we plan to implement the following strategies:

Strengthen Our Leading Position

As Chinese customers increasingly embrace quick-frozen food and their demand for convenience rises, we will maintain our focus on developing our three main product categories. We plan to deepen market penetration through our core products while expanding and optimizing our product portfolio with sustained innovation, further increasing our market share and enhancing our brand awareness. We will also capitalize on rapid growth opportunities in the quick-frozen food industry and actively explore new product types such as Western-style dishes. We plan to pursue strategic acquisitions of or investment in brands with international presence or establish joint ventures to develop Western cuisine products, to capture China's growing Western food market. Our strategy is to penetrate upstream markets and distribution networks in the Western food market, fostering synergies between our Chinese and Western culinary businesses.

Expand Our Sales Network

The breadth, depth and strength of our sales network are crucial for our future success. We aim to strengthen our distributor partnerships, continue supporting distributors through product development and attract more distributors to expand our market reach. We also plan to expand our direct engagements with key accounts, targeted enterprise customers, new retail and e-commerce platforms, developing products well-suited to market demand to meet their unique needs across various consumption scenarios. By offering customized marketing support based on channel-specific insights, we plan to continue empowering our distribution network and improving market reach to end customers, increasing brand awareness and customer perception.

Enhance Digitalization and Intelligent Production

We plan to further digitalize key aspects of our business to enhance operational efficiency. We plan to continue enhancing our digitalized management system, enabling distributors to make informed business decisions and optimize their operations with real-time data. We plan to enhance digital integration with our direct customers, such as large supermarkets and chain catering companies, to improve operational efficiency. On the production side, we plan to continue advancing our intelligent production capabilities, leveraging data analysis, intelligent production equipment and Internet of Things systems to optimize production efficiency and ensure product quality.

Expand Our Overseas Presence

As China's global influence expands and the global demand for Chinese cuisine grows, the quick-frozen Chinese food sector presents significant new opportunities. We plan to focus on expanding into high-growth, less concentrated markets or large-scale markets. We believe the significant growth potential in overseas Chinese cuisine consumption, which presents opportunities to establish a global presence and promote authentic Chinese culinary experiences worldwide. We plan to develop a supply chain system to optimize costs and ensure stable supply. Through global procurement initiatives, we aim to reduce costs and secure quality raw materials, particularly those for core categories such as surimi, shrimp and other aquatic ingredients.

Furthermore, we plan to accelerate our international expansion through equity partnerships and/or strategic acquisitions, targeting growth in emerging product categories. We will evaluate potential targets for overseas investments or acquisitions primarily based on their scale, financial performance, customer base, brand equity and sales network production capability. As of the Latest Practicable Date, we had not identified any specific investments or acquisition targets.

Attract, Develop and Motivate Talent

We plan to continue investing in human capital through a talent development strategy that focuses on internal training supplemented by external recruitment. We remain committed to offering career guidance and professional training to create a supportive working environment that fosters creativity and intrapreneurship among our employees.

OUR BRANDS AND PRODUCTS

We are engaged in the R&D, production and sales of quick-frozen food products, focusing on quick-frozen flavored and processed products, quick-frozen prepared dishes and quick-frozen flour and rice products. During the Track Record Period, our product portfolio comprised over 500 types of products, positioning us as one of the companies with the most extensive product range in the quick-frozen food industry, according to Frost & Sullivan. After more than 20 years of business operations and development, we have built significant brand influence and recognition among our customers. Our "Anjoy ( )" brand has been recognized as a "Well-known Trademark of China" by the State Administration for Industry and Commerce since 2010.

- In the quick-frozen flavored and processed product category, our products primarily include those under "Anjoy ( )" brand, such as fish tofu, fish balls, stuffed meat balls and pork sausage.

- In the quick-frozen prepared dishes category, we adopt a multi-brand strategy to feature our "Anjoy ( )", "Frozen-food Master ( )", "Anjoy Xiaochu ( )", "Honghu Temptation ( )" and "Liuwu ( )" brands. Our products primarily include prepared dishes such as crayfish, fried crispy strips, shrimp paste, beef/lamb rolls, egg dumplings and pickled fish.

- In the quick-frozen flour and rice product category, our main products include "Anjoy ( )" branded products such as shumai, steamed buns, Chinese pancakes and brown sugar cakes.

We offer quick-frozen food products to our customers through our diversified product portfolio, which seamlessly fits into various key consumption scenarios. For restaurants and other catering businesses, especially those specialized in hot pot, malatang, barbecue and oden, we supply them with quick-frozen foods through our sales network, helping them maintain consistency in food quality and improve cooking efficiency. For households, we reach individual customers through supermarkets, convenience stores, new retail and e-commerce platforms, addressing household demand for quick and convenient cooking. These products have strengthened our brand recognition and forged connections with end customers, driving sustained growth for us and our distributors. In 2024, we had 39 products each generating annual revenue exceeding RMB100 million, including four products exceeding RMB500 million, demonstrating our product development and commercialization capabilities.

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

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Quick-frozen flavored and processed products	6,296,764	52.0	7,002,194	50.1	7,793,218	51.9
Quick-frozen prepared dishes	3,015,913	24.9	3,916,311	28.0	4,335,641	28.8
Quick-frozen flour and rice products	2,402,293	19.8	2,532,713	18.1	2,450,786	16.3
Others[1]	390,648	3.3	513,660	3.8	449,943	3.0
Total	**12,105,618**	**100.0**	**13,964,878**	**100.0**	**15,029,588**	**100.0**

Note:

(1) Others primarily include sales of agricultural by-products, such as surimi, fishmeal and other fishery by-products.

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

	Year ended December 31,					
	2022		2023		2024	
	Volume	Average selling price[1]	Volume	Average selling price[1]	Volume	Average selling price[1]
	(tons)	*(RMB in thousands per ton)*	*(tons)*	*(RMB in thousands per ton)*	*(tons)*	*(RMB in thousands per ton)*
Quick-frozen flavored and processed products	450,592	14.0	500,755	14.0	568,235	13.7
Quick-frozen prepared dishes	148,339	20.3	196,859	19.9	245,870	17.6
Quick-frozen flour and rice products	224,245	10.7	235,384	10.8	245,320	10.0

Note:

(1) Calculated by dividing the revenue generated from sales during a certain year by the sales volume in that same year.

Our Main Products

Quick-Frozen Flavored and Processed Products

As our main product category, our quick-frozen flavored and processed products are primarily made from aquatic products and meat. During the Track Record Period, we offered over 150 types of quick-frozen flavored and processed products. These products are consumed across various culinary scenarios primarily including hot pot, barbecue and malatang, and generally have a shelf life of 12 months.

The following table sets forth the details of our representative product types in quick-frozen flavored and processed product category as of December 31, 2024:

Product	Product picture	Illustrative photo of finished dish	Range of net weight per individual package/unit
Fish tofu (魚豆腐)			120g-6,000g
Stuffed fish ball (包心魚丸)			240g-6,000g
Fish roe bun (魚籽包)			240g-2,500g
Crab-flavored stick (仿蟹肉)			240g-1,000g

Product	Product picture	Illustrative photo of finished dish	Range of net weight per individual package/unit
Stuffed meat ball (撒尿肉丸)			240g-6,000g
Roasted pork sausage (火山石烤腸)			500g-4,000g
Chewy fish flavor plate (Q魚味板)			680g-2,500g
Crab steak (蟹味排)			120g-2,500g
Pork meatball (貢丸)			150g-6,000g

Quick-Frozen Prepared Dishes

Our quick-frozen prepared dishes offer a variety of pre-processed and/or precooked and flavored ingredients in our ready-to-heat and ready-to-cook packs. During the Track Record Period, we offered over 230 types of quick-frozen prepared dishes. Our quick-frozen prepared dishes are suitable for quickly and easily preparing dishes in various settings, including restaurants, other catering businesses, and home cooking. Furthermore, our quick-frozen prepared dishes provide customers with various flavors and choices, allowing for effortless meal preparation even without cooking skills. These products generally have a shelf life of 12 to 24 months.

The following table sets forth the details of our representative product types in quick-frozen prepared dishes category as of December 31, 2024:

Product	Product picture	Illustrative photo of finished dish	Range of weight per individual package/unit
Crayfish tail (蝦尾)			110g-12,500g
Seasoned crayfish (調味蝦)			400g-3,500g
Fried crispy strip (小酥肉)			200g-1,000g
Shrimp paste (蝦滑)			150g-500g

Product	Product picture	Illustrative photo of finished dish	Range of weight per individual package/unit
Beef roll (牛肉卷)			150-5,000g
Lamb roll (羊肉卷)			150-5,000g
Egg dumpling (蛋餃)			165g
Pickled fish (酸菜魚).			410g-650g
Stuffed lotus root (藕盒)			800g
Sticky rice chicken in lotus leaf (荷香糯米雞)			155g-930g
Qianye tofu (千夜豆腐)			400g-2,500g

Quick-Frozen Flour and Rice Products

Our quick-frozen flour and rice products primarily focus on quick-frozen leavened products such as steamed buns, brown sugar cakes and walnut buns. During the Track Record Period, we offered over 120 types of quick-frozen flour and rice products. Our quick-frozen flour and rice products meet a wide range of cooking needs while providing convenience and versatility. Our product line caters to diverse consumption scenarios, being available through breakfast restaurants and Chinese culinary restaurants, while also enabling customers to effortlessly prepare staple foods in their home kitchens. The straightforward preparation process makes them an ideal choice for customers seeking delicious and quality breakfast during busy mornings. These products generally have a shelf life of 12 months.

The following table sets forth the details of our representative product types in quick-frozen flour and rice product category as of December 31, 2024:

Product	Product picture	Illustrative photo of finished dish	Range of weight per individual package/unit
Shumai (燒麥)			240g-2,500g
Steamed bun (奶香饅頭)			240g-7,000g
Brown sugar cake (紅糖發糕)			400g-700g
Chinese pancake (手抓餅)			400g-2,250g

Product	Product picture	Illustrative photo of finished dish	Range of weight per individual package/unit
Steamed fried dumpling (蒸煎餃)			280g-1,000g
Chinese pie (餡餅)			298g-560g
Walnut bun (核桃包)			288g-360g
Osmanthus flavored rice cake (桂花糕)			300g

Category Leading Products

We have developed multiple product lines that demonstrate our market leadership across various geographic regions and distribution channels. We maintain our competitive edge while continually expanding our product portfolio to cater to end customers' requirements. We continuously expand our product portfolio and launch signature products, such as stuffed meat balls, egg dumplings, shumai, fried crispy strips and shrimp paste, to meet the growing and changing demand of our customers. In 2024, we had 39 products each generating annual revenue of more than RMB100 million, including four products surpassing RMB500 million, demonstrating our product development and commercialization capabilities.

We take into account customer preferences and needs to initiate our product development and generally focus on expanding products which have achieved initial market acceptance. The sustained growth of our strategic signature products has also driven the rapid growth of other products, further supporting our overall revenue growth. For example, building upon our signature sticky rice shumai, we expanded our product portfolio with purple rice shumai and "three-treasure" shumai to serve different distribution channels and consumption scenarios. We have also launched paper-thin wrapper shumai with various flavors, including black pepper beef and pork with diced vegetables.

To successfully launch our products, we need to develop products excelling across quality, price competitiveness, availability and channel acceptance, which is made possible through multiple aspects:

- Our loyal and well-established distribution network enables rapid and effective product launches across the country;
- Our nationwide production bases facilitate in-region sourcing and production, optimizing product freshness, distribution efficiency and maintaining cost-effectiveness through economies of scale;
- We maintain product quality with competitive prices and continue to innovate to ensure customer satisfaction and keeping abreast with market trends;
- Our vertically integrated supply chain ensures a stable supply of key raw materials and mitigates cost volatility;
- Our products are well accepted under the established equity of our "Anjoy" brand; and
- Our digitalization further enhances operational efficiency and strengthens quality control and food safety.

Case Study: The Lock-Fresh Product Line

The success of our Lock-Fresh product line demonstrates our ability to leverage market insights and comprehensive capabilities to create a signature product line. Drawing on our insights into customer preferences and needs, we introduced the Lock-Fresh product line in 2019. The Lock-Fresh product line was designed to meet the demand for hot pot ingredients that balance nutrition, taste and freshness for home cooking.

Our production capabilities enabled the rapid scaling of our Lock-Fresh product line to meet the growing market demand, while our multichannel sales network ensured the accessibility of our Lock-Fresh product line, contributing significantly to the market penetration of this product line. Meanwhile, our commitment to quality was reflected in the use of preserving technologies, such as filling packs with nitrogen to maintain freshness, ensuring that our products consistently meet customer expectations for quality. The brand equity of "Anjoy" further solidified the market acceptance of our Lock-Fresh product line.

Since the introduction of the first Lock-Fresh product, we have developed over 20 Lock-Fresh products. The Lock-Fresh product line includes various offerings such as fish roe bun, stuffed meat ball and fish tofu, focusing on offering consumers with protein. The success of the Lock-Fresh product line has reinforced our leadership in the quick-frozen flavored and processed food market and exemplified how strategic product launches can drive overall sales growth. Our Lock-Fresh product line has generated over RMB1.0 billion in revenue in 2022 and maintaining strong momentum with 17.6% revenue growth from 2022 to 2023, followed by a 18.9% growth in 2024 compared to 2023, while sustaining consistent and remarkable profitability. We believe that our Lock-Fresh product line enhances our customer coverage and increases our brand awareness among customers. The following graphic sets forth an illustration of our Lock-Fresh products:

Case Study: Beef and Lamb Rolls

Our efforts in the beef and lamb roll series under the brand "Frozen-food Master" illustrate our strategic approach to product development and the application of capabilities to build market leadership in high-potential segments. Our products feature a high percentage of pure beef and lamb free from additives such as thickening agent commonly used in beef or lamb rolls. This strategic approach not only enhances the natural flavors and texture of beef and lamb but also ensures a healthier option for consumers.

Our decision to enter into this segment was driven by identification of a clear demand for quality ingredients, including beef and lamb free from additives, for various dining scenarios. Meanwhile, the quick-frozen beef and lamb roll market remains in a high-growth phase. During the Track Record Period, our revenue from beef and lamb roll grew steadily. In 2022, 2023 and 2024, such revenue amounted to RMB32.9 million, RMB70.6 million and RMB144.3 million, respectively. The following graphics set forth an illustration of our beef and lamb roll products:

Beef rolls (牛肉卷)

Lamb rolls (羊肉卷)

The rapid growth in the sales of beef and lamb roll products is driven by our integrated business model enabling us to provide quality products at competitive prices. We enjoy the benefit of significant operational efficiency offered by the established sales channels for our quick-frozen food products, selling through traditional channels including wholesale markets and supermarkets, as well as emerging channels such as new retail and e-commerce platforms. We also maintain strong supply chain control from production base to the points of sale. By leveraging our strengths in channel management, marketing and regional sales, we have captured significant market share.

SALES NETWORK

We have built an extensive sales network that effectively sells our products and reaches a diverse customer base across China. We have also expanded our sales network into overseas markets. In 2022, 2023 and 2024, the revenue from sales via our overseas sales network accounted for 0.9%, 0.9% and 1.1% of our total revenue of the respective period. The following table sets forth a breakdown of our revenue by sales channel in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Distributors	9,757,738	80.6	11,318,764	81.1	12,311,205	81.9
Key accounts(1)	973,499	8.0	843,010	6.0	822,481	5.5
Targeted enterprise customers(2)	808,416	6.7	1,049,547	7.5	1,003,997	6.7
New retail and e-commerce platforms(3)	565,965	4.7	753,557	5.4	891,905	5.9
Total	**12,105,618**	**100.0**	**13,964,878**	**100.0**	**15,029,588**	**100.0**

Notes:

(1) Key accounts primarily include national and regional supermarkets.

(2) Targeted enterprise customers primarily include chain catering companies, snack companies and other corporate customers.

(3) New retail and e-commerce platforms primarily include retailers that adopt an online-offline integrated approach, as well as self-operated stores on mainstream e-commerce platforms.

The following table sets forth a breakdown of our gross profit and gross profit margin by sales channel for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)					
Distributors	1,886,449	19.3	2,376,602	21.0	2,673,322	21.7
Key accounts(1)	402,975	41.4	360,343	42.7	314,229	38.2
Targeted enterprise customers(2)	137,849	17.1	185,907	17.7	168,946	16.8
New retail and e-commerce platforms(3)	133,255	23.5	234,305	31.1	251,785	28.2
Total/overall	**2,560,528**	**21.2**	**3,157,157**	**22.6**	**3,408,282**	**22.7**

Notes:

See notes to the table above for details.

The following table sets forth a breakdown of the sales volume and average selling price by sales channel for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	(ton)	*(RMB in thousands per ton)*	*(ton)*	*(RMB in thousands per ton)*	*(ton)*	*(RMB in thousands per ton)*
Distributors	733,085	13.3	835,896	13.5	944,554	13.0
Key accounts(1)	50,677	19.2	41,869	20.1	44,307	18.6
Targeted enterprise customers(2)	60,954	13.3	85,986	12.2	93,835	10.7
New retail and e-commerce platforms(3)	22,684	25.0	30,211	24.9	37,652	23.7
Total	**867,400**	**14.0**	**993,961**	**14.1**	**1,120,349**	**13.4**

Notes:

See notes to the table above for details.

During the Track Record Period, the average selling price of products sold to key accounts and new retail and e-commerce platforms were generally higher than that of products sold through other sales channels, because we typically have to pay for product entrance fees and/or bear promotional expenses for selling our products through these channels which affect our pricing strategy. We typically do not incur such fees and expenses for our sales to distributors or targeted enterprise customers.

The following table sets forth a breakdown of our revenue by geographical region of our customers in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Mainland China						
Eastern China[1]	5,581,450	46.2	6,054,370	43.4	6,439,227	42.8
Northern China[2]	1,602,037	13.2	2,094,253	15.0	2,203,197	14.7
Central China[3]	1,506,901	12.4	1,780,900	12.8	1,910,003	12.7
Southern China[4]	1,033,055	8.5	1,154,457	8.3	1,257,267	8.4
Northeastern China[5]	1,028,958	8.5	1,203,889	8.6	1,288,564	8.6
Southwestern China[6]	672,471	5.6	815,091	5.8	931,958	6.2
Northwestern China[7]	572,597	4.7	733,763	5.2	831,962	5.5
Subtotal	**11,997,469**	**99.1**	**13,836,723**	**99.1**	**14,862,178**	**98.9**
Overseas markets[8]	108,149	0.9	128,155	0.9	167,410	1.1
Total	**12,105,618**	**100.0**	**13,964,878**	**100.0**	**15,029,588**	**100.0**

Notes:

(1) Eastern China primarily includes Fujian Province, Anhui Province, Zhejiang Province, Jiangxi Province, Shanghai, Shandong Province and Jiangsu Province.

(2) Northern China primarily includes Beijing, Tianjin, Hebei Province, Shanxi Province and Inner Mongolia Autonomous Region.

(3) Central China primarily includes Henan Province, Hubei Province and Hunan Province.

(4) Southern China primarily includes Guangdong Province, Guangxi Zhuang Autonomous Region and Hainan Province.

(5) Northeastern China primarily includes Heilongjiang Province, Jilin Province and Liaoning Province.

(6) Southwestern China primarily includes Chongqing, Sichuan Province, Guizhou Province, Yunnan Province and Tibet Autonomous Region.

(7) Northwestern China primarily includes Shaanxi Province, Gansu Province, Qinghai Province, Xinjiang Uygur Autonomous Region and Ningxia Hui Autonomous Region.

(8) Overseas markets primarily include Europe, the United Kingdom, and the United States.

The following table sets forth a breakdown of our gross profit and gross profit margin by geographical region of our customers for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)					
Mainland China						
Eastern China(1)	1,237,071	22.2	1,473,646	24.3	1,546,414	24.0
Northern China(2)	366,711	22.9	489,908	23.4	532,091	24.2
Central China(3)	292,143	19.4	365,068	20.5	413,317	21.6
Southern China(4)	220,121	21.3	252,943	21.9	253,790	20.2
Northeastern China(5)	214,827	20.9	268,283	22.3	299,366	23.2
Southwestern China(6)	105,716	15.7	149,310	18.3	170,410	18.3
Northwestern China(7)	106,146	18.5	146,572	20.0	172,649	20.8
Subtotal	**2,542,735**	**21.2**	**3,145,730**	**22.7**	**3,388,037**	**22.8**
Overseas markets(8)	17,793	16.5	11,427	8.9	20,245	12.1
Total/Overall	**2,560,528**	**21.2**	**3,157,157**	**22.6**	**3,408,282**	**22.7**

Notes:

See notes to the table above for details.

The following table sets forth a breakdown of the sales volume and average selling price by geographical region for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Sales Volume	**Average Selling Price**	**Sales Volume**	**Average Selling Price**	**Sales Volume**	**Average Selling Price**
	(ton)	*(RMB in thousands per ton)*	*(ton)*	*(RMB in thousands per ton)*	*(ton)*	*(RMB in thousands per ton)*
Mainland China						
Eastern China[1]	408,406	13.7	438,568	13.8	487,391	13.2
Northern China[2]	103,804	15.4	132,671	15.8	152,089	14.5
Central China[3]	113,446	13.3	140,706	12.7	159,507	12.0
Southern China[4]	78,928	13.1	88,022	13.1	97,478	12.9
Northeastern China[5]	69,901	14.7	80,713	14.9	89,128	14.5
Southwestern China[6]	58,676	11.5	68,110	12.0	78,423	11.9
Northwestern China[7]	32,496	17.6	43,336	16.9	53,764	15.5
Subtotal	**865,657**	**12.9**	**992,126**	**13.9**	**1,117,780**	**13.3**
Overseas[8]	**1,742**	**62.1**	**1,835**	**69.9**	**2,568**	**65.2**
Total/Overall	**867,400**	**14.0**	**993,961**	**14.1**	**1,120,349**	**13.4**

Notes:

See notes to the table above for details.

Distributors

We primarily sell our products to distributors, who in turn distribute our products to catering businesses, wholesale markets, supermarkets, e-commerce platforms and other points of sale. We believe that distributors are critical to our business in terms of setting up our downstream sales channels, maximizing the coverage of product distribution, driving the growth of our results of operations and in line with industry norm, according to Frost & Sullivan. Our distributors are our customers, and we maintain a buyer/seller relationship with them. In 2022, 2023 and 2024, the revenue from sales to distributors amounted to RMB9,757.7 million, RMB11,318.8 million and RMB12,311.2 million, respectively, representing 80.6%, 81.1% and 81.9% of our total revenue for the same periods.

Our distribution network has penetrated deeply into the China market. As of December 31, 2024, we cooperated with 2,017 distributors and had gradually expanded the distribution network to overseas markets.

Distributor Selection

We have established comprehensive policies for the acquisition of new distributors. The selection criteria for potential distributors encompass an evaluation of their experience in quick-frozen food industry, channel resources, financial robustness, commitment and entrepreneurial passion. Moreover, we underscore the importance of the distributors' hardware infrastructure, including refrigeration storage and cold chain transportation, to guarantee extensive channel reach, depth of market penetration and food safety.

Distributor Management

We place great importance on the maintenance and daily management of our distribution network. Our sales personnel regularly visit distributors, offer support and advice and discuss their sales performance, to understand distributors' business conditions and specific needs, thereby enhancing our distributor management and maintaining good relationships with them. As of December 31, 2024, our sales and marketing team had 4,080 personnel.

We enter into annual agreements with distributors to specify their designated sales regions, channels and targets, and conduct regular assessments of our distributors based on their sales performance by product category. Our distributors may use sub-distributors. We generally do not enter into agreements or directly establish relationships with the sub-distributors, and, consequently, we generally do not have past or present relationships with the sub-distributors. We have no direct control over the sub-distributors. Any violation of our policy by the retail outlets and sub-distributors would be deemed as a violation by the distributors. According to Frost & Sullivan, it is an industry norm for companies in the China's quick-frozen food industry not to enter into agreements or directly establish relationships with the sub-distributors. Although we do not have direct control over the sub-distributors, we regularly support our distributors in overseeing sub-distributors. For example, we join our distributors on visits to sub-distributors, provide product briefings and offer sample products for promotional activities. Our assistance strengthens the distribution networks of our distributors and boost their sales, which, in turn, increases their purchases from us.

We monitor market trends and promptly formulate appropriate marketing and procurement plans in advance, which facilitates dynamic market management and ensures that our products are neither in excess nor out of stock. We formulate and implement stringent policies to prevent existing employees from working for or owning equity in any of our distributors. If any of our former employees becomes an employee of our distributors, or holds equity in our distributors, we require such relevant distributors to notify us. In addition, our internal control policy ensures the equal treatment of our distributors. To the best knowledge of our Directors, as of the Latest Practicable Date, all our distributors were Independent Third Parties and none of our distributors were controlled by any of our employees during the Track Record Period and up to the Latest Practicable Date. To the best knowledge of our Directors, during the Track Record Period, none of our distributors had any business, employment, family or financing relationships with any of our Directors, Supervisors, substantial Shareholders, senior management and employees.

Distributor Empowerment

We support the development of our distributors through various measures, which we believe can strengthen our partnership with distributors and drive mutual growth, including but not limited to:

- *Exploring Sales Channels*. We assist distributors with developing downstream sales channels by helping them establish connections with points of sale, creating a comprehensive network. With our support, distributors have expanded into diverse dining channels as well as emerging e-commerce platforms, including community group buying, thereby broadening and deepening their reach.

- *Digitalized Channel Management*. To enhance the operational efficiency of our distributors, we have implemented digitalized channel management. Considering that distributors vary in management skills and data analysis skills, we introduced the "Anjoy Home" CRM system, a digital mobile platform for distributors. This system provides dynamic reports, making it easier for distributors to streamline ordering processes and refine procurement strategies.

- *Brand Advertising*. We support distributors' sales efforts with advertising of our brands and products. Beyond outdoor advertisements and storefront arrangements, we help distributors conduct online advertisement campaigns such as shooting and posting short videos. This approach helps attract customer attention, creates brand recognition and strengthens brand positioning.

- *Order Fairs.* We assist distributors with organizing order fairs for end customers to enhance their interactions with end customers and provide a platform for their business expansion. During these events, we introduce customized product combinations tailored to regional consumption patterns and seasonal trends, boosting sales and reinforcing cooperation with distributors.

Low Channel Stuffing Risk

We believe that our sales reflect the actual demand from end customers, thus minimizing the risk of channel stuffing and inventory backlog within the distribution network, as (i) we generally do not allow returns of products sold to distributors, except for limited reasons such as defective products; (ii) the majority of our product categories generally have a shelf life of 12 months and quick-frozen food products require relatively high storage costs; (iii) we require our distributors to report to us regularly on, and to maintain a reasonable level of, their inventory and adjust our supply to them to prevent channel stuffing accordingly; and (iv) we grant a short credit period to distributors and do not set minimum purchase requirements, encouraging distributors to be more cautious in their ordering to align their purchases with actual sales patterns and market demand. We believe such arrangements encourage distributors to order products based on actual sales forecasts.

Number of Distributors and Movement

The following table sets forth the movement of the number of our distributors for the years indicated:

	Year ended December 31,		
	2022	2023	2024
Number of distributors at the beginning of the period	1,652	1,836	1,964
Number of newly added distributors for the period[(1)]	336	454	499
Number of terminated distributors for the period[(2)]	(152)	(326)	(446)
Number of distributors at the end of the period	**1,836**	**1,964**	**2,017**

Notes:

(1) New distributors refer to distributors who entered into distribution agreements with us during a particular period.

(2) Terminated distributors refer to distributors who ceased to have distribution relationships with us during a particular period.

During the Track Record Period, we continually expanded our distribution network and successfully developed a significant number of new distributors. In 2022, 2023 and 2024, we had 336, 454 and 499 new distributors, respectively. In adhering to our distributor management standards, in 2022, 2023 and 2024, we ceased collaborations with 152, 326 and 446 distributors, respectively, who did not conduct active transactions with us within a specified time frame due to shifted business strategies, market exits or other reasons, did not strictly follow our management policies for distributors or did not meet our expected sales performance. During the Track Record Period and up to the Latest Practicable Date, we had no material unresolved disputes with terminated distributors.

We empower our distributors to grow and gradually become industry leaders in their respective regions. Among our 2,017 distributors as of December 31, 2024, we had collaborated with 736 distributors for more than five years. The revenue from sales to these distributors was RMB8.7 billion in 2024, representing over 70% of our total revenue from sales to distributors in the same period. The average annual revenue generated per distributor was RMB6.1 million in 2024, significantly higher than that of the leading industry players in China, according to Frost & Sullivan.

Standard Terms With Distributors

We typically enter into standard distribution agreements, the nature of which is sales and purchase agreements, with our distributors. Revenue is recognized when control of the products is transferred, being the point at which the products are delivered and accepted by the distributors. The salient terms of our standard distribution agreements during the Track Record Period are set out below:

- *Term*. The agreement generally has a term of one year.

- *Payment and credit terms*. We generally provide a credit term of 30 days to a majority of our distributors.

- *Sales and performance target*. We determine the incentive amount based on distributors' sales performance to encourage distributors to achieve or overachieve annual sales targets and promote the sales of our new products.

- *Logistics*. We generally engage logistics companies to deliver our products to the addresses designated by distributors.

- *Transfer of risk*. The risks transfer to the distributors after they confirm receipt of our products.

- *Product return*. We generally do not allow product returns from distributors other than for limited reasons such as defective products, which is in line with industry norm, according to Frost & Sullivan.

- *Termination*. We generally have the right to terminate the agreement with distributors who breach their distribution agreement.

We typically do not mandate any minimum purchase requirements for our distributors. In addition, we do not dictate the selling prices for our distributors, allowing them to set prices based on their own business judgment. See "— Coordination Between Sales Channels" for details. We believe that our standard distribution agreements enable us to sufficiently incentivize the distributors to actively market and sell our products and provide us with sufficient control over the distribution network.

We did not rely on any single distributor or a small number of distributors during the Track Record Period. See "— Our Customers."

Key Accounts

Key accounts primarily include national and regional supermarkets, such as RT-Mart (大潤發), Yonghui Superstores (永輝超市), Walmart, Wumart (物美) and Rainbow Department Store (天虹). During the Track Record Period, revenue from sales to key accounts amounted to RMB973.5 million, RMB843.0 million and RMB822.5 million in 2022, 2023 and 2024, respectively, representing 8.0%, 6.0% and 5.5% of our total revenue for the same periods.

We focus on promoting our brand image through unified marketing activities with supermarkets to carry out various product promotions. For example, by aligning with holiday themes, we organize various in-store activities to boost sales through key accounts. In addition, we also participate in live-streaming sales events organized by our key accounts, thereby reinforcing our position in the online retail.

The sales approach to key accounts is categorized into two models. The first model involves standard sales governed by sales contracts, pursuant to which key accounts make separate purchase orders, and we deliver products in line with such purchase orders. We access the sales records on the key accounts' information system as a supplier, and verify against our own shipment records and the key accounts' receipt confirmations. We recognize revenue after we delivered the goods to our key accounts based on the purchase orders and when both parties reconciled accounts. The second model operates on a consignment basis. We deliver goods according to the terms of the consignment contracts. Key accounts regularly provide sales records of consigned goods to us. We recognize revenue after the goods were sold to end consumers by our key accounts and when we have verified against the key accounts' sales records.

The following table sets forth the breakdown of sales to key accounts under standard sales contracts and consignment contracts:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Revenue under standard sales contracts	912,550	93.7	800,188	94.9	789,015	95.9
Revenue under consignment contracts	60,949	6.3	42,822	5.1	33,466	4.1
Total	**973,499**	**100.0**	**843,010**	**100.0**	**822,481**	**100.0**

The salient terms of the agreements with our key accounts during the Track Record Period are set out below:

- *Term*. The agreement generally has a term of one year and automatically renews unless terminated by either party.

- *Minimum purchase requirement*. We generally do not set any minimum purchase requirements.

- *Payment*. The payments are generally settled on monthly basis. We generally grant a credit term of 15 to 60 days upon the invoice.

- *Price policy*. We generally sell our products at prices that have been agreed. The pricing of our products takes into consideration the promotional expenses and product entrance fees to be incurred.

- *Logistics*. We are generally responsible for delivering our products to locations designated by the key accounts.

- *Product return*. We generally allow product returns that have not been sold to end customers.

- *Termination*. Either party generally has the right to terminate the contract if the other party breaches the contract and fails to rectify such breach within a reasonable period of time.

Targeted Enterprise Customers

Our targeted enterprise customers primarily include chain catering companies, snack companies and other corporate customers. During the Track Record Period, revenue from sales to targeted enterprise customers increased from RMB808.4 million in 2022 to RMB1,049.5 million in 2023, and further increased to RMB1,004.0 million in 2024, representing 6.7%, 7.5% and 6.7% of our total revenue for the same periods.

Leveraging our diverse product portfolio, we have attracted customers from the catering and other specialty channels. We have established long-term partnerships with renowned chain catering companies, including Zhangliang Malatang, Bantianyao Grilled Fish, Xiabuxiabu, Haidilao, Fish with You. We customize products and solutions to meet the differentiated needs of customers. For example, we offer customized products for a leading chain catering company specialized in malatang. In 2024, the revenue from sales to this leading chain catering company specialized in malatang was RMB137.4 million.

The salient terms of our standard agreements with targeted enterprise customers during the Track Record Period are set out below:

- *Duration*. The agreement generally has a term of one year.

- *Minimum purchase requirements*. We generally do not set any minimum purchase requirements.

- *Pricing policy*. We sell our products to targeted enterprise customers at prices agreed in specific sales order.

- *Payment*. Both parties review the invoices and generally settle the payments on a monthly basis.

- *Logistics*. We are generally responsible for arranging delivery of our products to locations designated by targeted enterprise customers within the time frame specified in the agreement after we receive the purchase order.

- *Confidentiality.* All confidential information provided by either party shall be used solely for the purposes of fulfilling the obligations and enforcing the rights as set out in the agreements and generally shall not be disclosed to any third party.

- *Product return.* We generally allow product returns that have not been sold to end customers.

- *Termination*. Both parties have the right to terminate the contract if the other party breaches the agreement.

New retail and E-commerce Platforms

We have been actively expanding our online multichannel development to adapt to changing customer habits and industry trends. In 2022, 2023 and 2024, revenue from sales via new retail and e-commerce platforms was RMB566.0 million, RMB753.6 million and RMB891.9 million, respectively, representing 4.7%, 5.4% and 5.9% of our total revenue for the same periods. We capture customer attention through targeted digital marketing tactics, including social media campaigns on these platforms. We plan to further expand our business on these platforms to offer differentiated products to customers and provide more targeted product portfolio recommendations based on customer purchasing behavior, thereby increasing customer traffic and driving sales.

New retail Platforms

We have been actively expanding our cooperation with new retail platforms, such as Freshippo (盒馬鮮生), Dingdong (叮咚買菜), JD Supermarkets (京東超市) and Guoquan (鍋圈) since 2022. These new retail platforms typically offer both online and offline shopping experiences for end customers, leveraging technologies to enhance convenience. These platforms often incorporate e-commerce, mobile apps and data analytics to offer personalized shopping experiences, online order placements and various delivery options, including home delivery and in-store collection. New retail platforms primarily prioritize the sales of our products suitable for individual customers such as Lock-Fresh products and certain quick-frozen prepared dishes.

We collaborate with these platforms from time to time to customize our products, such as unique packaging designs or platform-specific features, strengthening the partnerships and tapping into their established customer bases, potentially increasing our market reach and sales volume. For example, we jointly developed differentiated products with JD Supermarkets, such as hot pot packs and breakfast packs, aligning with the shopping habits of end customers who shop on its platform.

The salient terms of our standard agreements with new retail platforms during the Track Record Period are set out below:

- *Term*. The agreement generally has a term of one year.

- *Minimum purchase requirements*. We generally do not set any minimum purchase requirements.

- *Pricing policy*. We sell our products to new retail platforms at prices agreed in specific sales order. The pricing of our products takes into consideration the promotional expenses to be incurred.

- *Payment.* We generally deliver our products to new retail platforms before they make payments. We generally grant certain credit terms to them.

- *Logistics*. We are generally responsible for arranging delivery of our products to locations designated by the new retail platforms.

- *Product return*. We generally allow product returns that have not been sold to end customers.

- *Termination*. Both parties have the right to terminate the contract if the other party breaches the agreement and fails to rectify such breach within a reasonable period of time.

E-Commerce Platforms

We have strengthened our cooperation with e-commerce platforms such as Tmall, JD.com and Pinduoduo, and participated in important shopping festivals and promotional events. To further our customer reach and offer a more flexible shopping experience, we have established multiple online sales outlets, including our self-operated stores on Douyin and Kuaishou. We are proactively exploring the online livestreaming sales and have established our live streaming sales channel. For example, our sales personnel introduce our products and interact with our end-customers through live stream sessions in our self-operated store on Douyin. We also collaborate with popular social e-commerce platforms to extend our online customer reach by leveraging their e-commerce features and traffic. Customers place orders by clicking the embedded links in live-streaming or short promotional videos. We follow the general policies of respective e-commerce platforms.

Coordination Between Sales Channels

We typically assess from a holistic perspective to manage our sales channels and optimize our resource investments across multichannel network. We grant nationwide sales coverage to national supermarket chains and online sales channels, including new retail and e-commerce platforms and grant coverage over specific regions to regional local supermarket chains and distributors. Any sales conducted outside designated geographic areas, or any cross-channel sales among different sales channels and platforms without our prior consent, are considered cannibalization. We have taken measures to address the risk of sales channel cannibalization, primarily including distribution network management, penalty mechanism, product differentiation and price control.

- ***Distribution Network Management***. We monitor the sales activities of our distributors to prevent unauthorized sales outside their designated regions or channels. By allocating specific geographic regions and channels to our distributors, we aim to minimize competition among them. The distribution agreements we enter into with distributors typically specify the designated geographic regions and channels, and generally prohibit the distributors from selling products outside these designated regions and channels without our prior written consent. Our sales personnel monitor and detect unauthorized sales outside of the designated regions and sales channels through regular market engagements. We encourage our distributors and end-customers in regions or sales channels affected by unauthorized cross-region or cross-channel sales to report any such incident to assist our distribution network management.

- ***Penalty Mechanism***. We are entitled to terminate the distribution agreements with distributors that repeatedly engage in severe cannibalization or cross channel or cross region sales. During the Track Record Period, no distributor has engaged in severe sales channel cannibalization and no penalties involving the termination of distribution agreements have been imposed on any distributor.

- ***Product Differentiation***. By clearly defining our product offerings in terms of packaging and specifications, we enhance our sales channel management and minimize the risk of cannibalization across sales channels, ensuring that each brand and product portfolio thrives in its respective market.

- ***Price Guide***. We manage cannibalization risk by guiding the market prices of our products within the same sales channel and across different sales channels. For new products and key products during the specific period of time, such as the Lock-Fresh product line and roasted pork sausage in 2024, we set a minimum selling price and require all customers to adhere to such price floor. Non-compliance with minimum selling prices may result in suspended deliveries until resolved, and potential termination if unaddressed. No distributors were terminated for this reason during the Track Record Period. For other products, we provide a recommended selling price but do not mandate strict adherence. This strategy maintains flexibility, enabling pricing based on sound business judgment while discouraging price wars that can lead to cannibalization.

During the Track Record Period, we did not identify any material instances of cross-regional or cross-channel sales, underscoring the effectiveness of our approach to minimize cannibalization across different sales channels and different geographic areas.

Pricing Policy

We determine the selling prices of our products based on a range of factors, such as the product positioning, production cost, the level of competition, the sales channels and a fair profit level for our distributors and direct sales customers in our sales network. We adopt a pricing strategy of "high quality at moderate prices", ensuring our products are of high quality and competitive prices. Specifically, we ensure high quality and reliability by adhering to rigorous raw material acceptance standards, which is evidenced by the extensive quality certifications we hold such as ISO 22000, ISO 9001, ISO 14001, ISO 45001 and HACCP, the accreditation of our R&D laboratory as a CNAS National Laboratory as well as our participation in the formulation and revision of international and national standards. See "— Research and Development — R&D Capabilities." With these high-quality standards, our products are competitively priced compared to the industry average, showcasing our pricing strategy of "high quality at reasonable prices." Our distributors and direct sales customers shall not take any actions that may materially disrupt the prices of our products. See "— Sales Network."

According to our agreements with certain customers, retrospective volume rebates may be provided once the quantity of products purchased during the period exceeds a threshold specified in the contract. See "Financial Information — Material Accounting Policies, Judgments and Estimates — Revenue Recognition — Revenue from Contracts with Customers."

OUR CUSTOMERS

Our customers primarily are distributors, key accounts, targeted enterprise companies, new retail platforms and individual end customers. In 2022, 2023 and 2024, revenue from sales to our top five customers in each year during the Track Record Period in aggregate accounted for 8.0%, 6.4% and 6.3% of our total revenue, respectively, and revenue from sales to our largest customer in each year during the Track Record Period accounted for 2.3%, 1.9% and 1.8% of our total revenue for the same periods. Our Directors are of the view that there is no customer concentration risk as no revenue from sales to a single customer was more than 5% of our total revenue in each year during the Track Record Period.

During the Track Record Period, all of our top five customers in each year during the Track Record Period were Independent Third Parties of the Group. None of our Directors and Supervisors, their close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) has any interest in any of our top five customers in each year during the Track Record Period that is required to be disclosed under the Listing Rules.

Third-Party Payment Arrangements

Background and Implications Relating to Third-Party Payment Arrangements

During the Track Record Period, certain of our customers (individually or collectively, the "**Relevant Customer(s)**") settled payments with us through accounts that do not belong to the contractual parties under the corresponding sales and purchase agreements (the "**Third Party Payment Arrangements**"). We typically required the Relevant Customers and their designated third-party payors to provide us with written confirmation of delegation before entering into Third-Party Payment Arrangements (the "**Written Delegation**"). During the Track Record Period, all Relevant Customers entered into the Written Delegation under the Third-Party Payment Arrangements, except for some Relevant Customers who settled their payments through the accounts of the operators in the case of sole proprietorships. According to the Written Delegation, the designated third-party payors are authorized by the Relevant Customers to settle payments with us and the Relevant Customers shall bear the liabilities of any economic dispute caused by the Third Party Payment Arrangements. In 2022, 2023 and 2024, the aggregate amount settled with the Relevant Customers under the Third-Party Payment Arrangements, except for those settled through the accounts of the operators (or their spouses) in the case of sole proprietorships, was RMB814.9 million, RMB946.0 million and RMB172.5 million, respectively, representing 6.7%, 6.8% and 1.1% of the total revenue for the same periods. The aggregate amount settled with all Relevant Customers under the Third-Party Payment Arrangements was RMB4,640.2 million, RMB4,867.6 million and RMB2,491.7 million, respectively, representing 38.3%, 34.9% and 16.6% of the total revenue for the same periods. The Relevant Customers settled their payments through bank transfer. No single Relevant Customer made material contribution to our revenue in any year during the Track Record Period.

The Relevant Customers during the Track Record Period were distributors primarily in the form of sole proprietorships, representing approximately 90% of the total number of Relevant Customers in each year during the Track Record Period. The Relevant Customers also included limited liability companies (owned by either individuals or legal entities) and, in very limited cases, partnerships.

We had ceased all Third-Party Payment Arrangements by the end of November, 2024, and did not have any Third-Party Payment Arrangements subsequent to November 2024 and up to the Latest Practicable Date, except through the accounts of the operators in the case of sole proprietorships. We allow our customers who are the operators of sole proprietorships to settle payment with us through their personal accounts, considering that, as advised by our PRC

Legal Advisor, according to the Civil Code of the PRC and other relevant PRC laws and regulations relating to sole proprietorships, individuals may register as a sole proprietorship to engage in industrial and commercial operations in the PRC, and the operators of the sole proprietorships are liable for the contractual payment obligations arising from the business activities of the sole proprietorships, regardless of whether they are one of the contractual parties. For sole proprietorships that continue to have Third-Party Payment Arrangements as of the date of this prospectus, we require third-party payors, namely the operators of the sole proprietorships, to (i) sign the sales and purchase agreements using legal tech platforms such as Fadada (法大大), which mandates facial recognition of the sole proprietorships' operator prior to signing to verify the individuals' identities and ensure that the individuals who are signing are indeed the authorized operators of the sole proprietorships, or, (ii) to a lesser extent, sign their names on the sales and purchase agreements side by side with their sole proprietorships' business seals on an ongoing basis. We expect that these methods help us ensure proper authorization and compliance in the process. Revenue from sole proprietorships that continue to have Third-Party Payment Arrangements as of the date of this prospectus was RMB2,319.2 million in 2024, accounting for 15.4% of our total revenue for the same year.

Based on the representations of the Relevant Customers and to the best knowledge of our Directors, the Relevant Customers mainly utilized Third-Party Payment Arrangements either because they preferred using their affiliated persons' accounts for convenience, or because they would like to avoid the cumbersomeness of corporate accounts and maintain operational flexibility. To the best of our knowledge, the designated third-party payors primarily consisted of persons affiliated with the Relevant Customers, such as controlling shareholders, family members or employees of the Relevant Customers. According to the Frost & Sullivan, it is a common commercial practice for companies in the quick-frozen food industry in China. As a fast-growing component of the consumer sector in China, companies in the quick-frozen industry in China usually have a wide variety of customers, which include individual customers, sole proprietorships, small-sized entities and large companies. The operation of account systems and the financial management practices vary significantly among these customers. Consequently, companies in the quick-frozen industry frequently adopt third-party payment arrangements to accommodate the diverse financial circumstances of their customers, thereby maintaining operational efficiency.

During the Track Record Period, we did not initiate any Third-Party Payment Arrangements, and the Third-Party Payment Arrangements were arranged based on the Relevant Customers' requests. We did not provide any discount, commission, rebate or other benefits to any of the Relevant Customers or the designated third-party payors to facilitate or incentivize the Third-Party Payment Arrangements.

In order to ensure the Third-Party Payment Arrangements are for bona fide transactions, our finance staff were only allowed to accept payments from designated third-party payors of the Relevant Customers and our operational staff were only allowed to ship our products to the Relevant Customers on the condition that our finance staff confirm that the funds were received from designated third-party payors. Furthermore, we communicated with our customers to understand the nature of their businesses, business models and ownerships. To the best of our knowledge, during the Track Record Period, the relevant payments were based on *bona fide* underlying transactions and valid contractual relationships. The pricing and payment terms we provided to the Relevant Customers were in line with those provided to customers not involved in the Third-Party Payment Arrangements. During the Track Record Period, we have duly booked all payments received under the Third-party Payment Arrangement according to our internal accounting policies and tax related laws and regulations. During the Track Record Period, to the best knowledge of our Directors, all Relevant Customers and the designated third-party payors who settled payments under the Third-Party Payment Arrangements were Independent Third Parties. Our Directors are of the view that the foregoing measures to ensure payments under *bona fide* underlying transactions and valid contractual relationships with customers are sufficient and can substantially mitigate the risk we face. In light of the above and based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors which would reasonably cause them to disagree with the Directors' view above.

To the best of our knowledge, we were not the subject of any investigations, enquiries, penalties or surcharges as a result of our involvement in the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. In addition, we had not encountered any refund requests, actual or pending disputes or disagreements due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any money laundering issues, fabricated transactions, violation of tax laws or other illegal activities under the Third-party Payment Arrangement.

As advised by our PRC Legal Advisor, (i) (a) the content of such Written Delegation signed by both the Relevant Customers and the relevant third-party payors is legal and valid, and it has legal binding force on the relevant third-party payors, and, therefore, our Group has the right to receive the payments made by the third-party payors based on such executed Written Delegation, and (b) the risks were low for our Group to be found obligated to return funds to such Relevant Customers or their designated third-party payors under the Third-Party Payment Arrangements; (ii) the Third-Party Payment Arrangements during the Track Record Period do not contravene the mandatory provisions of the Civil Code of the PRC or other relevant applicable PRC laws and regulations currently in effect; (iii) the likelihood that we would be imposed any administrative penalties for being deemed as violating relevant PRC laws and regulations related to tax evasion in connection with aforementioned Third-Party Payment Arrangements is remote; and (iv) the risk of the Third-Party Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (《中華人民共和國刑法》) for the purpose of disguising or concealing the source and nature of proceeds or gains is low.

Enhanced Internal Control Measures and Cessation of Third-party Payment Arrangements

During the Track Record Period, we implemented internal control measures to monitor and manage the Third-Party Payment Arrangements. We required the Relevant Customers to communicate with us the relevant information, including, among others, the reasons for the Third-Party Payment Arrangements and the identity of the involved third-party payors. We required the Relevant Customers to provide us with the Written Delegation, which specifies that the designated third-party payors are authorized by the Relevant Customers to settle payments with us and that the Relevant Customers shall bear the liabilities of any economic dispute caused by the Third Party Payment Arrangements.

To prevent the recurrence of, and mitigate the potential risks from, the Third-Party Payment Arrangements, we have implemented enhanced internal control measures, including, among others:

(i) we started to implement Third-Party Payment Arrangements rectification measures and informed our employees of the enhanced internal control measures;

(ii) we amended our standard forms of sales and purchase agreements, pursuant to which we only allow payments either (a) directly from the accounts of the customers; or (b) through the accounts of the operators in the case of sole proprietorships;

(iii) we updated invoice management in our financial management manual to further clarify the requirements for managing third-party payments. We require our finance personnel to reject any fund transfer or return any funds received, as the case may be, unless the funds come from the accounts of the customers or the accounts of the operators in the case of sole proprietorships; and

(iv) we have internal guidelines in place regarding anti-money laundering, which require our employees to exercise reasonable due diligence with respect to all trading parties, including their business nature, business models and ownerships and proposed transactions, to identify potential risks of anti-money laundering.

We started to implement the above amended standard forms of sales and purchase agreements since March 2024 and the updated finance management manual since January 2025. Our Directors are of the view that the foregoing internal control measures are sufficient and can substantially mitigate the risk we face. In light of the above and based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors which would reasonably cause them to disagree with the Directors view above on the adequacy and effectiveness of the internal control measures.

Our Directors consider that the rectification of the Third-Party Payment Arrangements did not have, nor will have, any material adverse effect on the Group, taking into account its relationship with its customers, liquidity, business operation and financial performance, as (i) substantially all of the Relevant Customers cooperated with our rectification process and no customers terminated their relationships with us as a result of the rectification of the Third-party Payment Arrangement or our enhanced internal control measures; (ii) the rectification of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Customers to us; and (iii) we continued to generate positive net cash from our operating activities before and after the rectification of Third-party Payment Arrangements.

BRANDING AND MARKETING

We have strong brand-building and marketing capabilities. Our brand-building and marketing efforts during the Track Record Period were comprehensive, responsive, practical and effective. Through the efforts of a professional and experienced marketing team, we have achieved both brand awareness and sales success. Our selling and distribution expenses amounted to RMB873.0 million, RMB925.8 million and RMB986.2 million, accounting for 7.2%, 6.6% and 6.6% of our revenue in 2022, 2023 and 2024, respectively. The proportion of our selling and distribution expenses to revenue was much lower than the industry average during the same periods, according to Frost & Sullivan, demonstrating the high efficiency of our brand-building and marketing efforts.

Brand Value and Culture

Our brand maintains a "high quality at moderate prices" market positioning, reflecting our brand philosophy that famous brands can serve the mass market. The brand name "ANJOY" was derived from "ENJOY," signifying an attitude towards enjoying delicious food and life. Our trademark features a Chinese red fan design with green as the main color scheme, reflecting our brand image of being "green, healthy and safe." The brand design uses "green plaid" as a visual element to showcase a homey, warm, and harmonious brand image. We maintain consistent visual style across our office environment, employee uniforms, product packaging and promotional materials, and extend the green-color theme to various sub-brands. For example, "Frozen-food Master" uses dark green, strengthening the integrity of the brand series and maintaining unified recognition of the brand family. Through more than two decades of development, Anjoy has established a distinctive brand image. We adhere to the business philosophy of "food for the people" ("食以民為天") and aim to deliver health and joy by making delicious food simple for all, focusing on customer needs and remaining dedicated to providing quality quick-frozen food products.

Brand Building

Visual marketing is one of our most effective brand building approaches. Based on industry characteristics, development stages, channel strategies and target audience features, we have constructed a unique, systematic visual marketing communication system and created proprietary visual symbols. In addition, following the recent development of short-video platforms, we upgraded our marketing strategy by combining static visual elements and dynamic short video promotion. In channel development, we adopt an advertising coverage strategy that encompasses both modern retail formats and traditional markets, combining product displays at points of sale with outdoor advertising. We increase customer-facing promotional activities, including advertisements on supermarket exterior walls, store signage, bus bodies and street signs, constantly enhancing brand awareness.

Meanwhile, we have established a comprehensive marketing system covering multiple communication channels, enhancing brand attraction among young consumers. Additionally, we empower distributors to adapt to the short-video trend by upgrading promotion from traditional static visual displays like pictures and posters to dynamic video content for mobile internet. This mutually beneficial approach enhances our brand image while accelerating market promotion of our products through distributors.

Marketing Activities

To strengthen brand awareness, we have launched various marketing initiatives:

In 2022, based on our "parallel development across three product categories" strategy, we focused on incubating a signature product in each category. Through precise market positioning and efficient resource investments, we successfully launched products through product presentations, point-of-sale displays, deep cooperation with sales channels, and themed activities. Combined with precise, comprehensive market promotion, we successfully achieved annual revenue exceeding RMB100 million for our fried crispy strip product and approached a similar milestone for our pickled fish product in 2022, while cultivating new products such as roasted pork sausage and stuffed rice cake.

In 2023, leveraging the Zibo barbecue phenomenon, where Zibo street barbecue became a nationwide sensation, we actively adapted to market developments and deeply developed the barbecue consumption scenario. We increased the promotion of meatballs and other products suitable for barbecue scenario across all regions and channels, which led to increased market penetration and significant growth in our meatball product sales. This helped increase our related product sales and solidify our leading position in the quick-frozen prepared dishes market.

In 2024, we focused on products such as roasted pork sausage, deploying sausage grills at tourist attractions, children's amusement parks, and other leisure venues. We also capitalized on the development opportunities in the retail market during nighttime by deploying or upgrading "Anjoy Sausage" food stalls in night markets, pedestrian streets, and other areas to achieve both brand awareness and sales success. Simultaneously, we continued to promote distributors' digital upgrades through empowering them to adapt to the online economy and establishing a nationwide private social media-based marketing network to help distributors expand in new sales channels. The following graphics illustrate the sausage grills, "Anjoy Sausage" food stalls and the outdoor and indoor advertisements we deploy during marketing activities:

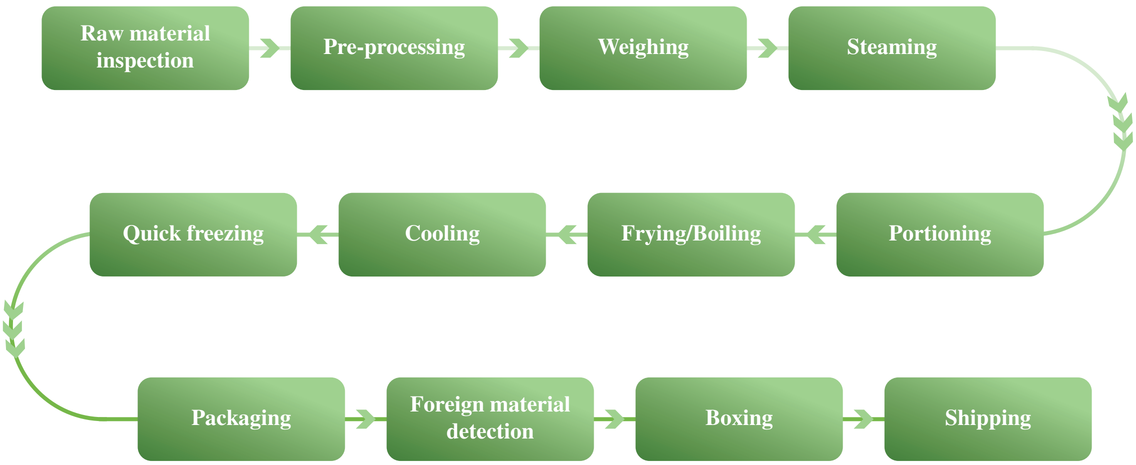
PRODUCTION

Our value chain operations are underpinned by our production capacity. By procuring selected raw materials and adhering to standardized production processes with stringent quality control measures, we are dedicated to offering various quick-frozen food products to customers.

Production Process

We constantly refine our production process and advance the development of techniques that preserve the freshness and flavor of our products and cater to customer preferences. Our production process is highly standardized and streamlined. Our production bases are equipped with advanced machinery and equipment, promoting intelligent production.

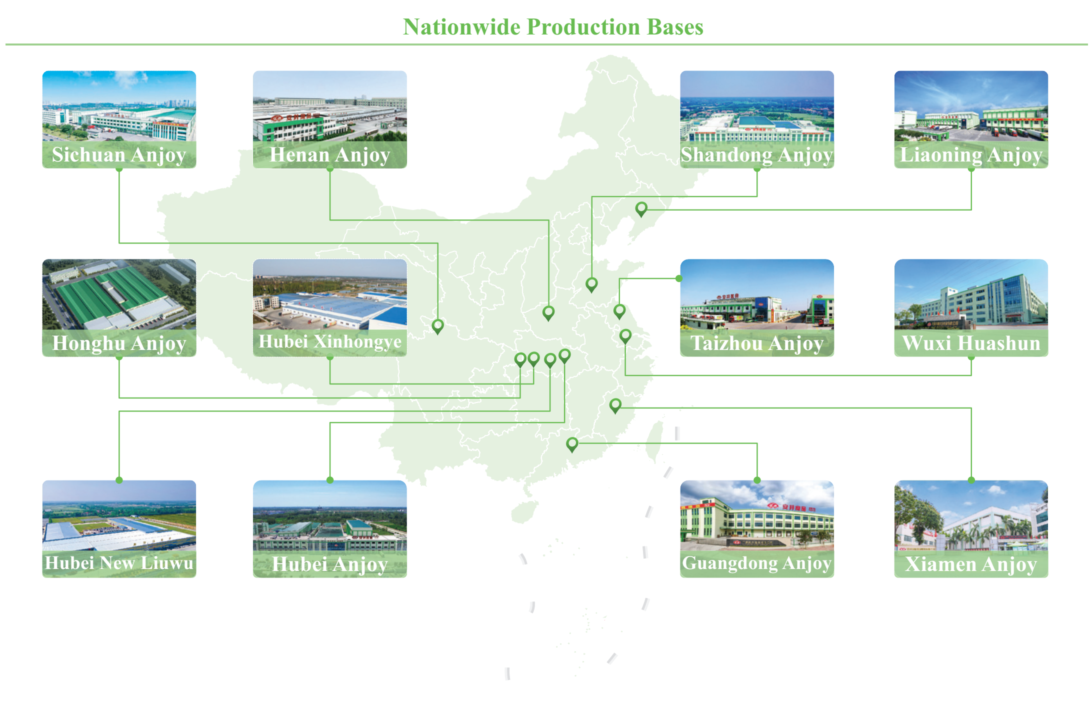
The following flowchart sets forth the key steps of our production process:



Our Production Bases

As of December 31, 2024, we operated 12 domestic production bases and one overseas production base. Our production bases are strategically located to address regional sales demand, allowing us to effectively improve procurement and logistics efficiency, optimize production and inventory management, and respond quickly to the needs of local customers.

The following map illustrates the network of our domestic production bases as of December 31, 2024:



The following table sets forth the details of our production bases:

	Time to Commence Production	Production Category	Year ended December 31, 2022 Designed capacity(1)	2022 Actual Production(2)	2022 Utilization Rate (%)(3)	2023 Designed capacity(1)	2023 Actual production(2)	2023 Utilization Rate (%)(3)	2024 Designed capacity(1)	2024 Actual production(2)	2024 Utilization Rate (%)(3)
			(tons, except for percentage)								
Wuxi Huashun	January 2006	Quick-frozen flour and rice products and quick-frozen flavored and processed products	146,288	154,959	105.9	150,214	151,170	100.6	146,326	155,648	106.4
Taizhou Anjoy	April 2013	Quick-frozen foods	159,251	134,856	84.7	163,593	139,772	85.4	152,013	144,978	95.4
Liaoning Anjoy	November 2015	Quick-frozen foods	111,866	110,693	99.0	119,546	129,423	108.3	122,613	129,759	105.8
Henan Anjoy	February 2020	Quick-frozen foods	110,377	107,119	97.0	131,295	142,092	108.2	136,684	148,509	108.7
Xiamen Anjoy	January 2005	Quick-frozen foods	118,909	95,552	80.4	115,729	89,243	77.1	103,874	79,892	76.9
Sichuan Anjoy	December 2018	Quick-frozen foods	101,658	90,007	88.5	104,285	96,560	92.6	102,042	106,566	104.4
Hubei Xinhongye	August 2021	Quick-frozen prepared dishes and others(4)	102,960	81,835	79.5	107,445	74,600	69.4	107,445	84,157	78.3
Hubei Anjoy	July 2021	Quick-frozen foods	57,813	70,462	121.9	84,112	76,354	90.8	93,486	83,762	89.6
Hubei New Liuwu	September 2022	Quick-frozen prepared dishes and others(4)	34,047	24,398	71.7	81,000	56,696	70.0	81,000	78,039	96.3
Guangdong Anjoy	April 2023	Quick-frozen foods	N/A	N/A	N/A	25,506	30,141	118.2	56,678	54,016	95.3
Shandong Anjoy	March, 2024	Quick-frozen flavored and processed products and quick-frozen prepared dishes	N/A	N/A	N/A	N/A	N/A	N/A	28,135	36,065	128.2
Honghu Anjoy	September 2024	Quick-frozen foods	N/A	N/A	N/A	N/A	N/A	N/A	5,666	2,204	38.9
Production base in United Kingdom	September 2021	Quick-frozen flour and rice products and quick-frozen flavored and processed products	774	774	100.0	945	945	100.0	1,173	1,173	100.0
Total			**943,943**	**870,655**	**92.2**	**1,083,670**	**986,996**	**91.1**	**1,137,135**	**1,104,768**	**97.2**

Notes:

(1) The designed capacity for the year is calculated based on the following assumptions: (i) all production lines function at full capacity; (ii) our production facilities operate 250 days per year; and (iii) our production facilities operate eight hours per day.

(2) The actual production during the year is the total volume of the products produced during that year.

(3) The utilization rate during the year equals the actual production volume divided by the designed production capacity during the same year. The utilization rate in certain years for our certain production bases exceeded 100.0%, primarily because our relevant production facilities operated more than one shift (eight hours) per day in response to the increased demand in the relevant years.

(4) Others primarily include agricultural by-products, such as surimi, fishmeal and other fishery by-products.

In addition to the 12 domestic production bases, as of December 31, 2024, we operated one overseas production base in the United Kingdom that primarily produced dumplings and other food products, which were mainly sold to the European markets, such as the United Kingdom, Netherlands, Italy and France, among others.

Our production model is sales-driven, utilizing our Business Intelligence System to capture and analyze production data from previous years of operations. Leveraging big data, we formulate production plans that are both responsive and strategic. Our operations department, on a monthly basis, synthesizes historical data, market feedback and information on promotional activities to draft a production plan for the upcoming month. In line with this plan, our information system automatically generates a list of raw materials that we need and we procure such raw materials based on market demand, pricing trends and planned usage accordingly. We plan our production based on predictions of customer orders. Prior to peak consumption times, such as the Chinese New Year, our production capacity allows us to accommodate the anticipated surge in demand.

The following table sets forth a breakdown of our production capacity and utilization rate by our product category for the years indicated:

	Year ended December 31,								
	2022			2023			2024		
	Designed capacity(1)	Actual production(2)	Utilization rate (%)(3)	Designed capacity(1)	Actual production(2)	Utilization rate (%)(3)	Designed capacity(1)	Actual production(2)	Utilization rate (%)(3)
	(tons, except for percentage)								
Quick-frozen flavored and processed products	520,185	453,918	87.3	607,547	511,479	84.2	634,156	567,433	89.5
Quick-frozen prepared dishes	141,106	125,896	89.2	143,761	163,056	113.4	163,089	184,369	113.0
Quick-frozen rice and flour products	199,635	217,617	109.0	209,197	229,476	109.7	218,725	246,331	112.6
Others(4)	83,017	73,224	88.2	123,165	82,985	67.4	121,165	106,635	88.0
Total/overall(5)	**943,943**	**870,655**	**92.2**	**1,083,670**	**986,996**	**91.1**	**1,137,135**	**1,104,768**	**97.2**

Notes:

(1) The designed capacity for the year is calculated based on the following assumptions: (i) all production lines function at full capacity; (ii) our production facilities operate 250 days per year; and (iii) our production facilities operate eight hours per day.

(2) The actual production during the year is the total volume of the products produced during that year.

(3) The utilization rate during the year equals the actual production volume divided by the designed production capacity during the same year. The utilization rate of certain years for our quick-frozen prepared dishes and quick-frozen rice and flour products exceeded 100.0%, primarily because our relevant production facilities operated more than one shift (eight hours) per day in response to the increased demand in the relevant years.

(4) Others primarily include agricultural by-products, such as surimi, fishmeal and other fishery by-products. The utilization rate of others decreased from 88.2% in 2022 to 67.4% in 2023 after the designed capacity of others increased as a result of the expansion of our Hubei New Liuwu production base. The utilization rate of others subsequently increased to 88.0% in 2024, in line with our business growth.

(5) Some of our products can be further used in our production process.

Production Expansion Plan

China's quick-frozen food industry is experiencing rapid growth. The market size of the quick-frozen food industry in China in terms of revenue is expected to grow at a CAGR of 9.4% from 2024 to 2029. In particular, the market size of the quick-frozen prepared dishes market in China in terms of revenue is expected to grow at a CAGR of 17.6% from 2023 to 2028. The average utilization rate of our production facilities was higher than 91% in each year during the Track Record Period. In order to facilitate our sustainable business development in this growing market, we plan to gradually expand our production capacity according to market demand. We plan to fund our production expansion plans primarily with the proceeds from our business operations and our proprietary funds. The table below sets forth the details of our major production expansion plans:

Production Base	Product Category	Newly Expanded Designed Annual Production Capacity	Estimated Year of Completion	Estimated Investment	Status as of the Latest Practicable Date
		('000 tons)		*(RMB in millions)*	
Henan production base (III) . .	Quick-frozen food products	140.0	2028	730.0	Under construction
Taizhou production base (III) .	Quick-frozen food products	100.0	2028	520.0	Under construction
Sichuan production base (III) .	Quick-frozen prepared dishes	100.0	2028	700.0	Under construction
Xiamen production base	Quick-frozen food products	140.0	2029	1,000.0	Under construction

Contract Manufacture

To better meet market demand and ensure adequate supplies for our diversified product portfolio, we cooperate with reliable contract manufacturers to produce supplies, the production of which generally necessitates abundant supply of fresh local raw materials and extensive manual handling, such as shrimp paste and stuffed lotus roots.

We maintain rigorous standards for selecting contract manufacturers, taking into account various factors, including their qualifications, management systems, production facilities and hygiene standards. We have a robust contract manufacturer product quality management system. Our quality control and procurement departments work in tandem to effectively oversee our contract manufacturers, guaranteeing that the products they supply conform to our quality criteria. Before commencing collaboration with contract manufacturers, we undertake a comprehensive evaluation of their business licenses, permits, production licenses, external product inspection reports, management system certifications, product certifications and other relevant documentation.

During the Track Record Period, we did not rely on any single contract manufacturer and maintained good relationships with our contract manufacturers. We engage contract manufacturers based on our demands and their production capabilities. In addition, we require contract manufacturers to adhere to our internal guidelines and policies, as well as relevant national standards, throughout the procurement of raw materials and all critical production processes involved in the manufacturing of our products.

The table below sets forth a breakdown of the production volume by producer during the Track Record Period:

	Year Ended December 31,					
	2022		2023		2024	
	Production volume	%	Production volume	%	Production volume	%
	(Tons, except for percentage)					
Internal production[(1)]	870,656	95.0	986,996	93.8	1,104,768	93.4
Contract manufacturer production	45,342	5.0	64,721	6.2	77,512	6.6
Total	**915,998**	**100.0**	**1,051,716**	**100.0**	**1,182,280**	**100.0**

Note:

(1) Some of our products produced can be further used in our production process.

Contract manufacturers will remain a supplementary approach to cater to, for example, short-term demand spikes or product requirements from specific designated areas when feasible. The salient terms of the standard agreements with our contract manufacturers during the Track Record Period are set forth below:

- *Term*. The term of the agreements is generally one year and renewed automatically.

- *Payment*. We are generally granted a credit term of 15 days after receipt of invoice.

- *Delivery*. Contract manufacturers are responsible for delivery of products to the addresses designated by us. We bear the delivery fees. Contract manufacturers shall guarantee the cold chain logistics for delivery and temperature control over products in transit.

- *Inspection and Warranty*. We are entitled to inspect the production bases or facilities and supervise the production by the contract manufacturers. Contract manufacturers warrant that all products must meet our specifications in all material respects.

- *Breach*. Contract manufacturers are responsible for any product quality and food safety issues.

- *Confidentiality.* All confidential information provided by either party shall be used solely for the purposes of fulfilling the obligations and enforcing the rights as set out in the agreements and generally shall not be disclosed to any third party.

RESEARCH AND DEVELOPMENT

We believe that R&D of products and production technology is crucial to our success and sustainable growth. We adhere to a "market orientation and technology innovation" approach, focusing on meeting customers' demands for quality quick-frozen food products at competitive prices. Our market insights and R&D capabilities enable us to continually launch new products, upgrade our product portfolio, create more signature products, ensure product quality and cost efficiency, and meet evolving consumer demand and industry trends.

R&D Capabilities

Our R&D activities are anchored by our Xiamen and Wuxi R&D centers and complemented by R&D departments at our production bases across the country, forming a nationwide layout of R&D capabilities. Our R&D center has been recognized as a National Enterprise Technology Center (國家級企業技術中心), making it the first and, as of December 31, 2024, the only R&D center in the quick-frozen surimi product industry to receive this recognition. We have also established key laboratories, including the Ministry of Agriculture and Rural Affairs' Key Laboratory for Frozen Prepared Aquatic Products Processing (農業農村部冷凍調理水產品加工重點實驗室), the National R&D Sub-center for Frozen Prepared Aquatic Products Processing Technology (國家冷凍調理水產品加工技術研發

分中心), the National R&D Sub-center for Surimi and Surimi Products Processing Technology (國家魚糜及魚糜製品加工技術研發分中心), the Marine Nutritional Food Deep Processing Technology R&D Centre (海洋營養食品精深加工技術研發中心) and the Key Laboratory Platform for Frozen and Processed Aquatic Products Processing in Fujian Province (福建省冷凍調理水產品加工重點實驗室等重點實驗室平台). Our R&D laboratory in the Xiamen R&D Center is accredited as a CNAS National Laboratory by China National Accreditation Service for Conformity Assessment. Each R&D department at our production bases is equipped with technical teams and laboratories, forming multi-dimensional business capabilities in product development, fundamental research, industrial applications and testing verification. As of December 31, 2024, our R&D team comprised 508 dedicated employees. As of the Latest Practicable Date, we had 419 patents in China. We are committed to leading industry development through technological innovation and strong technical capabilities.

We have built industry-academia-research partnerships with renowned food science and engineering universities and research institutions, including Jiangnan University, to jointly advance innovation in quick-frozen food technology. These collaborations have significantly enhanced our ability to develop new products and improve production processes. We have successively led a sub-project under the "12th Five-Year Plan" Science and Technology Support Program, three sub-projects under the "13th Five-Year Plan" and the "14th Five-Year Plan" National Key R&D Program's special project, a "14th Five-Year Plan" National Key R&D Program's key special project on food production and agricultural product logistics technology support, all promulgated by the Ministry of Science and Technology, and more than 10 other national level R&D projects. With these experiences and resources, we maintain a strong capacity for technological innovation. Our robust R&D and technological expertise enable us to develop a diverse portfolio of products while ensuring consistent quality and taste throughout our entire product portfolio.

The following graphics illustrate our R&D laboratories:



We have consistently invested in R&D. In 2022, 2023 and 2024, our research and development expenses were RMB93.3 million, RMB94.5 million and RMB97.2 million, respectively.

Technology and Production Capabilities

Our technology and production capabilities support our efforts to continually launch competitive products.

For example, our innovations in surimi production technology have streamlined the production process while enhancing both protein retention and raw materials utilization. We are also committed to enhancing production technologies. In 2023, we achieved three major innovations in the production technology for our frozen surimi-based products:

- We adopted a dynamic rinsing method combined with a pre-dehydration process, replacing the conventional time-consuming static rinsing process. This efficiently removes impurities from the surimi and avoids dehydration of the materials.

- We developed a rinsing water reuse technology and applied it to different stages of fish rinsing, achieving an approximately 30% reduction in wastewater output from the processing of surimi.

- We were the first in the industry to implement a dual fine-filtration processing model for frozen surimi. By adopting this model, we significantly enhance the overall yield and quality of the surimi.

Our in-house produced high-grade frozen surimi is distinguished by its minimal impurities, preserved protein content and notable whiteness. In 2023, we displayed our locally produced frozen surimi at an international industry event, where it attracted extensive acclaim from industry participants.

By leveraging our comprehensive understanding of food safety, cooking and industrial production, we have successfully developed a suite of technologies that enhance our production capabilities. Our major technologies also include quick-freezing methods, which allow us to preserve the fresh flavors and authentic taste of the food.

Product R&D

Our approach to product R&D is guided by a philosophy of "launching products that are popular among business customers and continuously upgrading products catering to individual customers' need," and our sales planning is driven by market trends. When developing products, we follow our strategy of "one generation in the market, one in development and one in reserve."

Benefiting from our extensive experience in the food industry, we have gained a deep understanding of consumer demand which drives our product development to align with market trends and cater to consumer preferences. The process for developing and launching a new product begins with gathering ideas from various sources, such as corporate strategy, market feedback and distributor information. We then conduct comprehensive market research that encompasses various stakeholders throughout the value chain, such as catering businesses, wholesale markets, supermarkets, new retail and e-commerce platforms and individual consumers, to assess competition and potential growth. Following this research, we identify and cultivate potential pipeline products that have a competitive edge regarding the supply and cost of raw materials. Additionally, we collect feedback from our distributors and other customers on product suggestions, regional tastes, product demands and pricing considerations. Small and medium-scale trials are conducted to refine the product's formulation and production feasibility. The products are launched into the market only after the trials have proved successful based on the positive feedback from distributors and direct sales customers. After product launch, we continuously conduct product surveys and gather feedback from distributors and direct sales customers to upgrade our products.

Responding to increasing consumer demand for health and nutrition, we continue to develop advanced production processes and formulations to produce healthier and more nutritious products, thereby enhancing product quality.

Through thorough research and product planning, combined with our deep production technology expertise, we are able to efficiently launch new products or upgrade existing ones to quickly respond to market demand. We have benefited from our product R&D capabilities. Our roasted pork sausage, developed in 2024, won first place in its category in the 2024 China New Ingredients (Media) Awards (2024中國新食材(媒體)). Through R&D and upgrades, we have overcome a series of innovative packaging challenges to launch our signature Lock-Fresh product line that maintains freshness and offers convenience.

Unique "R&D With Regional Insights" Strategy Maximizing Regional Advantages

We adopt an "R&D with regional insights" strategy, setting up R&D departments at our production bases to align with the unique consumer demand for products of each region and create offerings that are attuned to local preferences. Upon receiving a positive market response, we then consider expanding these products nationwide. This approach ensures that our new products can be launched in bulk, driving our continual growth. For example, we have successfully launched regionally tailored products such as roe-stuffed fried fish balls in South China and tender fish balls in Central China. These products, carefully designed to incorporate local culinary preferences, garnered significant market acceptance and customer appreciation upon their introduction.

DIGITALIZATION

We value our information technology infrastructure and have digitalized our core operations to enhance operational efficiency across all our business activities, including supply chain and production management, distributor management and business intelligence as well as management. As a result of digitalizing various aspects of our business processes, we have gained heightened operational efficiency, reduced our operational costs and improved our customer experience. Our information technology ("**IT**") team is responsible for developing and maintaining IT systems in line with our business expansion. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any IT system failure or downtime that had a material adverse effect on our business operations.

Digitalized Supply Chain Management

We strictly regulate the management and control of the warehousing, storage, delivery, distribution and other processes of goods through the digital logistics system to reduce losses and avoid food safety risks. Our comprehensive IT system, which underpins our entire business, coupled with our digital data analysis capabilities, allows us to effectively harness the vast quantities of operational and sales data at our disposal.

We utilize the SRM system to support business transactions and communications between us and our suppliers, including placing orders, managing inventories and measuring supplier performance. We also utilize the WMS to manage, control and monitor our warehouse operations. Primary functions of the WMS include identifying inventory records, shipment details, stock locations and warehouse capacity. We also integrate the WMS with other systems such as enterprise resource planning ("**ERP**") and SRM to streamline information flows and increase productivity. Meanwhile, we have the TMS in place to optimize the planning, execution and tracking of our products throughout the supply chain.

Digitalized Production Management

We utilize the manufacturing execution system ("**MES**") to support our production process. The system enables real-time monitoring of the production process by recording the progress of each production line and transmitting production-related data, including volume, time and labor, to a centralized database. The system is able to monitor production loading and capacity, order scheduling and production planning. In addition, this system boosts production efficiency at our production facilities, through quality management, energy management, and environmental and waste management. Data collected from our production process feeds into our ERP system for further consolidation, analysis and reporting.

Our self-developed EDI system integrates with ERP, programmable logic controller ("**PLC**"), electronic weighing and other systems to create a digital production and operations platform for our production bases. Our PLC empowers the production through automatic control. We have established an EDI system with Supervisory Control and Data Acquisition ("**SCADA**") that serves as the intermediary data processing layer and have facilitated the digitalization and transition to paperless operations for certain segments of the production process. In 2022, the EDI system with SCADA rolled out across our Company, capable of producing over 90 different types of electronic reports, which was estimated to save approximately one million sheets of paper used annually for reports.

The EDI system facilitates the flow of production-related information, enables precise documentation throughout the production process and substantially eases the operations for our staff. Concurrently, the system equips management with clear, visual reports, enabling prompt insights into production metrics and data, thereby underpinning stringent quality control of our products.

Digitalized Distributor Management

Since the implementation of our CRM system in 2018, we have enhanced our ability to manage orders from distributors effectively. The CRM system allows for customer ordering, receivables management, new product display, product promotions, logistics tracking and data analysis, which centralize the customer information management and optimize our sales process. The CRM system provides a variety of scenarios and solution services, including electronic signing of contracts, statements of account and expense letters, as well as the transmission of product quality inspection reports. The CRM system encompasses a prompt response mechanism that addresses inquiries, schedules appointments, handles complaints and gathers post-service reviews, ensuring that our engagement with distributors is both proactive and responsive. This approach not only improves our operational efficiency but also strengthens our relationships with distributors by providing them with timely and attentive service. In addition, leveraging advanced encryption technologies and security safeguards, we have implemented stringent measures to ensure the security and privacy of customer data and to prevent data breaches and unauthorized access. We offer our distributors a digital sales platform for supply chain management, Fastsell (快銷通), which assists them with connecting with downstream business partners and securing orders promptly.

Digitalized Business Intelligence

We have adopted a series of business management information systems, such as our financial management system, collaborative work system, business data analysis system and training management system, with the aim of ensuring our operational efficiency. For example, we utilize ERP system to retrieve and analyze our operational data to support decision-making and increase productivity and profitability. The ERP system covers various aspects of our operations, including production, financial accounting, forecast and planning, purchasing, order management, enterprise performance management and human capital management. We also adopt the Business Intelligence system, which is able to effectively integrate our existing business data to quickly and accurately provide reports and decision-making insights, and facilitate informed operational decisions.

In addition, we introduced our KA-Link system in 2022 to provide an efficient data processing solution for our key accounts, ensuring timely and accurate integration with their systems. Our KA-Link system enables automatic integration of orders, sales, and acceptance data with major key accounts. It allows us to better serve different key accounts.

OUR SUPPLIERS

Our suppliers primarily consist of raw materials suppliers for meat, surimi, crayfish and fresh fish, flour, vegetable and condiments, as well as contract manufacturers. We maintain stable relationships with our suppliers to ensure the stability of material supplies and delivery.

Raw Materials Procurement

We make procurement decisions based on historical sales performance and predicted customer demand. Meanwhile, our procurement team purchases raw materials by leveraging their deep knowledge of regional resources. The pricing of raw materials is primarily determined based on the competitive negotiation between our suppliers and us. We engage in price discussions with our suppliers regularly. We leverage our economies of scale to reduce procurement cost of raw materials, achieving price competitiveness.

To secure a stable supply of key raw materials and enhance our competitive edge in the quick-frozen prepared dishes market, we have strategically acquired upstream businesses and partnerships. This includes the establishment of a production base in Honghu, Hubei, which prioritizes the development of aquatic prepared dishes and further strengthens our advantages in quick-frozen prepared dishes. In addition, through acquisitions, we bolstered our supply of surimi, one of the primary raw materials of our products, and increased our production capacity and process efficiency in surimi and aquatic prepared dishes, such as quick-frozen flavored crayfish.

During the Track Record Period, we primarily sourced raw materials from Mainland China and our purchases of raw materials from countries and regions other than Mainland China were less than 7.0% of our total purchase amount of raw materials during the Track Record Period. As a result, the rising geopolitical tensions and the tariffs imposed by the U.S. and the PRC have limited impact on our procurement, and therefore do not adversely impact our operations and financial performance.

The prices of our raw materials may fluctuate with market conditions attributed to various factors, such as supply and demand and our bargaining power. We do not engage in hedging activities related to the risk in connection with the price of our raw materials and may face price fluctuations. We collaborate with multiple suppliers to reduce the risks of raw material shortage. See "Risk Factors — Risks Relating to Our Industry and Business — Failure to procure raw materials that are consistent with our requirements or standards in a timely manner, or at all, may materially and adversely affect our business, financial condition and results of operations." During the Track Record Period, the procurement price of our raw materials remained relatively stable. For example, the procurement price of surimi, one of the major raw materials, remained relatively stable at RMB12.8 thousand per ton, RMB12.7 thousand per ton and RMB13.7 thousand per ton in 2022, 2023 and 2024, respectively; the procurement price of meat, including chicken, which is also a major raw material, remained relatively stable at RMB8.5 thousand per ton, RMB7.7 thousand per ton and RMB7.1 thousand per ton in 2022, 2023 and 2024, respectively.

Supplier Selection and Management

We have established a series of policies, including the "Supplier Quality Assessment and Control System" and the "Procurement Control Procedures," which set out our management requirements for suppliers, such as potential supplier evaluation and admission, supplier identification and auditing, supplier assessment and supplier screening. We conduct assessments on suppliers in terms of raw material quality, management standardization, logistics and distribution capabilities and financial management abilities.

Supplier Selection

Potential suppliers are required to provide us with their business licenses, basic company information and qualifications. Potential suppliers are also required to provide product samples for our testing and assessment. We also conduct site visits to our suppliers' production bases or operational premises. Selected suppliers are then admitted into our list of qualified suppliers. We generally consider corporate social responsibility factors during the supplier admission process and prioritize suppliers who have passed Quality System Certification ISO 9001, Food Safety Management System Certification ISO 22000, the Environmental System Certification and the Occupational Health Management Certification.

Supplier Management

We implement dynamic supplier management, conducting comprehensive annual performance assessments of suppliers' supply capacities, product quality and financial condition. We require suppliers who fail to satisfy our assessment to take measures to solve relevant issues or terminate the cooperation if necessary. In addition, we quantify and prioritize supplier risks by considering factors such as the previous year's raw material costs, the inherent hazards of the raw materials and the frequency of incidents. For suppliers that pose a higher risk for high-volume and quality-sensitive products, we allocate staff at the suppliers' facilities or conduct on-site inspections, ensuring that the most concerning vulnerability is addressed, quality standards are consistently met and any issues are promptly addressed. We keep abreast of industry trends and dynamically adjust our procurement in accordance with national standards and risk detection requirements.

Salient Terms With Suppliers

The salient terms of our standard supply agreements during the Track Record Period are set out below:

- *Specification*. We provide the specification, price, quality and quantity of the raw materials in the supply agreements upon negotiation with suppliers.

- *Payment*. We typically are required to settle the payment between 30 and 60 days upon the receipt of invoice.

- *Logistics*. Our suppliers are generally responsible for arranging delivery of our raw materials to locations designated by us.

- *Return arrangements*. We are entitled to return the products if the raw materials are defective, and the suppliers are responsible for any fees incurred by the return.

Major Suppliers

Our suppliers primarily consist of raw material suppliers and contract manufacturers. In 2022, 2023 and 2024, purchases from our top five suppliers in each year during the Track Record Period in aggregate accounted for 12.0%, 11.3% and 12.3% of our total purchases, respectively, and purchases from our largest supplier in each year during the Track Record Period accounted for 4.6%, 3.9% and 3.7% of our total purchases for the same periods. Our Directors are of the view that there is no supplier concentration risk as no purchase from a single supplier was more than 5% of our total purchases in each year during the Track Record Period.

During the Track Record Period, all of our top five suppliers in each year during the Track Record Period were Independent Third Parties of the Group. None of our Directors and Supervisors, their close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) have any interest in any of our top five suppliers in each year during the Track Record Period that is required to be disclosed under the Listing Rules.

OVERLAPPING OF OUR CUSTOMERS AND SUPPLIERS

Among our top five suppliers in each of 2022, 2023 and 2024, five were our customers. These customer-suppliers primarily purchase agricultural by-products produced by us, mainly freshwater surimi, for their production. Our aggregate sales to these overlapping customer-suppliers amounted to RMB20.3 million, RMB28.4 million and RMB24.2 million in 2022, 2023 and 2024, accounting for 0.2%, 0.2% and 0.2% of our total sales in the same periods, respectively. In the meantime, these customer-suppliers primarily supply food products and ingredients to us, primarily shrimp paste and seawater surimi. According to Frost & Sullivan, considering the comparative advantages of food ingredients from different production regions, it is not uncommon for a company in the quick-frozen food industry to buy and sell different types of food ingredients or products from/to the same supplier-customer. The purchases from these overlapping customer-suppliers of the respective year in aggregate amounted to RMB522.7 million, RMB745.6 million and RMB794.0 million in 2022, 2023 and 2024, accounting for 6.3%, 7.9% and 8.6% of our total procurement in the same periods, respectively.

Negotiations of the terms of our sales to and purchases from these customer-suppliers were conducted on an individual basis, and the sales and purchases were not inter-conditional with each other. For each of the overlapping customer-suppliers, the key terms of our sales of products to such customers and our purchases of products from such suppliers are in line with those of our other customers and suppliers. Save as disclosed above, to the best of our knowledge, none of our five largest suppliers during each year of the Track Record Period was a customer of us. None of our five largest customers during each year of the Track Record Period was a supplier of us.

LOGISTICS, WAREHOUSING AND INVENTORY MANAGEMENT

Logistics and Warehousing

As of December 31, 2024, we had engaged 44 logistics providers. They are responsible for delivering food products and raw materials to our distributors, direct sales customers or warehouses. During the Track Record Period, our logistics costs were RMB241.7 million, RMB266.4 million and RMB241.0 million, representing 2.5%, 2.5% and 2.1% of our total cost of sales, which is significantly lower than the industry average, according to Frost & Sullivan. Our warehouses located at our 12 production bases in China provide storage facilities at appropriate temperatures with storage conditions in accordance with our requirements. We have formulated stringent requirements for the storage of food products and raw materials at our warehouses, including those with respect to product unloading, recording, shelving, labeling and sanitary and hygiene requirements.

Temperature, hygiene and physical storage of products are among the key aspects of our logistics quality control. To protect and prolong products' integrity, we have implemented cold chain logistics for delivery. We require that the temperature control over products in transit be maintained below certain temperatures according to national food safety standards. We set and implement stringent safety policies and quality control measures during the transportation of food products and raw materials to ensure timely delivery and maintain the quality and freshness of our products and raw materials. Pursuant to the agreements we entered into with these logistics providers, we require that vehicles used for us be thoroughly cleaned, sanitized and equipped with intelligent sensors. In addition, we have established a digitization system for our warehousing and logistics management, which offer different solutions tailored to the unique needs and is capable of monitoring and tracing our products. This digital integration also ensures the efficient management and monitoring of our inventory and the speedy and precise delivery to our customers. Through the digitalized system, we are able to monitor the temperature and humidity of each batch of raw materials and products in transit.

Inventory

Our inventories primarily consist of finished goods, raw materials and goods in transit. Our inventory levels are determined by our sales and production plans. We stock up on certain raw materials based on production needs and seasonal fluctuations. During the Track Record Period, we did not experience any material shortage or obsoleteness of inventory. See "Risk Factors — Risks Relating to Our Industry and Business — If we fail to effectively manage our inventory, our business, financial condition and results of operations may be materially and adversely affected."

We focus on optimizing our inventory management, and we have developed and implemented a stringent inventory management system. Different categories, specifications and values of inventory are stored separately according to technical storage requirements, preventing any potential mixing.

FOOD SAFETY AND QUALITY CONTROL

We strive to promote regulated and healthy industry growth alongside with our business growth. During the Track Record Period, we participated in the formulation and revision of three international standards and 19 national standards. For example, we participated in the establishment of global and national standards for frozen surimi and industry standards for quick-frozen food terminology in China. In 2021, as the initiator and primary drafting entity, we collaborated with national research institutes to establish international standards for frozen surimi, highlighting our significant position in the upstream supply chain.

We enforce a range of national food safety standards and have an in-house food safety management system to regulate the safety and quality of our products. We have designated food safety quality control personnel, responsible for testing raw materials, in-process products, finished products and the production environment, maintaining and upgrading quality control systems and ensuring production compliance.

Raw Material Quality Control

To maintain the quality of our raw materials, we have instituted a supplier selection, assessment and elimination system and have compiled a qualified supplier list. Our selections and evaluations of suppliers are comprehensive, taking into consideration aspects such as product quality, production capacity, working conditions and supply chain management proficiency. We also conduct site visits to our suppliers periodically. We only purchase raw materials from suppliers on the qualified supplier list. In addition, we also introduced a supplier relationship management system to regulate the management of suppliers. We also require that all raw materials and product ingredient labeling by our suppliers comply with national regulatory requirements.

We adhere to stringent standard operating procedures for the admission of raw materials. All raw materials received at our production facilities undergo inspection, and only those that comply with national standards and our internal procurement criteria are approved for use. If any raw materials fall short of the stipulated standards in the procurement agreements, we have the right to return the products.

Production Process Quality Control

We adhere to food safety laws and regulations and enforce stringent quality control measures throughout the entire production process, including the inspection of raw materials, pre-treatment, processing, product inspection and packaging. Our production bases have obtained certificates, including ISO 22000, ISO 9001, ISO 14001, ISO 45001, HACCP and accreditation by China National Accreditation Service for Conformity Assessment.

Our production facilities are designed in compliance with relevant guidelines, and all plants and equipment undergo regular cleaning and maintenance by appointed staff who adhere to our standards. All production staff are required to complete relevant technical training prior to commencing their duties. Our EDI system can realize real-time production process recording and can ascertain the flow of our processes to reduce quality deviations caused by human error. We continue to pay attention to product and environmental hygiene and carry out sampling inspections of process products and final products at a high frequency. In addition, we have implemented a comprehensive risk contingency plan to address any food safety incidents that may arise during the production process.

We have been taking continual measures to provide more accurate and reliable food safety test results. We utilize precision measurement equipment to help enhance the level of food safety testing. We also regularly verify the testing methods and analyze the impact of procedural steps and experimental environments on the test outcomes.

Logistics and Storage Quality Control

We leverage the services of third-party logistics service providers to deliver our products while also implementing stringent quality control requirements to ensure the promptness and quality of delivery. We have comprehensively strengthened logistics cold chain management and control. Before loading, vehicles are pre-cooled according to the temperature required by national food safety standards. Each vehicle is equipped with a temperature sensor to monitor the vehicle temperature throughout the process, and we are able to track the real-time location of the vehicles.

We maintain our warehouses in clean, well-ventilated and organized conditions. Our storage facilities are typically equipped to accommodate room temperature, cool temperature and freezing temperature conditions, with the temperature and humidity levels being monitored in real time to align with the specific storage requirements of our products.

AFTER-SALES SERVICE

We maintain a committed customer service team to guarantee prompt replies to our customers' enquiries, which we believe improves customer confidence in our products. We attach high importance to our consumer service team's understanding of food additives, the carryover principle and product formulation to ensure accurate responses to consumer inquiries. We employ multiple feedback channels such as customer service hotlines and online support. Our customer service team documents all queries, feedback and complaints, along with the outcomes of any subsequent investigations or resolutions. When handling customer complaints, we pledge to engage and coordinate with customers promptly and to initiate quality investigation procedures when required. For complaints related to food quality, we conduct traceability analysis based on product batch numbers and sales regions to determine the authenticity of the complaints. Upon investigating customer complaints that stem from raw material suppliers or other third parties, we promptly request that these parties address and rectify the issues. Subsequently, we convey our responses and/or solutions to the customers who raised the complaints. We implement strict review processes over external communications to ensure that all disclosed information complies with food safety regulations and industry standards.

Product Return and Recalls

According to the distribution agreements, distributors are generally not allowed to return our products after receipt unless due to limited reasons such as defective products, in which case we will be responsible for the costs incurred from product return. According to our agreements with key accounts, targeted enterprise customers and new retail platforms, we generally allow product returns that have not been sold to end customers. In 2022, 2023 and 2024, the amount of product returns was RMB14.5 million, RMB21.2 million and RMB28.6 million, respectively, representing 0.1%, 0.2% and 0.2% of our total revenue in the respective period. We implement full traceability management and develop traceability and recall control procedures. We have also formulated product recall procedures to ensure compliance with food safety requirements under relevant laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, (i) we were not subject to any material administrative or other penalties from any governmental authority in connection with product quality or food safety, (ii) we were not ordered to undertake any mandatory product recalls as required by any government authorities, which could have a material adverse effect on our business, financial condition and results of operations, (iii) we did not experience any incidents related to material product liability exposure, and (iv) we did not receive any material complaints from customers in connection with product quality. During the Track Record Period, we did not conduct any material product recalls that could have adversely affected our business and results of operation. See "Risk factors — Risks Relating to Our Industry and Business — Any failure to offer quality after-sales services may materially and adversely affect our business, financial condition and results of operations."

COMPETITION

China's quick-frozen food industry is competitive and fragmented, with the top five players holding a combined market share of 15.0% in terms of revenue in 2023. We compete with a broad range of competitors, particularly in sectors of quick-frozen flavored and processed products, quick-frozen prepared dishes and quick-frozen flour and rice products.

In 2024, we ranked first in both China's quick-frozen flavored and processed food market and quick-frozen prepared dishes market, and fourth in the quick-frozen flour and rice product market in terms of revenue. Leveraging our continuously broadening product portfolio highlighted by nationwide signature products, a comprehensive sales network with deep multichannel coverage, and excellent digitalization capabilities that boost operational efficiency, we believe we are well-prepared to excel in industry competition and remain at the forefront of the quick-frozen food industry. See "Industry Overview."

INTELLECTUAL PROPERTY

Our intellectual property rights primarily consist of trademarks, copyrights, patents and domain names. As of the Latest Practicable Date, we had 360 registered trademarks, 17 software copyrights, four copyrights of works, 419 patents and nine domain names in China, among which 41 trademarks, 51 patents, 12 copyrights and six domain names were material to our business. For details about IPs that are material to our business, see "Appendix IV — Statutory and General Information — Further Information About Our Business — Intellectual Property Rights." In particular, trademarks of our brands and products help differentiate us in the quick-frozen food market. Patents of our production facilities and techniques as well as copyrights of our information technologies ensure our competitive advantage in R&D, production and quality control. We also protect our intellectual property rights through a series of confidentiality agreements or provisions with our key employees, suppliers, outsourcing partners and other business partners. We undertake a proactive approach to managing our intellectual property portfolio. We actively take actions when we are aware of a potential infringement of our intellectual property rights.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced material threatened or pending disputes relating to the infringement (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us.

DATA SECURITY

We process customers' personal information in our daily operations, but only to the extent necessary for the sale and delivery of our products and services in conformity with the relevant laws and regulations. Sales and delivery of products through e-commerce platforms involve certain customer privacy information, such as personal information, contact information and user addresses. Based on the privacy protection rules of the corresponding e-commerce platforms, we can only obtain limited information about customers through the store operation system, and our use of such information is solely for the purpose of providing products or services to the customers. We also sell our products through self-owned online stores, under which circumstances we have access to customers' network identity information, addresses and encrypted contact information through the store operation system on the corresponding e-commerce platform. Such information is used for account registration and product delivery purposes. We present our privacy policy to customers before processing their personal information. The policy states that we will follow the principles of legality, legitimacy, and necessity in collecting and processing personal information and ensure we have a legitimate reason for doing so. We will only store personal information for as long as necessary for the purposes stated in the privacy policy (unless mandatory storage is required by PRC laws and regulations) and will anonymize or delete personal information at the end of the storage period.

We highly value the protection of the privacy and personal information of our customers, and also treat and process customers' personal information with high prudence. We have institutional and technical safeguards to ensure information security. Our "Anjoy Home" CRM system operates on Level II Information Security Protection and had obtained the Registration Certificate for Graded Protection of Information System Security. In addition, with database audits, high-strength firewalls and security reinforcement provided by established security vendors, we regularly organize tests and perform security scans on our systems. We have also provided employees with training on information security regulations to ensure the safety of relevant business information. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we complied with applicable PRC laws and regulations with respect to data security and personal data protection in all material respects. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any major IT system failures or data and network security incidents, nor any material data breaches, losses or unauthorized use of consumers' personal information.

PROPERTIES

Our corporate headquarters is located in Xiamen, Fujian Province, China. As of the Latest Practicable Date, we had 82 owned properties in China and leased 42 properties in China.

As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Prospectus is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of the Latest Practicable Date, we owned 33 parcels of land with an aggregate area of 1,905,322.68 sq.m, and 82 buildings with an aggregate gross floor area of approximately 1,422,380.62 sq.m. in China, which were used primarily for warehousing, production and office purposes. As of the Latest Practicable Date, two buildings we owned, with an aggregate gross floor area of 36,385.04 sq.m., were under construction. During the Track Record Period and up to the Latest Practicable Date, we timely obtained and completed the necessary fire safety inspection approvals, fire safety filings and all other required licenses and regulatory approvals for all our properties and production lines, with the exception of two buildings where we began operations prior to completing the fire safety filings. We have subsequently completed the fire safety filings for these two buildings as of the date of this Prospectus. Our failure to complete the fire safety filings before commencing operations of the two buildings was because (i) our employees in charge of handling the procedures had an insufficient understanding of the relevant processes and regulatory requirements; and (ii) during the period when we were handling the procedures, there was a change in the relevant government personnel, which affected the timeliness of communication regarding the procedures. The two buildings commenced operation in 2023 and 2024, respectively, and the aggregate production volume of the two buildings in 2023 and 2024 represented less than 1.0% of our total production volume in the respective years.

Leased Properties

As of the Latest Practicable Date, we leased 42 properties with an aggregate gross floor area of 47,871.10 sq.m. for purposes of our production and offices in China. As of the same date, we had also leased five properties with an aggregate gross floor area of 2,675 sq.m. for purposes of our production and offices outside of China. As of the Latest Practicable Date, we had certain non-compliant incidents involving our leased properties in China, mainly regarding the absence of valid title certificate, inconsistency with the permitted usage and the non-registration of lease agreements.

Absence of Valid Title Certificate

As of the Latest Practicable Date, the lessors of four properties used as offices with an aggregate gross floor area of approximately 704.34 sq.m, which represented approximately 1.47% of the aggregate leased gross floor area, had not provided the title certificates or documents evidencing the right to lease. As advised by our PRC Legal Advisor, without valid real estate ownership certificates or proof of authorizations from the relevant lessor or property owner, we may not be entitled to use the leased property or may be affected by third parties' claims or challenges against the relevant lease. Nevertheless, we would not be subject to any administrative penalties with respect to these properties. In addition, although the lessors have not provided the title certificates or documents evidencing the right to lease, our employees obtained other supporting documents, such as land use right certificates, before signing the lease agreements.

Our PRC Legal Advisor is of the view that such lack of title certificate in our leased properties will not have a material adverse effect on our business operations, on the grounds that: (i) such leased properties are used for offices, are highly replaceable, and we do not have material reliance on them; and (ii) as of the Latest Practicable Date, we have never been forced by any third party to cease using any such properties.

We maintain active and regular communication with the lessors of the leased properties, requesting them to provide us with the title certificates or documents evidencing the right to lease. We have also enhanced our internal control measures and procedures to prevent the leasing of properties with title defects. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, our leases with respect to these defective leased properties had never been challenged by any third parties. In the unlikely event that we are required to relocate from the leased properties due to the absence of valid title certificates or documents, we expect that the relocation can be completed within one month at a cost of approximately RMB0.2 million, representing less than 0.1% of our total revenue in 2023. As a result, we do not expect that our business, financial position or results of operations will be subject to material adverse impact due to the relocation.

In light of the above, our Directors believe that the above lack of title certificate will not materially affect our business, results of operation or prospects.

Inconsistency With Permitted Usage

As of the Latest Practicable Date, the current usage of certain leased properties used as our offices with an aggregate gross floor area of 1,495.36 sq.m, which represented approximately 3.12% of the aggregate leased gross floor area, is inconsistent with their permitted residential usage. The decision to utilize these leased properties, which are permitted for residential use, as offices for our employees' remote work was primarily driven by their proximity to our customers for business operations and the facilitation of convenient commuting for our employees. As advised by our PRC Legal Advisor, with respect to the leased properties with usage defects, administrative penalties may be imposed on the owners if the properties are leased for the usage inconsistent with their permitted usage, and our usage of the aforesaid leased properties may be interrupted. However, as a tenant, we are not subject to any administrative penalties in this regard. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any safety issues or disputes with respect to the above-mentioned leased properties.

Our PRC Legal Advisor is of the view that such inconsistency with permitted usage in our leased properties will not have a material adverse effect on our business operations, on the grounds that: (i) as of the Latest Practicable Date, we have never been forced to cease using any properties due to inconsistency with permitted usage; (ii) these properties are located in different cities and leased from different landlords, and the likelihood of all such properties being affected simultaneously is remote; and (iii) such leased properties are primarily used for our offices and are highly replaceable, and we do not have material reliance on them.

As these leased properties are used as offices, our Directors do not expect any material safety incidents or risks associated with these leased properties. We comply with fire safety regulations and actively cooperate with property owners and management companies to maintain fire safety. During the Track Record Period and up to the Latest Practicable Date, no fire safety accident occurred on these leased properties. In the unlikely event that we are required to relocate from these leased properties due to the inconsistency with permitted usage, we expect that the relocation can be completed within one month at a cost of approximately RMB0.2 million. As a result, we do not expect that our business, financial position or results of operations will be subject to material adverse impact due to the relocation. In light of the usage of such leased properties, nothing has come to the attention of the Joint Sponsors which would reasonably cause them to disagree with the Director that there is any material safety incidents from these leased properties that did not align with their permitted usage.

As of the Latest Practicable Date, we had not been subject to any administrative penalties imposed by the competent authorities, nor had we received any penalties or investigation notices from the competent authorities for such inconsistency with permitted usage. On this basis and having considered our PRC Legal Advisor's advice, our Directors believe that the likelihood of our business and results of operations being materially and adversely affected by these inconsistency with permitted usage is remote.

Lack of Lease Agreement Registration

According to applicable PRC laws and regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. As the registration of lease agreements requires the cooperation of lessors, and lessors are typically unwilling to undertake the administrative burden, we were not able to complete the registration of the lease agreements. As of the Latest Practicable Date, all of the lease agreements had not been registered with relevant authorities. As advised by our PRC Legal Advisor, a fine ranging from RMB1,000 to RMB10,000 may be imposed by the relevant PRC authorities for each of the lease agreements if we fail to complete the registration of lease agreements within the stipulated period, and as such, the potential maximum penalties in relation to the failure to register the lease agreements are RMB0.42 million.

We have established a license and certification management system to manage the licenses and certificates related to our daily operations. As of the Latest Practicable Date, we were in active communication with our lessors and will take all practicable and reasonable steps to register these lease agreements.

As advised by our PRC Legal Advisor, the absence of registrations will not affect the validity of the lease agreements, nor will it materially and adversely affect the Group's business and results of operations.

INSURANCE

We do not maintain any business interruption insurance or product liability insurance. We also do not maintain key person life insurance, insurance policies covering damages to our network infrastructure or information technology systems or any insurance policies for our properties. We procured insurance policies by type that we consider appropriate, such as accidental injury insurance for certain workers at our production bases, and amount that we consider sufficient, and evaluated such insurance policies from time to time based on our past experience and changes in industry developments. As of the Latest Practicable Date, we had not made nor been the subject of any material insurance claims. However, we may not be able to obtain or purchase adequate insurance for losses and liabilities arising from various operational risks. See "Risk Factors — Risks Relating to Our Industry and Business — Our insurance coverage may be insufficient to cover all of our potential losses."

EMPLOYEES

As of December 31, 2024, we had a total of 17,056 full-time employees in mainland China and overseas. Among the 17,056 employees, 129 were employed at our subsidiaries in the United Kingdom, covering all business functions. The table below sets forth the number of employees by business function as of December 31, 2024:

Function	Number	Percentage
Production	11,495	67.4
Sales and marketing	4,080	23.9
Administrative	871	5.1
R&D	508	3.0
Finance	102	0.6
Total	**17,056**	**100.0**

Attracting and retaining qualified employees is important to our success. We recruited employees primarily through employment websites, on-campus recruitment and internal referrals. We emphasize the importance of training and development for our employees. We provide induction training to new joiners on various aspects including our corporate culture, internal regulations and policies, occupational safety and food safety. Furthermore, we offer online or on-site ongoing training sessions conducted by internal and external experts to improve our employees within their respective practice areas. Additionally, we have management training programs, which encompass training for individuals in pivotal roles, ensuring that our leaders are well-equipped to drive our success.

We offer competitive remuneration packages to our employees, including salary and allowances and performance-based bonuses. We have developed a performance evaluation system to assess the performance of our employees annually, which forms the basis for determining the salary levels, bonuses and promotions any employee may receive.

We have always striven to provide our employees with comprehensive social benefits, a diverse work environment and a wide range of career development opportunities. We are committed to providing a safe and healthy workplace, which is backed by strict policies, robust team member education and safety recognition awards, along with continued investments in technology. We support the physical health and well-being of our team members by providing an array of programs that help our people maintain optimal health level of health. We believe that everyone deserves respect.

We have established labor unions for our employees. We believe that we generally maintain a good working relationship with our employees and labor unions. During the Track Record Period, we did not experience any significant labor disputes or any difficulty in recruiting staff for our operations.

Social Insurance and Housing Provident Funds

As required by the laws and regulations in the PRC, we participate in various employee social security plans that are administered by local governments, including housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, primarily because (i) we maintain a relatively large labor force with relatively high mobility in order to meet increased staffing needs for labor-intensive production orders during peak seasons, such as crayfish processing in summer, (ii) certain employees were unwilling to pay the social insurance and housing provident funds in full as it requires additional contributions from our employees, and (iii) certain employees prefer to participation in the rural social security contribution plans in their resident places or their hometowns.

As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer 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 the employer 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 2022, 2023 and 2024, the shortfall of our social insurance contribution was RMB4.0 million, RMB10.0 million and RMB11.3 million, respectively. Additionally, pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it 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. In 2022, 2023 and 2024, the shortfall of our housing provident fund contribution was RMB10.1 million, RMB11.3 million and RMB12.0 million, respectively.

We have obtained written confirmations from the local governmental authorities in charge of social insurance and housing provident funds or their authorized offices, or credit reports from the credit institutions authorized by relevant local government authorities. These written confirmations and special credit reports covered the Track Record Period for all of our subsidiaries, each stating that no administrative penalties were imposed on the subsidiary for non-compliance incidents related to social insurance and housing provident funds during the Track Record Period. As confirmed by our PRC Legal Advisor, the relevant confirmations were issued by the competent authorities.

Our Directors believe that the incident described above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) as advised by our PRC Legal Advisor, we did not receive any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, nor did we receive any material employee complaint or have any material disputes with employees concerning their payment of social insurance and housing provident funds; (ii) as confirmed in writing by the local governmental authorities in charge of social insurance and housing provident funds or their authorized offices, or credit reports from the credit institutions authorized by relevant local government authorities, no material administrative penalty was imposed on us with respect to the payment of social insurance and housing provident funds during the Track Record Period and as of the Latest Practicable Date; and (iii) if we receive a notice from relevant authorities requiring us to rectify, pay or make up social insurance and housing provident funds within a specified period, we will promptly comply with the requirements of such notice. In addition, pursuant to the Urgent Notice on Enforcing the Requirement of the Executive Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知) promulgated on September 21, 2018 by the Ministry of Human Resources and Social Security, administrative authorities are prohibited from collectively recovering enterprises' historical social insurance arrears. Based on the foregoing, our PRC Legal Advisor is of the view that the likelihood that we would be required by relevant authorities to pay the shortfall for social insurance and housing provident fund contributions or being subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions within the stipulated period for our employees is remote. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

We have taken the following internal control measures to prevent future occurrences of such non-compliance:

- *Human Resource Management Policies*. Enhance our human resources management policies, which explicitly require social insurance and housing provident fund contributions to be made in accordance with applicable local requirements;

- *Training*. Strengthen the training of our personnel, including training on various compliance-related topics for our employees;

- *Increasing Awareness of Developments in the Law*. Regularly keep abreast of the latest developments in PRC laws and regulations relating to social insurance and housing provident funds;

- *Internal Control Measures*. Establish an internal control team to monitor our ongoing compliance with the social insurance and housing provident fund contributions regulations and oversee the implementation of any necessary measures; and

- *Consultation*. Consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and actively communicate with relevant social insurance and housing fund local authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing provident fund.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we had not been and were not involved in any material noncompliance incidents in relation to social insurance and housing provident funds that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. If the relevant authorities order us to pay the shortfall in our social insurance and/or housing provident funds or take any rectification measures in accordance with applicable laws and regulations, we undertake that we will rectify as requested as soon as practicable.

OCCUPATIONAL HEALTH AND SAFETY

We are subject to the PRC laws and regulations in respect of employee health and safety. We attach great importance to the occupational health and safety ("**OHS**") management of our employees. We have established a safety production management committee, with each production base setting up a safety production department, staffed with dedicated safety management personnel. The safety production management committee formulates and publishes a series of internal management policies and guidelines to continuously promote the construction of our production safety management system. We regularly evaluate our equipment and production facilities to ensure their safety for our operations. We also conduct periodic and annual OHS publicity and education training for employees to strengthen their awareness and knowledge on safety procedures and accident prevention from time to time.

In addition, we have established systems such as the "Occupational Health Management System," which set out detailed regulations on occupational disease prevention, hazard assessment and hazard notification for projects. These measures aim to prevent, control and reduce occupational hazards, ensuring the health of our employees. Since 2023, we have been advancing the implementation of digitalized management for occupational health through our proprietary software system. By leveraging digitalization and process standardization, we ensure the effective enforcement of occupational health-related regulations. We conduct regular occupational health examinations for employees exposed to occupational hazards and provide personal protective equipment such as earmuffs, earplugs and dust masks. We have also formulated the "Labor Protection Equipment Management System," which specifies the requirements for wearing protective gear for each position. Visual guides for protective gear requirements are posted in each area to facilitate employee understanding. We also conduct training on the correct use of protective equipment to prevent and reduce production accidents.

We have implemented preventive measures to enhance operational safety and risk management, including: (i) improving the safety production responsibility system and engaging technical experts to validate our safety protocols and operational procedures; (ii) maintaining stringent oversight of production facilities and safety equipment to ensure inherent operational security; (iii) conducting risk identification, hazard assessment and risk evaluation to develop appropriate control measures in accordance with risk-graded control requirements; (iv) providing safety production education and training to elevate enterprise-wide safety competencies; and (v) regularly conducting emergency response drills to strengthen our incident management capabilities. Our Internal Control consultant conducted a review and, upon its review, has found no internal control deficiency based on the work performed in relation to the sufficiency and effectiveness of the enhanced internal control measures.

In 2023, a safety incident occurred at our crayfish quick-freezing workshop in Qianjiang, Hubei province, resulting in casualties. The incident involved 19 employees, 18 of whom sustained minor injuries. This accident was primarily caused by a worker's failure to observe our standard operating procedures. A worker in the crayfish quick-freezing workshop mistakenly shut down the air conditioning ventilation system against our standard operating procedure, resulting in a reduction in fresh air intake. Consequently, the oxygen concentration in the quick-freezing room gradually decreased. The workers continued their tasks without noticing the changes in the working environment.

Following the investigation by the Municipal Emergency Management Bureau of Qianjiang (潛江市應急管理局), this accident was categorized as a general safety incident. According to the investigation report, the incident was caused by (i) a worker's violation of operating procedures, which led to a reduction in fresh air intake, and (ii) the workers' continuance of working without realizing the changes in the working environment. Furthermore, the rescuers were injured during the rescue process as they did not take sufficient protective measures when carrying out the rescue operations. After the investigation, certain deficiencies were also identified that might have indirectly caused this incident and should be rectified, including (i) the improperly enclosed freezing equipment; (ii) insufficient and improperly positioned air pipes; (iii) the malfunctioning oxygen concentration detection alarm; (iv) insufficient management systems for equipment changes, maintenance, alarm handling, inspections and shift handovers; (v) insufficient coverage on operating procedures and emergency response measures by the safety education and training; and (vi) failure to organize rescue according to the emergency plan. As a result, we were imposed a fine of RMB360,000 and the responsible personnel was imposed a fine of RMB84,480, both of which have been fully settled. Our Company was required to pay a compensation of approximately RMB650 thousand, among which approximately RMB490 thousand was covered by our insurance scheme, to the impacted workers. By November 2023, we had completed the rectification required in the investigation report, and the fact that we had completed such rectification was subsequently confirmed in the written confirmation from the Municipal Emergency Management Bureau of Qianjiang.

We have implemented corrective and preventive measures, including: (i) renovating the safety facilities and production equipment in the crayfish quick-freezing workshop to enhance safety levels; (ii) enhancing our standards for operating procedures in the crayfish quick-freezing workshop; (iii) strengthening employee training and management; (iv) providing targeted training and alerts for our employees and workers; (v) increasing the frequency of workshop inspections; and (vi) enhancing emergency drills and optimizing rescue procedures. Our internal control consultant conducted a review and confirmed that the enhanced internal control measures implemented are adequate and effective in preventing the recurrence of similar incident going forward. While the crayfish quick-freezing workshop where this incident occurred is owned and operated by Qianjiang New Liuwu Food Technology Co., Ltd., a subsidiary of Hubei New Liuwu that our Company acquired in August 2022, the acquisition was relatively recent at the time of the incident which occurred during a phase of active integration. Nonetheless, we have attached great emphasis to employee safety as well as the overall level of compliance, and have implemented strict internal control measures to prevent future safety incidents.

We have obtained a written confirmation from the Municipal Emergency Management Bureau of Qianjiang, confirming that, since the beginning of the Track Record Period, (i) we have not experienced any material safety incident and (ii) save for the above administrative penalties, we have not been subject to any administrative penalties by the competent governmental authority in this respect. Our PRC Legal Advisor is of the view that the conducts leading to this safety incident do not constitute material violations of any relevant PRC laws and regulations.

Based on the foregoing factors, including (i) the nature of the incident being recognized as a general safety incident by the relevant government authority; (ii) the completion of the required rectification, which was confirmed by the relevant government authority; (iii) the corrective and preventive measures we implemented and that there has not been any other incident since then; (iv) our PRC Legal Advisor's view; and (v) the written confirmation we obtained from the competent government authority, our Directors believe that the above safety incident would not have a material adverse effect on our business operations, financial condition or the Global Offering.

Save as the above, during the Track Record Period and up to the Latest Practicable Date, we did not experience any accident involving personal injury or property damage, and we were not subject to any material claims, lawsuits, penalties or disciplinary actions as a result.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

From time to time, we may become involved in legal proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Non-Compliance

During the Track Record Period and up to the Latest Practicable Date, we were involved in certain non-compliance incidents, including (i) insufficient contributions of social insurance and housing provident fund for certain employees, (ii) title defects, inconsistent usage and failure to register the lease agreements in relation to certain of our leased properties, and (iii) a safety incident occurred at our workshop. See "— Employee — Social Insurance and Housing Provident Funds," "— Properties" and "Occupational Health and Safety" for details. Our Directors are of the view that (a) none of the above non-compliance incidents was material or systemic and (b) considering the immateriality of such non-compliance incidents, the adequacy and effectiveness of our enhanced internal control measures, and that none of our Directors were involved in such non-compliance incidents, such non-compliance incidents did not in totality reflect negatively on our Directors' suitability under Rules 3.08 and 3.09, or their ability to operate the Group's business in a compliant manner and the effectiveness of the Board's oversight on regulatory compliance. In light of the above and based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors which would reasonably cause them to disagree with the Directors' views. Our Directors are of the view that we had complied, in all material respects, with all relevant laws and regulations in the PRC during the Track Record Period and up to the Latest Practicable Date.

ENVIRONMENTAL, SOCIAL RESPONSIBILITY AND GOVERNANCE

We consider environmental, social and governance ("**ESG**") matters essential to our long-term and sustainable development. Focusing on economic, employee, environmental and social responsibilities, we are committed to steadily enhancing our ESG governance system, improving our ESG practices as well as performance and contributing to the well-being of communities and society through various ESG measures.

Corporate Governance

To effectively manage ESG issues, we have established a top-down ESG governance framework. We have established a robust ESG governance framework to ensure effective management of ESG-related matters. We have a three-tier ESG governance structure, with the Board of Directors leading ESG decision-making, the sustainability committee responsible for ESG strategy formulation, risk identification and execution oversight and the management and working departments responsible for the coordination and advancement for ESG activities. This three-tiered ESG governance structure ensures systematic and efficient ESG management.

- **Board**. The Board bears ultimate responsibility for ESG matters, ensuring that ESG objectives are in line with our overarching strategic direction. The Board, through the sustainability committee, reviews and approves our ESG strategy, goals and related policies. It regularly receives updates on ESG activities and supervises the disclosure of ESG information as well as the attainment of ESG objectives.

- **Sustainability Committee**. As a specialised committee under the Board, the sustainability committee is responsible for analysing ESG development trends to ensure that our stance on ESG issues complies with laws, regulations and international standards. It mainly researches ESG-related matters, assesses ESG risks, formulates our ESG vision, strategy and framework, monitors the progress of our ESG objectives. The sustainability committee reports ESG progress to the Board on a regular basis and reviews our annual ESG report.

- **Management and Working Departments**. Our management is responsible for the execution of specific ESG tasks, ensuring that each business unit implements our ESG strategy. We have a dedicated management office that acts as the daily operational body of the sustainability committee, handling duties such as communication, meeting organisation, material preparation and records management. In additionally, this management office is equipped with dedicated personnel or institutions to assist in advancing ESG initiatives.

In addition, we publish the ESG report on an annual basis pursuant to the reporting requirements under the Listing Rules. This will allow our Board to analyze and disclose important ESG matters, risk management, accomplishment and performance of the objectives of the Group.

ESG Policies

In order to effectively manage our sustainable development performance, we formulated policies on our material ESG topics, including food safety, information security, occupational health, environmental protection and business ethics. These ESG policies show our commitment to relevant topics and provide a general guide to our sustainable development efforts.

We are required to comply with the evolving and increasingly stringent ESG-related laws and regulations. We may be subject to more stringent compliance requirements and may incur additional costs in the future if there is any change to the existing laws or regulations. See "Regulatory Overview" and "Risk Factors" for more details. We believe that the development and execution of robust ESG principles and practices will help in accomplishing our mission and strategic goals. We acknowledge that our business will be affected by relevant environmental and social risks. Therefore, we have adopted comprehensive ESG policies, the Board has clear roles and responsibilities for directly overseeing the Group's environmental, social and governance performance. Our Board and management are primarily in charge of assessing and evaluating ESG and climate related risks and opportunities, as well as reviewing existing strategies in order to monitor the ESG aspects in the day-to-day business operations of our Group, including implementation of necessary measures to mitigate the potential and relevant risks.

The management of our ESG policy encompasses the entire process from policy formulation to execution:

- **Policy Formulation**: The Board and the sustainability committee develop ESG policies, objectives and key performance indicators based on industry trends, regulatory requirements and stakeholder needs.

- **Policy Implementation**: The management is responsible for implementing the ESG policies approved by the Board and the sustainability committee, with each business unit executing specific tasks, including environmental management, social responsibility and governance practices.

- **Monitoring and Reporting**: The sustainability committee regularly reviews the implementation of ESG policies, objectives and key performance indicators. It regularly reports to the Board and provides feedback to the management for improvements.

- **Information Disclosure**: An ESG report is issued annually to ensure transparency of ESG information.

ESG Risks and Opportunities

We identify, prioritize and strategically address relevant ESG risks that can have a significant impact on our operations, supply chain and communities in which we operate. We catch relevant ESG opportunities by addressing by such ESG risks. We have identified the following ESG topics as material:

- *Food Safety and Quality*. We are subject to risks of food safety incidents including contamination and food-borne illnesses, which could result in administrative or criminal penalties and negatively affect our reputation. Consequently, we are required to consistently enhance our food safety guidelines and policies, as well as conduct rigorous inspections and checks. Additionally, we provide comprehensive training on proper food safety practices to our employees to mitigate these risks.

- *Supply Chain Management*. Responsible sourcing and robust supply chain management are critical in guaranteeing consistent food quality and sustainability throughout our supply chain.

- *Environmental Protection*. We are subject to relevant environmental laws and regulations. See "Regulatory Overview — Laws and Regulations on Environmental Protection."

- *Energy Management*. Implementing effective energy management is instrumental in reducing energy consumption, which in turn leads to cost savings on energy bills, a reduction in environmental impact and an enhancement of energy security. Moreover, it ensures adherence to regulations and standards and establishes a framework for ongoing improvement and sustainability. We conduct energy conservation and consumption reduction management in the utilization of electricity, water and natural gas, aiming to enhance resource use efficiency and reduce energy consumption.

- *Food Waste*. Food production and consumption patterns exert pressure on natural resources and the environment. As a food company, we place a strong emphasis on minimizing food waste and integrating waste reduction strategies into our operations. Our efforts are directed towards the efficient utilization of natural resources, reducing our environmental footprint, curtailing food waste and advocating for sustainable food production and consumption. For example, we enhance the research and application of eco-friendly and advanced processing technologies for by-products of our food production process. Through technological innovation, we convert food waste into products with value, thereby reducing food waste and lowering carbon emissions in the production process. In addition, we established a comprehensive inventory management system with precise inventory monitoring, and the first-in, first-out principle, effectively preventing food waste as a result of expiration. We also require that products are kept under strict temperature control during transportation, reducing food deterioration caused by temperature fluctuations.

- *Packaging Management*. Packaging management is integral to our operations, serving to maintain product quality and safety while also aiding in the prevention of food waste. Nonetheless, the use of unsustainable packaging materials can contribute to considerable environmental challenges. In response to this issue, we have adopted and implemented measures aimed at promoting the use of sustainable packaging materials. For example, in 2023, we transitioned from using cardboard boxes to non-toxic, harmless and odourless PP turnover crates, resulting in a reduction of approximately 1.5 million cardboard boxes. Additionally, we replaced some cardboard boxes with reusable, non-toxic, harmless and odourless turnover containers, totalling approximately 1.3 million units. Through our continuous optimization of packaging materials, we achieved an overall reduction of approximately 3.6 million cardboard boxes in 2023. This initiative indirectly reduced the consumption of 3,242 tonnes of raw paper and contributed to a decrease in carbon emissions. In addition, we continuously optimize packaging sizes to reduce waste.

- *Employment Compliance*. Compliance with employment laws, fair recruitment rules and regulations is imperative to prevent and address workplace discrimination. It is crucial to have a comprehensive understanding of these obligations and to pinpoint areas necessitating additional action and training to ensure adherence. Non-compliance could result in industrial disputes or tribunal claims, which could have significant legal and financial impact for the firm.

- *Occupational Health and Safety*. Occupational health and safety are centered on safeguarding employees in the workplace from accidents, injuries and exposure to hazardous substances. The enterprise is accountable for ensuring a secure working environment for all staff by offering appropriate training, safety equipment and other essential resources. Inadequate implementation of policies and safety measures or ineffective policies and safety measures can result in injuries, reduced productivity due to the absence or departure of skilled labor and potential workers' compensation claims.

- *Information Security*. Inadequate data security may result in the loss or theft of critical information, potentially resulting in negative impact on business and reputational damage. We are required to enforce robust protections over customer data to prevent information security vulnerabilities.

- *Business Ethics*. Adherence to ethical business standards entails the comprehensive protection of the rights and interests of all stakeholders and the provision of a transparent and reliable environment for both internal and external partners.

Breaches of ethics business standards can obstruct fair competition in the market, diminish our brand value and erode customer trust. Such violations may also lead to loss of market share or growth opportunities, while escalating the costs associated with litigation, penalties and fines. Furthermore, they increase the uncertainty of future development and can reduce the efficiency of business operations.

The transition to a lower-carbon economy presents significant opportunities for the society as a whole. With the widespread adoption and implementation of new technologies, we anticipate an increase in our energy efficiency. This improvement positions us favorably in the eyes of end customers and business partners, particularly when compared to competitors who may be less environmentally conscious. Concurrently, as consumers are shifting towards healthier eating habits, the demand for healthy food is expected to rise. Our established reputation for quality food ingredients places us in an advantageous position to capture a larger market share. This expansion is likely to contribute to an increase in our brand's popularity, sales and profit margins.

Environmental Protection

We recognize the importance of environmental protection and sustainability, and have adopted professional environmental measures to improve our environmental performance and ensure that we comply with relevant PRC environmental laws and regulations.

Environmental Protection Measures

We comply with environmental protection laws and regulations in the PRC in material aspect, including the Environmental Protection Law, the Environmental Impact Assessment Law, the Law on the Prevention and Control of Atmospheric Pollution, the Water Pollution Prevention and Control Law, the Water Law and the Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes. We have established internal environmental management systems, such as the Environmental Management System/Manual (環境管理制度/手冊), the Hazardous Waste Pollution Control Management System (危險廢物污染規範管理制度), the Emergency Response Plan for Sudden Environmental Incidents (突發環境事件應急預案), the Risk Assessment for Sudden Environmental Incidents (突發環境事件風險評估), the Emergency Resources Investigation System for Sudden Environmental Incidents (突發環境事件應急資源調查制度) and the Wastewater Treatment Plant Operating Procedures (污水處理站操作規程), further consolidating our environmental management.

To mitigate the environmental impact of our business operations, we have taken various measures as follows:

- *Paperless Office*. Our digitalized management tools includes features such as online approval workflows, digital seals, electronic contracts and optimized business travel processes, enabling us to transition into digital operations, moving away from traditional paper-based methods.

- *Electricity Conservation*. We apply scientific approaches to the use of office equipment to conserve electricity. These include significant reductions in the standby power consumption of essential devices. Additionally, we enforce a light-out policy during lunch breaks and after hours. We also adhere to a minimum indoor temperature of 26°C during the summer to ensure the efficient use of air conditioning.

- *Waste Segregation*: Our waste segregation initiatives focus on educating our employees about proper separation techniques to ensure accurate sorting and disposal of recyclables, hazardous waste, and other types of waste.

- *Water Conservation*. We have implemented gray water recycling and installed sensor-activated taps to save water and maintain hygiene. Prompt reporting and repairs of any leaks are mandatory.

- *Sustainable Transportation*. We advocate for green, low-carbon travel options. We encourage walking or cycling within our premises as the preferred means of commuting to promote a healthier and more environmentally friendly approach to transportation.

In addition, we are formulating environmental protection management and control procedures. These procedures are designed to identify key environmental risks and issues, offering guidance on the management and resolution of matters related to ESG concerns.

Energy Use and Carbon Emissions

We recognize that optimizing energy and greenhouse gas ("**GHG**") emissions management is fundamental for us to effectively manage climate change risks, and energy consumption is closely linked to the GHG emissions.

Based on the following historical data on energy consumption, GHG emissions and our production forecasts, we expect to continually explore measures to reduce our carbon footprint by using clean energy, improving our energy efficiency and monitoring GHG emissions. The table below sets forth our energy consumption and emissions during the years indicated:

Indicators	Year ended December 31, 2022	2023	2024
Energy consumption			
Comprehensive energy consumption (ton of standard coal)	100,712	104,847	112,284
Comprehensive energy consumption intensity (ton of standard coal/ton of qualified product output)	0.1102	0.1086	0.1035
Consumption of purchased electricity (million kilo watt-hours)	382.2	414.2	482.9
Consumption of purchased steam (tons)	378,764.7	397,590.0	405,234.0
Consumption of purchased natural gas (million cubic meters)	14.7	13.4	14.9
Consumption of purchased water (million tons)	4.6	4.9	5.7
Emission			
Waste water (million cubic meters)	2.5	3.6	3.8
Solid waste (tons)	12,956.6	14,311.1	15,609.8
Waste gas (tons)	16.1	9.0	13.1

Climate change has become one of the most talked about issues in the world. As a company that puts main emphasis on sustainable development, we are always concerned about such issue. While actively identifying climate-related risks, we are also committed to capitalizing on the opportunities brought about by climate change and contributing to the mitigation of global climate change. Without affecting the growth of our business, we will continue to optimize our energy structure and improve the efficiency of our energy use, while making every effort to achieve the goal of energy conservation and carbon emission reduction. During the Track Record Period, the total volume and intensity of our GHG emissions are as follows:

	Unit	Year ended December 31, 2022	2023	2024
Scope 1 GHG emissions(1)	tCO_2e	165,276	176,321	201,130
Scope 2 GHG emissions(2)	tCO_2e	286,263	289,361	350,672
GHG emission intensity (Scope 1 + Scope 2)	tCO_2e/ revenue RMB'000	0.0373	0.0333	0.0367

Notes:

(1) Scope 1 GHG emissions are generated from the usage of petrol, diesel and refrigerants. The carbon dioxide emission factors are primarily based on the Requirements for Greenhouse Gas Emission Accounting and Reporting Part 25: Enterprises in the Food, Tobacco, Alcohol, Beverage, and Refined Tea Industries (《溫室氣體排放核算與報告要求第25部分:食品、菸草及酒、飲料和精製茶企業》) (GB/T 32151.25-2024).

(2) Scope 2 GHG emissions are generated from the usage of purchased electricity, and the carbon dioxide emission factor mainly refer to the Notice on the Management of Greenhouse Gas Emission Reports for Enterprises in the Power Generation Industry from 2023 to 2025 (《關於做好2023-2025年發電行業企業溫室氣體排放報告管理有關工作的通知》).

Statistics on our Scope 3 GHG emissions are not available because it is not commercially feasible to collect such data, primarily due to the complexity of our supply chain, the large network of our distributors, and therefore the limited availability of the data of the stakeholders along our supply chain and sales network as well as variability in reporting standards of these stakeholders. Although we do not collect the relevant data for Scope 3 GHG emission, we plan to reduce Scope 3 GHG emissions through the following key measures, among others: (i) to collaborate with suppliers who have lower carbon emissions per unit while maintaining the same product or service standards, (ii) to encourage employees to take public transportation, such as high-speed rail, during their business travels, and (iii) to collaborate with service providers who use new energy vehicles with lower energy consumption per unit for delivery during upstream and downstream transportation and distribution.

We have set quantitative targets to reduce the GHG emission and energy consumption. For example, we plan to reduce our GHG emission intensity and energy consumption intensity by approximately 18% and 10% by 2030, respectively. Specifically, by reducing carbon emissions from electricity through the use of green electricity, lowering refrigerant leakage rates, we expect to reduce our GHG emission intensity by a total of 18% over the next five years at an approximate annual rate of 3.6%. By upgrading equipment and machinery to more energy-efficient models, streamlining operations and processes in manufacturing and encouraging energy-saving practices among employees, we expect to reduce our energy consumption intensity by a total of 10% over the next five years at an approximate annual rate of 2.0%.

Social Responsibility

Leveraging our resources and expertise, we have been and will continue to be committed to fulfilling our social responsibilities in various aspects.

- *Industrial Activities*. We actively participate in industrial activities, including formulating and developing international, national, industrial and organizational standardization. See "— Research and Development."

- *Education*. We are dedicated to supporting educational initiatives, pooling resources from universities and the community to cultivate talent for society and the industry. In 2022, we donated RMB1.0 million to Honghu Education Foundation (洪湖市教育基金會). Additionally, in 2022, we provided internship positions for students from remote and disadvantaged areas, such as Qujing Agricultural School (曲靖農業學校) and Wenshan Agricultural School (文山農業學校) in Yunnan Province.

- *Aquaculture and Agriculture*. During the Track Record Period, we provided farmers at Dongwan Village, Shakou Town, Honghu (洪湖市沙口鎮東灣村) with free technical guidance and consultation on the aquaculture and agriculture as well as free medications.

Employees

- *Compliance Employment*. We firmly believe that talent is an important resource for our development. We comply with the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), the Provisions on Prohibition of Child Labor (《禁止使用童工規定》), the Law of the PRC on Protection of Minors (《中華人民共和國未成年人保護法》), Law of the People's Republic of China on the Protection of Rights and Interests of Women (《中華人民共和國婦女權益保護法》) and other laws and regulations in all material aspects. We have formulated internal policies to standardize employment practices and procedures, including the recruitment and hiring as well as onboarding and offboarding, in accordance with relevant laws and regulations.

- *Talent Retention and Development*. We are committed to investing in training and career development programs and have established a comprehensive training system covering management, sales and marketing, skills, technology and other talent.

- *Diversity, Equality and Inclusion*. We commit to fostering a fair and equal working environment and adhere to a transparent recruitment and promotion policy, ensuring equal opportunities for all employees in areas such as recruitment, advancement, welfare protection and career development. Our recruitment processes strictly forbid the employment of individuals under the age of sixteen, with rigorous age verification checks in place to prevent any instance of child labor. We strive to protect the health and legal rights of female employees in terms of compensation and benefits, and provide a comfortable working environment and fair development opportunities. For example, we have clarified the legal rights and interests of female employees regarding vacation in our internal policies. Meanwhile, we insist on the protection of equal employment opportunities for migrant workers and people with disabilities, promoting the inclusion of retired servicemen in employment, and supporting all employees to achieve personal career development.

LICENSE, APPROVALS AND PERMITS

As advised by our PRC Legal Advisor, up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material for our operations in the PRC and such licenses, approvals and permits are valid and effective. The material licenses, approvals and permits held by us for our operations in the PRC primarily include Food Production License (食品生產許可證), Food Business License (食品經營許可證), Record Certificate of Export Food Production Enterprise (出口食品生產企業備案證明), Pollutant Discharge Permit (排污許可證), Registration of Pollution Discharge from Stationary Pollution Sources (固定污染源排污登記) and Value-added telecommunications business license (增值電信業務經營許可證). Our Directors are of the view that, up to the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material for our overseas operations and such licenses, approvals and permits are valid and effective.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continually improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations such as legal and compliance, financial reporting and internal control. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department.

Legal and Compliance Risk Management

We set up internal legal positions and engaged external legal advisers to supervise and manage our legal and compliance matters. This includes overseeing daily business operations, providing legal guidance to subsidiaries and reviewing the legality of contracts.

To maintain our reputation and uphold our integrity, we have instituted an anti-bribery and corruption policy, mandating that our employees, distributors, suppliers and other business partners engage in business activities in a lawful and ethical manner. We require our suppliers to commit in writing to abstain from non-compliance or bribery. Our anti-bribery and corruption policy also provides whistle blowing contact details including hotline and email address. Information of the whistle blowers are strictly confidential.

In addition, we adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure.

Financial Reporting Risk Management

Our finance department comprehensively manages our financial operations. It is primarily responsible for the formulation of our financial strategy, budgeting, fund management and financial reporting. We have established a series of systems, such as accounting management systems, key accounting policies and estimates management and group-wide financial reporting disclosure management systems, to regulate the management of accounting personnel, processes, internal control and audits, accounting policies and estimates. We also have various procedures in place to standardize the preparation, approval, submission and disclosure of financial statements and reports.

Internal Control

We have established an internal audit management system, specifying the scope of internal control review and evaluation, the content and process of internal control evaluation reports and supervision and management. We have set up an audit department under the Audit Committee to perform internal audit and investigation functions, evaluating the company's internal controls, including those related to the IT systems. The audit department is also responsible for the compliance, audit and supervision of various economic activities of the company and each department to prevent operational risks and protect the safety and integrity of company assets. Additionally, our audit department conducts annual offline audits of each subsidiary, focusing on areas including contracts, guarantees, funds and procurement.

AWARDS AND ACHIEVEMENTS

We have received various honors and awards in recognition of, among others, our scale, innovation and products. The following table sets forth our major awards:

Year	Award/recognition	Awarding body
2024	National Key Leading Enterprise in Agricultural Industrialization (農業產業化國家重點龍頭企業)	Ministry of Agriculture and Rural Affairs of the PRC (中華人民共和國農業農村部)
2024, 2023, 2022	Top 500 Service Industry Enterprises in China (中國服務業企業500強)	China Enterprise Confederation, China Enterprise Directors Association (中國企業聯合會、中國企業家協會)

Year	Award/recognition	Awarding body
2024	Key Contributor Enterprise in the First Year of the Three-Year Action Plan for New Breakthroughs in Comprehensive Revitalization (全面振興新突破三年行動首戰之年突出貢獻企業)	The Communist Party of China Liaoning Provincial Committee, Liaoning Provincial People's Government (中共遼寧省委,遼寧省人民政府)
2024	The Top Chinese Prepared Dish Company in 2024 (2024最具實力中國預製菜生產企業)	Hurun Research Institute (胡潤研究院)
2023	Provincial Key Leading Enterprise in Agricultural Industrialization (農業產業化省級重點龍頭企業)	Office of the Rural Work Leading Group of the Sichuan Provincial Committee of the Communist Party of China (中共四川省委農村工作領導小組辦公室)
2023	Key Enterprise in Sichuan Province for Promoting Rural Revitalization through Agricultural Product Processing (四川省農產品加工助推鄉村振興重點企業)	Sichuan Provincial Economic and Information Department (四川省經濟和信息化廳)
2023	2023 Liaoning Province Provincial-Level Digital Workshop (2023年遼寧省省級數字化車間)	Department of Industry and Information Technology of Liaonong Province (遼寧省工業和信息化廳)
2023	Jiangsu Province Quality Credit AA Grade Enterprise (江蘇省質量信用AA級企業)	Jiangsu Market Supervision Administration, Jiangsu Development and Reform Commission (江蘇省市場監督管理局、江蘇省發展和改革委員會)

Year	Award/recognition	Awarding body
2023	2023 Fujian Province Top 100 Production Enterprises (2023年福建省製造業企業100強)	Fujian Provincial Federation of Enterprises and Entrepreneurs, Fujian Radio and Television Group, Fujian Academy of Social Sciences (福建省企業與企業家聯合會、福建省廣播影視集團、福建社會科學院)
2022	Provincial Key Leading Enterprise in Agricultural Industrialization (農業產業化省重點龍頭企業)	Henan Provincial People's Government (河南省人民政府)
2022	2022 Hubei Province Pilot Demonstration Enterprise for Integration of Informatization and Industrialization (2022年湖北省信息化和工業化融合試點示範企業)	Office of Department of Economy and Information Technology of Hubei Province (湖北省經濟和信息化廳辦公室)
2022	Xiamen Supply Chain Innovation and Application Pilot Enterprise (廈門市供應鏈創新與應用試點企業)	Xiamen Municipal Bureau of Commerce (廈門市商務局)

OVERVIEW

Upon Listing, our Board will consist of ten Directors, comprising four executive Directors, two non-executive Directors and four independent non-executive Directors. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations.

Our Supervisory Committee consists of three Supervisors including two employee representative Supervisors. Our Supervisors are elected for a term of three years and may be subject to re-election.

All of our Directors, Supervisors and senior management members meet the qualification requirements under the relevant PRC laws and regulations and the Hong Kong Listing Rules for their respective positions.

BOARD OF DIRECTORS

The following table sets forth the key information about our Directors.

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as a Director	Responsibilities
Executive Directors					
Mr. Liu Mingming (劉鳴鳴)	62	Chairman of the Board and executive Director	April 2002	April 2002	Overall formulation and decision-making of the major business policies and strategic objectives of the Group
Mr. Zhang Gaolu (章高路)	49	Deputy chairman of the Board and executive Director	April 2017	April 2017	Advising on and participating in the decision-making of the overall formulation of strategic objectives and strategic development of the Group
Mr. Zhang Qingmiao (張清苗)	56	Executive Director and general manager	September 2007	September 2007	Formulation of business strategies, management of the administrative affairs and presiding over the daily operation and internal system management of the Group

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as a Director	Responsibilities
Mr. Huang Jianlian (黃建聯)	53	Executive Director and deputy general manager	September 2007	September 2024	Overall management of the production system, coordinating and planning the procurement, quality control, production safety and techniques of the Group
Non-executive Directors					
Dr. Zheng Yanan (鄭亞南)	70	Non-executive Director	May 2023	May 2023	Overseeing our Group's management and providing advice on strategic development
Mr. Dai Fan (戴凡)	68	Non-executive Director	May 2023	May 2023	Overseeing our Group's management and providing advice on strategic development
Independent Non-executive Directors					
Dr. Zhao Bei (趙蓓)	67	Independent non-executive Director	May 2023	May 2023	Providing independent advice and judgment to the Board
Ms. Zhang Mei (張梅)	53	Independent non-executive Director	May 2023	May 2023	Providing independent advice and judgment to the Board
Mr. Zhang Yueping (張躍平)	53	Independent non-executive Director	May 2023	May 2023	Providing independent advice and judgment to the Board
Dr. Liu Xiaofeng (劉曉峰)	63	Independent non-executive Director	November 2024	November 2024[Note]	Providing independent advice and judgment to the Board

Note: The appointment will become effective upon the Listing.

Executive Directors

Mr. Liu Mingming (劉鳴鳴), aged 62, joined our Group in April 2002 and has served as a Director and the chairman of the Board since April 2002. Mr. Liu was re-designated as our executive Director in November 2024. Mr. Liu is responsible for the overall formulation and decision-making of the major business policies and strategic objectives of the Group. Mr. Liu is also serving as chairman of the board or executive director in certain of our subsidiaries.

Mr. Liu have over 35 years' experience in business management. Mr. Liu served as a lecturer in the department of civil engineering at Zhengzhou Industrial University (鄭州工業大學) (merged into Zhengzhou University (鄭州大學) in 2000) from 1984 to 1988. He also served as a business manager at Huanghe International Leasing Co., Ltd. (黃河國際租賃有限公司) from August 1988 to July 1995. From July 1995 to August 1998, Mr. Liu served as the vice general manager at Henan Jianye (Group) Co., Ltd. (河南建業(集團)有限公司). From 1999 to 2002, Mr. Liu served as the chairman of Fujian Spring Real Estate Co., Ltd. (福建春天房地產有限公司).

In 2017, Mr. Liu was awarded as Outstanding Entrepreneur of Liaoning Province (遼寧省優秀企業家). Mr. Liu was also a deputy to the 13th Liaoning Provincial People's Congress (遼寧省第十三屆人民代表大會) in 2018. Mr. Liu was named as the Top 10 Entrepreneurial Leaders of Listed Companies in China (中國上市公司十大創業領袖人物) in 2020 by Securities Times (證券時報) and he has been the chairman of the council to the Listed Company Association of Xiamen (廈門上市公司協會) since March 2023.

Mr. Liu was (i) the legal representative, the chairman and a director of Henan Chuntian Culture Advertising Co., Ltd., the business license of which was revoked in September 1998, (ii) the legal representative, the chairman and a director of Henan Youhe Business Co., Ltd., the business license of which was revoked in September 1998, (iii) the legal representative, the chairman and a director of Fujian Spring Real Estate Co., Ltd., the business license of which was revoked in January 2003, and (iv) the legal representative, the chairman and a director of Henan Jianye Decoration Engineering Co. Ltd., the business license of which was revoked in December 2003. As of the time of the revocation, the aforementioned companies were not insolvent, had any outstanding liabilities nor was involved in any pending claims. To the best knowledge of our Directors, the reason for revocation of business license of the aforementioned companies was cessation of business, which has not resulted in any punishment or fines imposed by any competent authorities, nor has it resulted in any outstanding or potential claims or liabilities against the aforementioned companies and Mr. Liu, and there is no material matter that should be brought to the attention of the Stock Exchange or the Shareholders in this regard.

Mr. Liu obtained a bachelor's degree of engineering from Tongji University (同濟大學) in the PRC in July 1984.

Mr. Zhang Gaolu (章高路), aged 49, joined our Group in April 2017 and has served as the deputy chairman of the Board since April 2017. Mr. Zhang was re-designated as our executive Director in November 2024. Mr. Zhang is responsible for advising on and participating in the decision-making of the overall formulation of strategic objectives and strategic development of the Group. Mr. Zhang is also serving as executive director and general manager of a wholly-owned subsidiary of our Company.

Mr. Zhang has over 20 years' experience in private equity investment and extensive management expertise. Mr. Zhang has been working at Guoli Minsheng, our Single Largest Shareholder, since November 2000, where he consecutively served as the deputy general manager and deputy chairman of the board and is currently serving as the chairman of the board and general manager of Guoli Minsheng. He has also been serving as a director of Addsino Co., Ltd. (航天工業發展股份有限公司, previously known as Chinascholars Group Co., Ltd. (神州學人集團股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 000547), since July 2006. Mr. Zhang has been serving as the executive director and manager of Beijing Huihuang Venture Capital Consulting Co., Ltd. (北京輝煌創業投資顧問有限公司) since July 2015.

Mr. Zhang has been a member of the 13th Fujian Provincial Committee of the Chinese People's Political Consultative Conference (福建省政協第十三屆委員會) and the deputy director of the Committee on Economic Affairs since 2023. He has also been the vice chairman of the 12th Fujian Provincial Federation of Industry and Commerce (Chamber of Commerce) (第十二屆福建省工商業聯合會(總商會)) since 2022.

Mr. Zhang graduated from Nanjing University of Science and Technology (南京理工大學) in the PRC in July 1996.

Mr. Zhang Qingmiao (張清苗), aged 56, joined our Group as the general manager of our Company in September 2007. Mr. Zhang was re-designated as our executive Director in November 2024. Mr. Zhang is responsible for formulation of business strategies, management of the administrative affairs and presiding over the daily operation and internal system management of the Group. Mr. Zhang is also serving as chairman/deputy chairman of the board, general manager, or director in certain of our subsidiaries.

Mr. Zhang has over 30 years' experience in business development and management. Mr. Zhang served as an order reviewer at Fujian Ocean Industrial Co., Ltd. (福建省海洋實業股份有限公司) from July 1990 to December 1991. He also served as the manager of the export department at Xiamen Huashun Food Industry Co., Ltd. (廈門華順食品工業有限公司) from January 1992 to August 1998. Mr. Zhang served as the general manager of Wuxi Huashun Food Industry Co., Ltd. (無錫華順食品工業有限公司) from September 1998 to July 2005. From August 2005 to August 2007, Mr. Zhang served as the general manager of Wuxi Huashun Minsheng Food Co., Ltd. (無錫華順民生食品有限公司).

Mr. Zhang has been a member of the standing council of China Aquatic Products Processing and Marketing Alliance (中國水產流通與加工協會) since October 2012 and the chairman of Fujian Provincial Aquatic Products Processing and Marketing Alliance (福建省水產加工流通協會) since October 2020. Mr. Zhang has also been serving as a council member of the Chinese Institute of Food Science and Technology (中國食品科學技術學會) and vice chairman of the Frozen and Refrigerated Food Division since October 2011. In 2023, Mr. Zhang won the Chinese Institute of Food Science and Technology's Outstanding Contribution to Science and Technology Innovation Award (中國食品科學技術學會科技創新突出貢獻獎) and was recognized as Fujian Province High-Caliber Personnel (Level A) (福建省高層次A類人才), and he was also recognized as Xiamen High-Caliber Personnel (Level A) (廈門高層次A類人才) in 2024. In December 2023, Mr. Zhang was appointed as an industry professor at the School of Food, Jiangnan University (江南大學); in September 2024, he was appointed as an expert and thesis reviewer for the master's degree thesis committee of the MBA program at the School of Management, Xiamen University (廈門大學).

Mr. Zhang obtained a bachelor's degree of science and a master's degree of business administration from Xiamen University (廈門大學) in the PRC in July 1990 and December 2002, respectively. Mr. Zhang obtained the qualification of a senior economist from the Fujian Provincial Department of Human Resources and Social Security (福建省人力資源和社會保障廳) in December 2011.

Mr. Huang Jianlian (黃建聯), aged 53, joined our Group in September 2007 and has been the deputy general manager of our Company since February 2011. Mr. Huang was appointed as a Director in September 2024 and was re-designated as our executive Director in November 2024. Mr. Huang is responsible for the overall management of the production system, coordinating and planning the procurement, quality control, production safety and techniques of the Group. Mr. Huang also holds positions as the general manager or director in certain subsidiaries of our Group.

Prior to joining our Group, Mr. Huang served as a unit director of Xiamen Huashun Food Industry Co., Ltd. (廈門華順食品工業有限公司) from July 1993 to September 2001. He was the director in charge of Xiamen Jinguanshun Food Co., Ltd. (廈門金冠順食品有限公司) from September 2001 to August 2002 and Fujian Fuhua Food Co., Ltd. (福建馥華食品有限公司) from March 2003 to September 2007. He has also been the supervisor of Fujian Fuhua Food Co., Ltd. (福建馥華食品有限公司) since April 2007.

Mr. Huang has extensive experience and expertise in the food industry especially in the fields of aquatic product processing. Mr. Huang has been an executive council member of the fourth council of the Food Equipment and Intelligent Manufacturing Division under the Chinese Institute of Food Science and Technology (中國食品科學技術學會食品裝備與智能製造分會) since October 2021, and currently he also serves as the deputy director of both the National Food Industry Standardization Technical Committee Aquatic Products Processing Sub-Technical Committee (全國食品工業標準化技術委員會水產品加工分技術委員會) and the National Fisheries Standardization Committee Aquatic Products Processing Technical Committee (全國水產標準化技術委員會水產品加工分技術委員會), as well as a member of the National Technical Committee for Aquatic Products Standardization (全國水產標準化技術委員會) and the National Technical Committee for Standardization of Meat, Poultry, and Egg Products (全國肉禽蛋製品標準化技術委員會). In addition, Mr. Huang has been a member of the Expert Committee on National Aquatic Product Processing Technology Research and Development System (國家水產品加工技術研發體系專家委員會) since June 2023. In July 2024, he was appointed as an enterprise (industry) expert for the doctor of professional studies in biology and medicine at Jiangnan University (江南大學). Mr. Huang was recognized as Fujian Province High-Caliber Personnel (Level A) (福建省高層次A類人才) in 2023 and Xiamen High-Caliber Personnel (Level A) (廈門高層次A類人才) in 2024.

Mr. Huang obtained a bachelor's degree in food engineering from Nanchang University (南昌大學) in the PRC in July 1993. Mr. Huang obtained the qualification of senior engineer from Xiamen Municipal Human Resources and Social Security Bureau (廈門市人力資源與社會保障局) in February 2023.

Non-executive Directors

Dr. Zheng Yanan (鄭亞南), aged 70, joined our Group as a Director in May 2023 and was re-designated as our non-executive Director in November 2024. Dr. Zheng is mainly responsible for overseeing our Group's management and providing advice on strategic development through participation in the Board.

Dr. Zheng has extensive experience in various leadership roles within the corporate and equity investment sector. Dr. Zheng has served as the chairman of the board of Pacific Securities Co., Ltd. (太平洋證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601099), since July 2009. He has also served as the executive director and manager of Chinascholars Equity Investment Co., Ltd. (神州學人股權投資有限公司) since March 2018, a director of Unicom Innovation Equity Investment Management (Chengdu) Co., Ltd. (聯通創新股權投資管理(成都)有限公司) (currently known as Lianchuang Innovation Private Equity Fund Management (Chengdu) Co., Ltd. (聯創創新私募基金管理(成都)有限公司)) since April 2017, the executive director of Beijing Huixingda Investment Consulting Co., Ltd. (北京匯興達投資諮詢有限公司) from November 2011 then as the supervisor since June 2016, the executive director and general manager of Xinrong Zhihui Technology Development Co., Ltd. (新榮智匯科技發展有限公司) since March 2014, a director of Beijing Oulian Products Security Technology Service Co., Ltd. (歐聯產品安全技術服務(北京)有限公司) since March 2006, and the chairman of the board of Dahua Dalu Investment Co., Ltd. (大華大陸投資有限公司) since October 2007.

Dr. Zheng obtained a bachelor's degree of economics from Peking University (北京大學) in the PRC in July 1982, a master's degree of economics from the Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院) in the PRC in December 1985, and a doctoral degree of management from Wuhan University of Technology (武漢理工大學) in the PRC in June 2004.

Mr. Dai Fan (戴凡), aged 68, joined our Group as a Director in May 2023 and was re-designated as our non-executive Director in November 2024. Mr. Dai is mainly responsible for overseeing our Group's management and providing advice on strategic development through participation in the Board.

Mr. Dai has been serving as a director of Guoli Minsheng since August 2023. He worked at Howden Group, a company engaging in provision of mission critical air and gas handling products and services, for more than 25 years from May 1994 to September 2022. From May 1994 to December 2007, Mr. Dai worked at Howden Fedco Ltd., Howden Engineering (S.E. Asia) Ltd. and Howden Burton Corblin Asia Ltd. in Hong Kong as the regional sales manager. He then joined Howden Hua Engineering Co., Ltd. as the general sales manager of compressors in January 2008. From August 2001 to January 2010, he was also a director of Neworld International Investments Limited, a company engaging in investment business. He served as a director at Wuxi Huashun Food Industry Co., Ltd. (無錫華順食品工業有限公司) from September 1998 to November 2010.

Mr. Dai graduated from Yangzhou Industrial College (揚州工業專科學校) (currently known as Yangzhou University (揚州大學)) in the PRC in July 1982, majoring in heating and industrial ventilation engineering, and he obtained a master's degree of business administration from The University of Dundee in the United Kingdom in December 1993.

Independent Non-executive Directors

Dr. Zhao Bei (趙蓓), aged 67, joined our Group as an independent Director in May 2023 and was re-designated as our independent non-executive Director in November 2024. Dr. Zhao is responsible for supervising and providing independent judgment to our Board.

Dr. Zhao has over 20 years of teaching experience in the field of management studies. Dr. Zhao was a lecturer in the Department of Finance and Banking from 1986 to 1988, an associate professor from 1996 to 1997 and has been a professor and PhD supervisor since 2005 at the School of Management of Xiamen University (廈門大學). Dr. Zhao served as a Doctoral Demonstrator at The University of Hong Kong from 1997 to 2003. Prior to that, Dr. Zhao served as personal financial manager at Royal Bank of Canada Centre. From 1988 to 1996, Dr. Zhao consecutively held teaching positions at various universities in Canada, including Saint Mary's University, Acadia University, Algoma University and Mount Allison University.

Dr. Zhao serves as (i) an independent director of Xiamen King Long Motor Group Co., Ltd. (廈門金龍汽車集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600686), since September 2020, and (ii) an independent director of Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300750) and the Stock Exchange (stock code: 3750), since August 2023. She also serves as an independent director of Hrain Biotechnology Co., Ltd. (上海恒潤達生生物科技股份有限公司) since June 2021, and an independent director of Zhongqiao Sports Co., Ltd. (中喬體育股份有限公司) since November 2021.

Previously, Dr. Zhao was (i) an independent director of Fujian Septwolves Industry Co., Ltd. (福建七匹狼實業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002029), from April 2017 to July 2022, (ii) an independent director of Huaxia Eye Hospital Group Co., Ltd. (華廈眼科醫院集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301267), from December 2019 to December 2022, and (iii) an independent non-executive director of Asia Television Holdings Limited, a company listed on the Stock Exchange (stock code: 0707) from June 2005 to October 2015.

Dr. Zhao obtained a bachelor's degree of economics from Xiamen University (廈門大學) in the PRC in July 1982, a master's degree of business administration from Dalhousie University in Canada in February 1986, and a doctoral degree of management in The University of Hong Kong in December 2003.

Ms. Zhang Mei (張梅), aged 53, joined our Group as an independent Director in May 2023 and was re-designated as our independent non-executive Director in November 2024. Ms. Zhang is responsible for supervising and providing independent judgment to our Board.

Ms. Zhang has been an accounting professor at Fujian Jiangxia University (福建江夏學院) (formerly known as Fujian Economic Management Cadres College (福建經濟管理幹部學院)) since July 1993. Ms. Zhang has been serving as an independent director of Strait Innovation Internet Co., Ltd. (海峽創新互聯網股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300300), since November 2020. She also serves as a director of Fujian Anxi Rural Commercial Bank Co., Ltd. (福建安溪農村商業銀行股份有限公司) since July 2020.

Previously, Ms. Zhang was (i) an independent director of Fujian Boss Software Corp. (福建博思軟件股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300525), from July 2018 to June 2024, (ii) an independent director of Fujian Nanping Sun Cable Co., Ltd. (福建南平太陽電纜股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002300), from May 2019 to May 2024, and (iii) an independent director of Fujian Apex Software Co., Ltd. (福建頂點軟件股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603383), from July 2022 to May 2024.

Ms. Zhang has been a registered member of The Chinese Institute of Certified Public Accountants (中國注冊會計師協會), accredited by The Fujian Institute of Certified Public Accountants since December 2009 and a Certified Public Valuer by China Appraisal Society (中國資產評估協會) since June 1999.

Ms. Zhang obtained a bachelor's degree of accounting and a master's degree of accounting from Fuzhou University (福州大學) in the PRC in July 1993 and March 2005, respectively.

Mr. Zhang Yueping (張躍平), aged 53, joined our Group as an independent Director in May 2023 and was re-designated as our independent non-executive Director in November 2024. Mr. Zhang is responsible for supervising and providing independent judgment to our Board.

Mr. Zhang has been working at Fujian Institute of Oceanography (福建海洋研究所) since 1992 and is currently a researcher of the Department of Marine Biology of Fujian Institute of Oceanography (福建海洋研究所), specializing in marine biology research. Mr. Zhang serves as the chairman of the supervisory board of the Xiamen Ocean and Fisheries Society (廈門市海洋與水產學會) since February 2023. He also serves as a member of the 9th standing council of Fujian Society of Fisheries (福建省水產學會) since April 2021.

Mr. Zhang obtained a bachelor's degree of science from Xiamen University (廈門大學) in the PRC in July 1992.

Dr. Liu Xiaofeng (劉曉峰), aged 63, has been appointed as an independent non-executive Director with effect from the Listing Date, primarily responsible for supervising and providing independent judgment to our Board.

Currently, Dr. Liu has been an independent non-executive director of the following companies listed on the Hong Kong Stock Exchange: (i) Logory Logistics Technology Co., Ltd. (合肥維天運通信息科技股份有限公司) (stock code: 2482) since October 2021; (ii) Sunfonda Group Holdings Limited (stock code: 1771) since May 2017; and (iii) China Risun Group Limited (stock code: 1907) since October 2024.

Previously, Dr. Liu was (i) an independent non-executive director of Cinda International Holdings Limited (stock code: 0111) from July 2016 to July 2024; (ii) an independent non-executive director of AAG Energy Holdings Limited (stock code: 2686) from August 2018 to July 2023; (iii) an independent non-executive director of Honghua Group Limited (stock code: 0196) from January 2008 to November 2021; (iv) an independent non-executive director of Hisense Home Appliances Group Co., Ltd. (海信家電集團股份有限公司) (formerly known as Hisense Kelon Electrical Holdings Co., Ltd. (海信科龍電器股份有限公司)) (stock code: 0921) from September 2017 to August 2018; (v) an independent non-executive director of Haier Electronics Group Co., Ltd., a company previously listed on the Stock Exchange and delisted in December 2020, from June 2007 to June 2014; and (vi) an independent non-executive director of Kunlun Energy Company Limited (stock code: 0135) from April 2004 to May 2025.

Dr. Liu has over 30 years of experience in corporate finance and has served in a number of international financial institutions since 1993. Dr. Liu was an independent director at UBS Securities Co., Ltd. from June 2016 to June 2022. Prior to that, Dr. Liu, worked at China Resources Capital Holdings Company Limited as the managing director from March 2010 to January 2016, at DBS Asia Capital Limited as the managing director and Head of China from September 2005 to August 2009, at N.M. Rothschild & Sons (HK) Limited as the head of China investment banking department from February 2003 to March 2005, at J.P. Morgan Securities (Asia Pacific) Limited as the vice-president of the investment banking department from April 2000 to January 2003, and at N.M. Rothschild & Sons Limited and N.M. Rothschild & Sons (HK) Limited from October 1993 to April 2000, where his last position was the director of corporate finance department.

Dr. Liu obtained a bachelor's degree in political economics from the Southwestern University of Finance and Economics (西南財經大學) (formerly known as Sichuan Economic College (四川財經學院)) in the PRC in July 1983. He obtained a master's degree in development studies from the University of Bath, United Kingdom in December 1987. Dr. Liu also obtained a master's degree and a doctorate degree from the Faculty of Economics, University of Cambridge, United Kingdom in October 1988 and May 1994, respectively.

SUPERVISORY COMMITTEE

The following table sets out the key information about our Supervisors.

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as a Supervisor	Responsibilities
Mr. Zhang Guangxi (張光璽)	54	Chairman of the Supervisory Committee	May 2023	May 2023	Supervising the finance of our Group and exercising supervision over the Directors and senior management
Mr. Zhang Wei (張偉)	39	Employee Supervisor	January 2008	May 2023	Supervising the finance of our Group and exercising supervision over the Directors and senior management
Ms. Wang Xiaojiao (王小嬌)	45	Employee Supervisor	October 2018	May 2024	Supervising the finance of our Group and exercising supervision over the Directors and senior management

Mr. Zhang Guangxi (張光璽), aged 54, was appointed as the chairman of the Supervisory Committee in May 2023. Mr. Zhang is responsible for supervising the finance of our Group and exercising supervision over the Directors and senior management.

Mr. Zhang has served as the finance director of Dahua Dalu Investment Co., Ltd. (大華大陸投資有限公司) since October 2007. He has been the supervisor of Chinascholars Equity Investment Co., Ltd. (神州學人股權投資有限公司) since March 2014 and the supervisor of Unicom Innovation Equity Investment Management (Chengdu) Co., Ltd. (聯通創新股權投資管理(成都)有限公司) (currently known as Lianchuang Innovation Private Equity Fund Management (Chengdu) Co., Ltd. (聯創創新私募基金管理(成都)有限公司)) since August 2022. He was a supervisor of Addsino Co., Ltd. (航天工業發展股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000547), from June 2011 to November 2022.

Mr. Zhang was the supervisor of Sanhe Tiancheng Technology and Trading Co., Ltd., the business license of which was revoked in January 2008. As of the time of the revocation, the aforementioned company was not insolvent, had any outstanding liabilities nor was involved in any pending claims. To the best knowledge of our Directors, the reason for revocation of business license of the aforementioned company was cessation of business, which has not resulted in any punishment or fines imposed by any competent authorities, nor has it resulted in any outstanding or potential claims or liabilities against the aforementioned company and Mr. Zhang, and there is no material matter that should be brought to the attention of the Stock Exchange or the Shareholders in this regard.

Mr. Zhang obtained a bachelor's degree in accounting from China Central Radio and Television University (中央廣播電視大學) (currently known as The Open University of China (國家開放大學)) in the PRC in January 2007.

Mr. Zhang Wei (張偉), aged 39, joined our Group in January 2008 and was elected as an employee Supervisor in May 2023. Mr. Zhang is responsible for supervising the finance of our Group and exercising supervision over the Directors and senior management.

From January 2008 to February 2018, Mr. Zhang worked at the logistics department (formerly known as the storage and transportation division under the internal affairs department) of our Company where his last position is the department manager. He then consecutively served as the manager of production department and the manager of procurement department of our Company from February 2018 to May 2019. Mr. Zhang has been serving as the manager of administration department of our Company since May 2019, responsible for human resources management.

Mr. Zhang graduated from the Professional Online Education Program in food quality and safety from Jiangnan University (江南大學) in the PRC in January 2022.

Ms. Wang Xiaojiao (王小嬌), aged 45, joined our Group in October 2018 and was elected as an employee Supervisor in May 2024. Ms. Wang is responsible for supervising the finance of our Group and exercising supervision over the Directors and senior management.

Ms. Wang has worked at the general affairs department of the Company since October 2018, successively serving as a junior staff from October 2018 to December 2018, a staff from January 2019 to June 2021, a chief officer from July 2021 to May 2024, and a senior officer since June 2024. Prior to joining our Group, she served as a clerk in the admissions office at Fujian Huaxia Advanced Technical School (福建華夏高級技工學校) from June 2010 to September 2018.

Ms. Wang obtained a vocational secondary school degree in pre-primary education from Fujian Anxi Overseas Chinese Vocational College (福建省安溪華僑職業中專) in the PRC in June 1998.

SENIOR MANAGEMENT

The following table sets forth the key information about our senior management.

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as a Member of Senior Management	Responsibilities
Mr. Zhang Qingmiao (張清苗)	56	Executive Director and general manager	September 2007	September 2007	Formulation of business strategies, management of the administrative affairs and presiding over the daily operation and internal system management of the Group
Mr. Huang Jianlian (黃建聯)	53	Executive Director and deputy general manager	September 2007	February 2011	Overall management of the production system, coordinating and planning the procurement, quality control, production safety and techniques of the Group
Mr. Huang Qingsong (黃清松)	56	Deputy general manager	September 2007	February 2011	Marketing and sales management of the main business, planning and establishing the marketing system of the Group based on the development strategy
Ms. Tang Yi (唐奕)	50	Chief financial officer	July 2010	February 2011	Overall financial management and budgeting of the Group
Mr. Liang Chen (梁晨)	41	Board secretary	March 2010	February 2011	Corporate governance, internal control, investor relations, information disclosure of the Group and capital market affairs and providing support and assistance to meetings of the Board and shareholders

Note: Mr. Liang Chen, our Board secretary, is the nephew of Mr. Liu Mingming. Saved as disclosed above, each of our senior management members had no relationship with other Directors, Supervisors or senior management members of our Company as of the Latest Practicable Date.

Mr. Zhang Qingmiao (張清苗), aged 56, is an executive Director and the general manager of our Company. For the biography of Mr. Zhang, please refer to "— Board of Directors — Executive Directors" in this section.

Mr. Huang Jianlian (黃建聯), aged 53, is an executive Director and the deputy general manager of our Company. For the biography of Mr. Huang, please refer to "— Board of Directors — Executive Directors" in this section.

Mr. Huang Qingsong (黃清松), aged 56, has been the deputy general manager of our Company since February 2011. Mr. Huang also serves as the executive director and general manager of Wuxi Anjoy Foods Marketing Co., Ltd. (無錫安井食品營銷有限公司), a wholly-owned subsidiary of our Company.

Mr. Huang joined Wuxi Huashun Food Industry Co., Ltd. (無錫華順食品工業有限公司) in September 1998 and served as the deputy general manager from April 2002 to November 2010. From July 1996 to May 1997, Mr. Huang worked at Xiamen Xiangyu Free Trade Zone Guangyuan International Trade Company (廈門象嶼保税區廣源國際貿易公司). Mr. Huang worked at Xiamen International Seamen Club (廈門國際海員俱樂部) from September 1993 to June 1996.

Mr. Huang was accredited as a senior economist by the Fujian Provincial Department of Human Resources and Social Security (福建省人力資源和社會保障廳) in February 2015 and he was awarded the business marketing qualification certificate by Xiamen Personnel Bureau (廈門市人事局) in December 1997.

Mr. Huang obtained a bachelor's degree in business management from Huaqiao University (華僑大學) in the PRC in July 1990.

Ms. Tang Yi (唐奕), aged 50, joined our Group in July 2010 as a finance manager at Wuxi Huashun Food Industry Co., Ltd. (無錫華順食品工業有限公司) and has served as the chief financial officer of our Group since February 2011. Ms. Tang also holds positions as finance director or supervisor in certain subsidiaries of our Group.

Ms. Tang served as a finance manager at Wuxi Huashun Food Industry Co., Ltd. (無錫華順食品工業有限公司) from September 2001 to November 2010. Ms. Tang served as a finance manager at Lida Technology (Wuxi) Co., Ltd. (力達科技(無錫)有限公司) from September 1999 to August 2001 and Wuxi Xinkexin Special Welding Materials Co., Ltd. (無錫新科信特種焊材有限公司) from September 1998 to September 1999.

Ms. Tang graduated from Donghua University (東華大學) (formerly known as China Textile University (中國紡織大學)) in the PRC majoring in accounting in July 2003. Ms. Tang was accredited as a senior economist by the Jiangsu Provincial Department of Personnel (江蘇省人事廳) in December 2008.

Mr. Liang Chen (梁晨), aged 41, joined our Group in March 2010 and has been the Board secretary since February 2011. He was a Director from January 2015 to April 2017 and resigned as a Director due to other work arrangement within our Group. Mr. Liang is also serving as supervisor or director in certain subsidiaries of our Group.

Mr. Liang has served as an independent director of Xin Hee Co., Ltd. (欣賀股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 003016), since August 2022, and an independent director of Ligao Foods Co., Ltd. (立高食品股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300973), since November 2023.

Mr. Liang has extensive experience and qualifications in capital operation, investor relation management and corporate governance of listed companies. In August 2013, Mr. Liang obtained the board secretary qualification certificate from the Shanghai Stock Exchange. In October 2022, he acquired the independent director qualification certificate from the Shenzhen Stock Exchange. Mr. Liang was engaged as the supervisor of CPC member conduct and integrity at the CSRC Xiamen Bureau (中國證監會廈門證監局) for the period from December 2022 to December 2025. In April 2023, he was appointed as a member of the independent directors committee and deputy secretary-general of The Listed Company Association of Xiamen (廈門上市公司協會) for a five-year term. Mr. Liang has been a member of the Xiamen Haicang District Committee of the Chinese People's Political Consultative Conference (廈門市海滄區政協委員會) since December 2021.

Mr. Liang was named as the Outstanding Board Secretaries of Main Board Listed Companies in China (中國主板上市公司優秀董秘) in 2019 and 2020 by Securities Times (證券時報), and he was consecutively awarded the New Fortune Gold Medal Board Secretary (新財富金牌董秘) by New Fortune magazine in 2023 and 2024. In 2024, he also received the "Golden Quality Award — Outstanding Board Secretary" (上海證券報金品質獎—優秀董秘獎) jointly presented by Shanghai Securities News and China Securities Journal and was recognized as Xiamen High-Caliber Personnel (Level B) (廈門高層次B類人才).

Mr. Liang obtained a bachelor's degree in law from Taiyuan University of Technology (太原理工大學) in the PRC in July 2006. Mr. Liang obtained a master's degree in constitutional law and administrative law from Zhengzhou University (鄭州大學) in the PRC in June 2010.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SENIOR MANAGEMENT

Prior to the Track Record Period, there were several incidents involving our Directors and senior management members, primarily due to inadvertent oversight, unintentional actions, and/or unfamiliarity with the relevant disclosure requirements, who were subject to administrative regulatory measures by the Xiamen Regulatory Bureau of the CSRC ("CSRC Xiamen Bureau") and/or self-disciplinary action or self-regulatory measure by the Shanghai Stock Exchange ("SHSE") and/or the Shenzhen Stock Exchange ("SZSE"), details of which are as follows:

(i) on March 18, 2020, the CSRC Xiamen Bureau took the administrative regulatory measure of regulatory interview on Mr. Liu Mingming ("Mr. Liu"), the Chairman of the Board and executive Director, in relation to his sale of 1,000 Shares at the price of RMB70.105 per Share on February 25, 2020, with the closing price of Shares being RMB73.20 per Share on the same date, without disclosing his share reduction plan in advance in accordance with the applicable regulations and rules. According to Mr. Liu, he mistakenly input the wrong stock code when he intended to sell the shares of other companies in his stock account; upon realizing the mistake himself on the same date, Mr. Liu promptly informed the Company and recorded no significant monetary gains from the mistaken sale; on April 9, 2020, the SHSE took the self-regulatory measure of verbal warning against Mr. Liu on the same matter. On November 29, 2021, the SHSE took the self-disciplinary action of public criticism against Mr. Liu for failing to cease disposal of Shares held by him, representing approximately 1.31% of the then issued share capital of the Company, upon reaching the relevant stop-trading threshold after July 2, 2020 and untimely filing of the report on the simplified shareholding changes until July 3, 2021 in accordance with the then effective regulations. The failure to make relevant disclosure and failure to cease disposal of Shares upon reaching the stop-trading threshold was primarily attributable to (a) unfamiliarity with and misunderstanding of the filing requirements for shareholders' disclosure of interests, and (b) miscalculation and overlook of the passive reduction in Mr. Liu's shareholding in our Company over a relatively long period as a result of the public issuance of convertible bonds and implementation of share incentive plan which diluted Mr. Liu's shareholding leading to the passive reduction. Mr. Liu identified the delayed filing mistake himself and informed the Company once he was aware of such mistake in June 2021, and the Company timely reported such mistake to the SHSE afterwards; on December 27, 2021, the CSRC Xiamen Bureau took the administrative regulatory measure of regulatory interview on Mr. Liu in relation to the aforementioned incident;

(ii) in May and October 2007, the SZSE took the self-disciplinary action of public criticism against, amongst others, Mr. Zhang Gaolu ("Mr. Zhang"), the deputy Chairman of the Board and executive Director, being a director of Chinascholars Group Co., Ltd. ("Chinascholars") who did not engage in its daily management and operation, for (a) Chinascholars' untimely disclosure of an investment made by one of its subsidiaries in November 2006, due to the lack of timely communication between Chinascholars and such subsidiary, and (b) untimely disclosure of the change of *de facto* controller of Chinascholars in June 2006, due to the mistaken interpretation of the relevant disclosure requirements by the relevant staff working in the securities department. In November 2011, the SZSE took the self-disciplinary action of public criticism against Guoli Minsheng, in which Mr. Zhang was the then *de facto* controller and a director, for short-swing trading of the listed shares of Chinascholars by Guoli Minsheng in July 2011 within the six-month restriction period after participation of Chinascholars' private placement in April 2011, due to the mistaken interpretation by the relevant staff working in the securities department that the short-swing trading restrictions did not apply to private placement. Mr. Zhang had not approved, or discussed with the relevant staff working in the securities department of Chinascholars and Guoli Minsheng on the aforementioned non-disclosure and short-swing trading incidents, as the daily information disclosure and trading activities management work had been delegated to the securities department;

(iii) on July 27, 2020, the CSRC Xiamen Bureau took the administrative regulatory measure of issuance of caution letters to Mr. Huang Jianlian, the executive Director and deputy general manager of our Company, and Mr. Huang Qingsong, the deputy general manager of our Company, respectively, for their early sale of 200,000 and 189,000 Shares, respectively, being approximately 0.08% of the Company's total share capital, within the 15-day restriction period in accordance with the applicable regulations and rules after disclosing their respective share reduction plans. The sales were unintentional and primarily attributable to the miscalculation of the 15-trading day period without taking into consideration the public holidays in Mainland China. Each of Mr. Huang Jianlian and Mr. Huang Qingsong promptly informed the Company and recorded no monetary gains from the sales as the trading price of Shares increased afterwards; on December 2, 2020, the SHSE took the self-disciplinary action of public criticism against Mr. Huang Jianlian and Mr. Huang Qingsong in relation to the aforementioned incident; and

(iv) on July 9, 2019, the SHSE took the self-regulatory measure of verbal warning against Mr. Liang Chen, our Board secretary who is responsible for the information disclosure work, for operational errors by a staff working in the securities department, including untimely responding to the vetting officer's confirmation requests in SHSE's reporting system for publication of announcements and trading halt and resumption, and untimely reservation of the publication date of the first quarterly report of 2019. Nevertheless, all aforementioned disclosure documents were made public within the prescribed deadline as required by the applicable laws and regulations.

As at the Latest Practicable Date and to our best knowledge, (i) all such incidents have been concluded, (ii) there has not been any further regulatory request to, action against or correspondence with our Group or the relevant Directors or senior management members from or by the SHSE, the SZSE and/or the CSRC Xiamen Bureau, and (iii) other than disclosed above, Mr. Liu, Mr. Zhang, Mr. Huang Jianlian, Mr. Huang Qingsong and Mr. Liang Chen have not been imposed any other penalties or involved in any other investigation, hearing or proceeding brought or instituted by any securities regulatory authority or stock exchange, relating to the aforementioned incidents.

Notwithstanding the above incidents, our Board is of the view that such administrative regulatory measures, self-disciplinary actions and self-regulatory measures do not impugn the integrity or suitability of Mr. Liu, Mr. Zhang, Mr. Huang Jianlian, Mr. Huang Qingsong and Mr. Liang Chen to serve as our Directors and/or senior management members of the Company under Rules 3.08 and 3.09 of the Listing Rules, based on the following factors:

- all such incidents took place before the Track Record Period and each of Mr. Liu, Mr. Zhang, Mr. Huang Jianlian, Mr. Huang Qingsong and Mr. Liang Chen has not experienced any similar incident since the commencement of the Track Record Period and as of the Latest Practicable Date;

- all non-compliant conducts involved in such incidents were unintentional and primarily due to inadvertent oversight, unfamiliarity with and/or mistaken interpretation of the relevant disclosure requirements, and did not involve findings of fraud and dishonesty on the part of each of Mr. Liu, Mr. Zhang, Mr. Huang Jianlian, Mr. Huang Qingsong and Mr. Liang Chen or raise concern on their respective integrity; and once being aware of the non-compliant conducts, the relevant individuals took rectification measures as appropriate, including attending training sessions and making the relevant disclosure;

- as advised by our PRC Legal Advisor, none of the administrative regulatory measures of regulatory interview and issuance of caution letters taken by the CSRC Xiamen Bureau, the self-disciplinary action of public criticism and the self-regulatory measure of verbal warning taken by the SHSE or SZSE constitutes a major or severe administrative regulatory measure or self-disciplinary action or self-regulatory measure, nor do they constitute administrative penalties or public censure under the PRC securities regulatory laws, regulations or rules on each of Mr. Liu, Mr. Zhang, Mr. Huang Jianlian, Mr. Huang Qingsong and Mr. Liang Chen; furthermore, given that the securities regulatory authority or the stock exchange has already taken administrative regulatory measures, self-disciplinary actions or self-regulatory measures regarding the aforementioned non-compliant conducts of the relevant Directors and senior management members, and they have also taken appropriate rectification measures, including attending training sessions and making relevant disclosures, the possibility that the securities regulatory authority or the stock exchange takes further measure or action against the relevant Directors and senior management members in respect of the aforementioned non-compliant conducts is remote;

- as advised by our PRC Legal Advisor, the administrative regulatory measures, the self-disciplinary actions and self-regulatory measure in relation to all such incidents would not impair, and there has not been any rulings made by the competent authorities that affect, the suitability of each of Mr. Liu, Mr. Zhang, Mr. Huang Jianlian, Mr. Huang Qingsong and Mr. Liang Chen to serve as a director and/or senior management member of a PRC company (including listed companies) or as a Director and/or senior management member of the Company, pursuant to the PRC Company Law, the PRC Securities Law and other PRC laws and regulations; and

- the Group's internal controls and remedial measures are adequate and effective in preventing the recurrence of similar incidents. Specifically, (a) in relation to the incidents involving directors' and senior management's untimely filing and disclosure of their dealings in the Company's securities, our Group had put in place a technical restriction setup for trading action during relevant period to avoid the mistaken actions of the sale and/or purchase of the Company's shares by the directors, supervisors, and senior management of our Company. There is a "two-way" lockup for buying and selling the Shares held by the relevant Directors, Supervisors and senior management of the Company in their respective trading accounts, and the Shares could only be released for trading upon the expiration of the 15-day restriction period after disclosure of share reduction plan in accordance with the applicable regulations and rules. The Group has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as part of its securities trading rules and procedures. In addition to the regular training sessions to keep the Directors and senior management members of the Company abreast of the laws and regulations applicable to the Company and the duties as a Director, the Company will arrange to send notice to all Directors, Supervisors and relevant employees to remind them of the blackout period and the dealing restriction prior to the commencement of such period to prevent any breach of the relevant Listing Rules by such persons; (b) in relation to the Company's operational errors in the reporting system, the Company promptly organized training sessions attended by the staff working with the Board office and the securities department to be more familiar with the reporting system and the regulations, rules and guidelines on disclosure for public companies. The Company has also adopted Management Measures on Disclosure of Information to clearly list out the duties and responsibilities of the Board and senior management of the Company in the process of daily filings with the regulatory authorities and public disclosure. During the Track Record Period, the Company has consecutively obtained "Grade A" (Excellent) in 2024 and 2023 and "Grade B" (Good) in 2022 in the annual appraisal and evaluation on disclosure of information work of Shanghai listed companies conducted by the SHSE. In anticipation of the Listing, we have engaged an internal control consultant to review the effectiveness of our internal controls associated with our business processes, including controls on directors' and senior management's dealings in the Company's securities and disclosure of information, and no internal control deficiency was found based on the work performed in relation to the sufficiency and effectiveness of the enhanced internal control measures.

Having taken into account the views of the Board and the Company's PRC Legal Advisor above, the work and procedures performed by the internal control consultant of the Company, as well as the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors which would reasonably cause them to disagree with the Board's view above.

GENERAL

Save as disclosed above, none of the Directors, Supervisors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Prospectus.

Save as disclosed above, none of the Directors, Supervisors or members of the senior management of our Company is related to any other Directors, Supervisors and members of the senior management of our Company.

Save as disclosed herein, to the best knowledge, information and belief of our Directors and Supervisors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors or Supervisors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors or Supervisors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

JOINT COMPANY SECRETARIES

Mr. Liang Chen (梁晨) has been appointed as our joint company secretary in November 2024. For his biographical details, see "— Senior Management" in this section.

Mr. Ng Tung Ching Raphael (吳東澄) has been appointed as our joint company secretary in November 2024. Mr. Ng is the assistant vice president of Governance Services of Computershare Hong Kong Investor Services Limited. He is a seasoned professional with over 14 years of extensive experience in the legal and company secretarial domains, specializing in corporate governance and compliance.

Mr. Ng obtained his bachelor's degree in law from Manchester Metropolitan University, a master's degree in Chinese business law from The Chinese University of Hong Kong and a master's degree in professional accounting and corporate governance from The City University of Hong Kong. Mr. Ng is an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom. He also possesses the practitioner's endorsement from HKCGI.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, our Company has formed five Board committees, namely the Audit Committee, the Remuneration and Assessment Committee, the Nomination Committee, the Strategy Committee and the Sustainability Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. Zhang Mei, Mr. Dai Fan and Dr. Zhao Bei. Ms. Zhang Mei holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules and serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but not limited to, reviewing the Company's financial information and its disclosure, monitoring and evaluating internal and external audit work and internal controls.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Mr. Zhang Yueping, Mr. Liu Mingming and Ms. Zhang Mei. Mr. Zhang Yueping serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, developing standards and procedures for the election of our Board members, chief executive officer and members of the senior management, and selecting and examining the qualifications of the candidates for our Board members, chief executive officer and members of the senior management.

Remuneration and Evaluation Committee

We have established a Remuneration and Evaluation Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration and Evaluation Committee consists of three Directors, namely Dr. Zhao Bei, Mr. Zhang Gaolu and Mr. Zhang Yueping. Dr. Zhao Bei serves as the chairperson of the Remuneration and Evaluation Committee. The primary duties of the Remuneration and Evaluation Committee include, but not limited to, formulating evaluation standard for Directors and senior management and implementation of the evaluation, and formulating and reviewing the remuneration policies and plans for Directors and senior management.

Strategy Committee

We have established a Strategy Committee. The Strategy Committee consists of three Directors, namely Mr. Liu Mingming, Mr. Zhang Qingmiao and Mr. Huang Jianlian. Mr. Liu Mingming serves as the chairperson of the Strategy Committee. The primary duties of the Strategy Committee include, but not limited to, conducting research and making recommendations on our Company's long-term development plan, business strategies and objectives and development policies, and major strategic investment and financing programs.

Sustainability Committee

We have established a Sustainability Committee. The Sustainability Committee consists of five Directors, namely Mr. Liu Mingming, Mr. Zhang Qingmiao, Dr. Zheng Yanan, Mr. Huang Jianlian and Mr. Zhang Yueping. Mr. Liu Mingming serves as the chairperson of the Sustainability Committee. The primary duties of the Sustainability Committee include, but not limited to, conducting research and making recommendations on sustainable development and ESG work of our Group.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in November 2024, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his/her appointments.

COMPENSATION OF DIRECTORS AND SUPERVISORS

Our Directors and Supervisors receive compensation in the form of fees, salaries, performance-related bonuses, pension scheme contributions, and equity-settled share-based payment expenses.

For the years ended December 31, 2022, 2023 and 2024, the aggregate amount of remuneration paid or payable to our Directors amounted to RMB7.0 million, RMB10.8 million and RMB14.9 million, respectively.

For the years ended December 31, 2022, 2023 and 2024, the aggregate amount of remuneration paid or payable to our Supervisors amounted to RMB1.0 million, RMB1.5 million and RMB1.3 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation to be accrued to our Directors and our Supervisors for the year ending December 31, 2025, to be approximately RMB15.1 million.

The total emoluments for the remaining individuals among the five highest paid individuals amounted to RMB3.0 million, RMB4.8 million and RMB3.0 million for the years ended December 31, 2022, 2023 and 2024, respectively.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any of our subsidiaries.

During the Track Record Period, none of our Directors or Supervisors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors, Supervisors or the five highest paid individuals during the Track Record Period.

For additional information on Directors' remuneration during the Track Record Period as well as information on the highest paid individuals, please see Note 10 to the Accountants' Report set out in Appendix I to this Prospectus. For the details of the share options that were granted to our Directors, supervisors, and senior management, see "Statutory and General Information — 2023 Share Option Incentive Plan" in Appendix IV for further details.

CORPORATE GOVERNANCE

Our Company aims to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the Listing.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the board diversity policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural and educational background, and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, finance and accounting and corporate governance in addition to industry experience in food industry. We have four independent non-executive Directors with different industry backgrounds, representing more than one-third of the members of our Board. Our Company has evaluated the structure, size and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operations.

Besides, we particularly recognize the importance of gender diversity. Pursuant to our board diversity policy, we aim to continue to have at least 10% female representation in the Board and the current composition of the Board satisfies this target gender ratio with two female Directors. We have taken, and will continue to take, steps to promote gender diversity at all levels of our Company, including but without limitation to our Board and senior management levels. Going forward, we will continue to work to enhance gender diversity of our Board when selecting and recommending suitable candidates for Board appointments. Our Company also intends to promote gender diversity at the mid to senior level so that our Company can maintain a balanced gender ratio at different levels. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the Listing, our Nomination Committee will examine the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

COMPLIANCE ADVISOR

We have appointed Ping An of China Capital (Hong Kong) Company Limited as our Compliance Advisor pursuant to Rules 3A.19 and 3A.23 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances including:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

(c) where we propose to use the proceeds from the Global Offering in a manner different from that detailed in this Prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this Prospectus; and

(d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended laws and regulations in Hong Kong applicable to us, and advise us on all other applicable requirements under the Listing Rules, laws, rules, code and guidelines.

The term of the appointment will commence on the Listing Date and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing.

OUR SINGLE LARGEST SHAREHOLDER

As of the Latest Practicable Date, the total issued Shares of our Company was held as to approximately 25.00% by Guoli Minsheng, which was in turn held by Ms. Hang Jianying as to approximately 29.94% and Ms. Lu Qiuwen as to approximately 25.15%, respectively. Ms. Hang Jianying and Ms. Lu Qiuwen entered into the Acting in Concert Agreement on September 10, 2023 and they held in aggregate of approximately 55.09% equity interests in Guoli Minsheng, and they are regarded as the "*de facto* controllers" of the Company pursuant to the PRC Company Law and the Administration Measures on Takeover of Listed Companies promulgated by the CSRC. Guoli Minsheng operates substantive investment business and focuses on equity investment in unlisted and listed enterprises since its establishment on November 6, 2000 with investments in various sectors, including food processing, education, packaging, intellectual equipment and robotic products, hard technology, aerospace equipment and related industry, biotechnology, and telecommunications. Guoli Minsheng is not an investment special purpose vehicle of its shareholders and continues to function as a separate unit from its individual shareholders.

Immediately following the completion of the Global Offering and assuming no new Shares are issued pursuant to the Over-allotment Option and under the 2023 Share Option Incentive Plan, Guoli Minsheng will hold approximately 22.00% of our issued share capital. Accordingly, Guoli Minsheng will continue to be our Single Largest Shareholder upon the completion of the Global Offering.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDER

Having considered the following factors, our Directors are satisfied that we are able to carry out our business independently from our Single Largest Shareholder and its close associates upon and after the Listing.

Management Independence

Our management and operational decisions are made by the Board in a collective manner. Upon Listing, our Board will consist of ten Directors, including four executive Directors, two non-executive Directors and four independent non-executive Directors.

Our Directors have relevant experience to ensure the proper functioning of the Board. We further believe that our Directors and members of the senior management are able to perform their roles in our Company in managing our business independently from our Single Largest Shareholder and its close associates for the following reasons:

(a) among all our executive Directors and senior management, except for Mr. Zhang Gaolu who is the chairman of the board of directors of Guoli Minsheng, all other executive Directors and senior management have no other relationship with our Single Largest Shareholder and its close associates. They have substantial experience in the industry and have been with our Group in management capacity for a number of years as further described in the section headed "Directors, Supervisors and Senior Management", which will enable them to discharge their duties independently from the Single Largest Shareholder. Specifically, when performing his duty as one of the executive Directors of the Company, Mr. Zhang Gaolu has been devoting and will continue to allocate adequate amount of time and efforts to the management and operation of our Group and would bear the best interests of the Company and the Shareholders as a whole;

(b) our independent non-executive Directors have extensive experience in different areas. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders;

(c) each of our Directors is aware of his or her fiduciary duties as a director, which requires, among other things, that he or she acts for our Company's best interests and he or she must not allow any conflict between his or her duties as a Director and his or her personal interests;

(d) our Company is an A-share listed company and has established internal control mechanisms to identify related party transactions and connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. Where a Board meeting or Shareholders' meeting is held to consider a proposed transaction in which our Directors or Single Largest Shareholder or any of their respective close associates have a material interest, the relevant Directors or our Single Largest Shareholder and its close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting; and

(e) we have adopted a series of corporate governance measures to manage potential conflicts of interest, if any, between our Group and our Single Largest Shareholder, which would enhance our independent management. For further information, see "— Corporate Governance Measures" below.

Operational Independence

Our Company has full rights to make all decisions regarding, and to carry out, our own business operations independently. We hold and enjoy the benefit of all relevant permits and licenses necessary to carry out our business in all material respects. Our Group has sufficient assets, capital, equipment, technology and employees to operate its business independently from our Single Largest Shareholder. We also have a core management team led by the chairman of our Board to operate the business independently from our Single Largest Shareholder and/or its close associates. In addition, our organizational structure is made up of individual departments, each with specific areas of responsibilities. We have also established a set of internal control measures to facilitate the effective operation of our business.

Based on the above, our Directors are satisfied that we have been operating independently from our Single Largest Shareholder and/or its close associates during the Track Record Period and will continue to operate independently of the business of our Single Largest Shareholder upon Listing.

Financial Independence

Our Group has its own internal control, accounting, funding, reporting and financial management system as well as accounting and finance department. Moreover, our Group opens and manages bank accounts independently, and has never shared any bank account with our Single Largest Shareholder. Our Group has independent taxation registration according to the relevant laws, and makes tax payments independently according to the applicable PRC taxation laws and regulations. Our Group has never made any tax payment jointly with Single Largest Shareholder or any other entities controlled by it.

As of the Latest Practicable Date, our Group does not rely on our Single Largest Shareholder and/or its close associates for any provision of financial assistance. Our Directors confirm that as of the Latest Practicable Date, on one hand, none of the Single Largest Shareholder or its close associates had provided any loans, guarantees or pledges to our Group and, on the other hand, our Group did not provide any loans, guarantees or pledges to our Single Largest Shareholder.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Single Largest Shareholder and its close associates.

RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of our Single Largest Shareholder or Directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors believe that there are adequate corporate governance measures in place to manage the potential conflict of interests between our Single Largest Shareholder and our Group and to safeguard the interests of our Shareholders taken as a whole for the following reasons:

- where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Shareholder or its close associates have a material interest, our Single Largest Shareholder will not vote on the resolutions and shall not be counted in the quorum in the voting;

- our Group has established internal control mechanisms to identify connected transactions. Upon the Listing, if any transaction is proposed between our Group and our Single Largest Shareholder and its close associates, we will comply with the requirements of the Articles of Association and the Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent Shareholders' approval;

- our Board consists of a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Single Largest Shareholder and provide impartial and professional advice to protect the interests of our minority Shareholders;

- where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

- we have appointed Ping An of China Capital (Hong Kong) Company Limited as our Compliance Advisor, who will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance, and inform us on a timely basis of any amendment or supplement to the Listing Rules or applicable laws and regulations in Hong Kong.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Company and our Single Largest Shareholder, and to protect our minority Shareholders' interests after the Listing.

So far as our Directors are aware, immediately following the completion of the Global Offering and assuming no new Shares are issued under the 2023 Share Option Incentive Plan, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date, the following persons will have an interest and/or short position in our Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

			As of the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming no exercise of the Over-allotment Option and no new Shares are issued under the 2023 Share Option Incentive Plan)		
Shareholder	**Capacity/ Nature of interest**	**Description of Shares**	**Number of Shares[1]**	**Approximate percentage of shareholding in our Company**	**Number of Shares[1]**	**Approximate percentage of shareholding in our A Shares**	**Approximate percentage of shareholding in our Company**
Guoli Minsheng . .	Beneficial owner	A Shares	73,321,219	25.00%	73,321,219	25.00%	22.00%

Note:

1. All interests stated are long positions in the Shares.

Save as disclosed above and in the section headed "Appendix IV — Statutory and General Information — Further Information about our Directors, Supervisors, Chief Executive and Substantial Shareholders — Interests of the substantial shareholders in other members of our Group", our Directors are not aware of any person who will, immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan), have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

This section presents certain information regarding our share capital before and upon completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the issued share capital of our Company was 293,294,232 A Shares of nominal value of RMB1.00 each, all of which are listed on the Shanghai Stock Exchange.

Description of Shares	Number of Shares	Percentage of issued share capital
		(%)
A Shares in issue	293,294,232	100.00
Total	**293,294,232**	**100.00**

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following completion of the Global Offering, assuming that the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital
		(%)
A Shares in issue	293,294,232	88.00
H Shares to be issued pursuant to the Global Offering	39,994,700	12.00
Total	**333,288,932**	**100.00**

Immediately following completion of the Global Offering, assuming that the Over-allotment Option is fully exercised and no new Shares are issued under the 2023 Share Option Incentive Plan, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital
		(%)
A Shares in issue	293,294,232	86.44
H Shares to be issued pursuant to the Global Offering	45,993,900	13.56
Total	**339,288,132**	**100.00**

OUR SHARES

Our H Shares in issue upon completion of the Global Offering, and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. Our H Shares can be subscribed for or traded by Hong Kong and other overseas investors and qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by mainland Chinese investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Prospectus. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR LISTING AND TRADING ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the Global Offering. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A shareholders may convert A shares held by them into H shares for listing and trading on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE GLOBAL OFFERING

We have obtained approval from our holders of A Shares to issue H Shares and seek the listing of H Shares on the Hong Kong Stock Exchange. Such approval was obtained at the general meeting of our Company held on December 20, 2024 upon, among other things, the following major terms:

(1) Size of the offer

The proposed number of H Shares to be offered initially shall not exceed 15% of the total issued share capital as enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the Over-allotment Option). The number of H Shares to be issued pursuant to the full exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered initially under the Global Offering.

(2) Method of offering

The method of offering shall be by way of a public offer for subscription in Hong Kong and an international offering to institutional and professional investors.

(3) Target investors

The H Shares shall be issued to overseas institutional investors, enterprises and individual investors, qualified domestic institutional investors and other investors in compliance with regulatory requirements.

(4) Price determination basis

The issue price of the H Shares will be determined after due consideration of the interests of existing Shareholders, the acceptance of investors, domestic and overseas capital markets and issuance risks, and in accordance with international practices through the demands for orders and book building process.

(5) Validity period

The issue of H Shares and listing of H Shares on the Hong Kong Stock Exchange shall be completed within 18 months from the date when the Shareholders' meeting was held on December 20, 2024.

There are no other approved offering plans for any other shares except for the Global Offering.

SHAREHOLDERS' GENERAL MEETING

For details of circumstances under which our Shareholders' general meeting is required, see "Appendix III — Summary of the Articles of Association".

SHARES SCHEMES

As at the Latest Practicable Date, all the outstanding options under the 2023 Share Option Incentive Plan has been granted to 1,379 grantees to subscribe for 11,028,800 A Shares. No options under the 2023 Share Option Incentive Plan will be further granted and all granted options have been granted to specific individuals under the 2023 Share Option Incentive Plan. For details, see "Appendix IV — Statutory and General Information — 2023 Share Option Incentive Plan."

*You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants' Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards ("**IFRS**").*

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this Prospectus, including the sections headed "Risk Factors" and "Our Business," and elsewhere in this Prospectus. For further details, see "Forward-Looking Statements."

OVERVIEW

We are a leading quick-frozen food company in China, dedicated to providing food products for various consumption occasions, whether at home, in restaurants or on the go. We are engaged in the R&D, production and sales of quick-frozen food products, focusing on quick-frozen flavored and processed products, quick-frozen prepared dishes and quick-frozen flour and rice products. During the Track Record Period, our product portfolio comprised over 500 types of products, positioning us as one of the companies with the most extensive product range in the quick-frozen food industry, according to Frost & Sullivan. After more than 20 years of business operations and development, we have built significant brand influence and recognition among our customers. Our "Anjoy ( )" brand has been recognized as a "Well-known Trademark of China" by the State Administration for Industry and Commerce since 2010.

We experienced robust growth during the Track Record Period. Our revenue increased by 15.4% from RMB12,105.6 million in 2022 to RMB13,964.9 million in 2023 and further increased by 7.6% to RMB15,029.6 million in 2024. Our gross profit increased by 23.3% from RMB2,560.5 million in 2022 to RMB3,157.2 million in 2023 and further increased by 8.0% to RMB3,408.3 million in 2024. Our net profit increased by 34.3% from RMB1,117.5 million in 2022 to RMB1,501.2 million in 2023, and remained relatively stable at RMB1,513.6 million in 2024.

BASIS OF PRESENTATION

The historical financial information has been prepared in accordance with IFRS accounting standards, which comprise all accounting standards and interpretations approved by the International Accounting Standards Board (the "IASB").

All IFRS accounting standards effective for the accounting period commencing from January 1, 2024, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of the historical financial information consistently throughout the Track Record Period and in the period covered by the interim financial information.

The historical financial information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. See Note 2 to the Accountants' Report included in Appendix I to this Prospectus.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, including the following:

Customer Demand for Our Products

Our results of operations have been and will continue to be dependent on customer demand for our quick-frozen food products. China's quick-frozen food industry experienced rapid growth from 2019 to 2024 at a 11.8% CAGR, reaching RMB221.2 billion in 2024, according to Frost & Sullivan. We are expected to continue to benefit from the rising customer demand for quick-frozen food products alongside China's continuous macroeconomic growth. Customer demand is driven by a number of factors. These factors primarily include (i) growing demand from the catering businesses, (ii) increased household consumption driven by increasing penetration among individual customers, (iii) improved product quality and nutrition, and (iv) enhanced cold chain infrastructure. As a leading quick-frozen food brand in China, we believe that our brand value, diverse products, proven track record of business growth, and our ability to innovate and adapt to evolving customer preferences well-position us to capture the opportunities in China's growing quick-frozen food industry.

Our Sales Network and Geographical Coverage

We have a nationwide sales network that deeply penetrates the Chinese market. Our sales network includes (i) distributors, (ii) key accounts, (iii) targeted enterprise customers, and (iv) new retail and e-commerce platforms. We believe that distributors are critical to our business in terms of setting up sales channels, maximizing the coverage of product distribution, and driving the growth of our results of operations. Our well-established and stable sales network is key to our performance. As of December 31, 2022, 2023 and 2024, there were 1,836, 1,964 and 2,017 distributors in our distribution network, respectively. See "Business — Sales Network — Distributors." We maintain a buyer/seller relationship with them. In 2022, 2023 and 2024, revenue from sales to distributors amounted to RMB9,757.7 million, RMB11,318.8 million and RMB12,311.2 million, respectively, representing 80.6%, 81.1% and 81.9% of our total revenue for the same periods. In addition, we sell some of our products to overseas markets, such as Europe and the United States, mainly via distributors.

We maintain customer stickiness and increase penetration by providing customers with various quick-frozen food products. Our capability of effectively attracting new customers and deepening our penetration will be the foundation for our continuous growth.

Our Product Portfolio

Our comprehensive product offerings are critical to our results of operations. We have built a well recognized portfolio of products across three main product categories, namely (i) quick-frozen flavored and processed products, (ii) quick-frozen prepared dishes, and (iii) quick-frozen flour and rice products. During the Track Record Period, our product portfolio included over 500 product types. According to Frost & Sullivan, China's quick-frozen food industry is still in the growth stage as a whole.

We also strive to create a pipeline of signature products. In the second half of 2019, we launched our Lock-Fresh product line, which has already gained a significant competitive advantage in the industry. In particular, our Lock-Fresh product line recorded high growth while maintaining robust profitability during the Track Record Period. The Lock-Fresh product line is a premium product line of quick-frozen flavored and processed products that is designed to meet the demand for hot pot ingredients of the household market. Since the introduction of the first Lock-Fresh product line in 2019, we have developed over 20 products under the Lock-Fresh product line with regular upgrades. The products under the Lock-Fresh product line are generally of higher gross profit margins. This product line has demonstrated exceptional market performance, generating revenue of over RMB1.0 billion in 2022 and maintaining strong momentum with 17.6% revenue growth from 2022 to 2023, followed by 18.9% growth in 2024 compared to 2023, while maintaining robust profitability. This success is attributable to our precise grasp of industry consumption trends and our proactive efforts in new product development and promotion.

The results of our operations are also substantially affected by the product mix and pricing. As we develop new products and upgrade existing products in response to changing consumer preferences and social trends, the change in product mix within our product portfolio and their sales volume will affect our results of operations due to varied margins across products. We engage in pricing negotiations with our customers across sales channels, and generally take into account a number of factors, including our cost of sales, prevailing market prices, prices of our major competitors in the region, and the market positioning of the specific products.

As a result, we believe that our sustainable growth depends on our capability of continuously optimizing and enriching our product portfolio with quality product selection that caters to evolving customer needs.

Our Ability to Efficiently Manage Our Supply Chain and Enhance Operational Efficiency

We believe our long-term growth depends in part on our ability to continue to efficiently manage the supply chain. A majority of our cost of sales is costs of raw materials. Our costs of raw materials amounted to RMB6,602.1 million, RMB7,189.9 million and RMB7,453.1 million in 2022, 2023 and 2024, respectively, representing 69.2%, 66.5% and 64.1% of our total cost of sales for the same periods. Our ability to maintain a stable and efficient supply chain and our ability to purchase raw materials at competitive prices are essential for our cost control, profitability and cash flow.

We are committed to digitalizing our business operations to improve our operational efficiency. Our IT systems such as ERP system, SRM system, CRM system, TMS and proprietary sales management system allows us to monitor the supply and demand dynamics from procurement-end to sales-end. In this way, we are able to analyze customers' preferences and demands, and communicate to our suppliers to timely adjust procurement and production plans. Our EDI system can realize a real-time production process recording and ascertain the flow of our processes to reduce quality deviations caused by human error, which improved our production efficiency. Our digital logistics system, namely TMS, allows us to strictly manage and control warehousing, storage, delivery processes to minimize spoilage, which has enhanced transportation efficiency through route optimization.

Our Branding and Marketing

We have strong brand-building and marketing capabilities. Our brand-building and marketing efforts during the Track Record Period were comprehensive, responsive, practical and effective. The proportion of our selling and distribution expenses to revenue was much lower than the industry average during the same periods, according to Frost & Sullivan, demonstrating the high efficiency of our brand-building and marketing activities. We believe that visual marketing is one of our most effective means of brand building. For example, we advertise on product displays at points of sale with outdoor advertising. We increase customer-facing promotional activities, which include public transport various outdoor advertising formats, enhancing brand awareness. See "Business — Branding and Marketing."

Our selling and distribution expenses amounted to RMB873.0 million, RMB925.8 million and RMB986.2 million, accounting for 7.2%, 6.6% and 6.6% of our revenue in 2022, 2023 and 2024, respectively. We expect the absolute amounts of our selling and distribution expenses will continue to increase along with our business growth in the future. However, as we expand the scale and scope of our business, we expect to make continuous improvement to our selling and distribution efficiency and benefit from economies of scale.

Seasonality

Our business and operating results are subject to seasonal fluctuations because of several factors including weather and holidays. We typically experience sales peaks during winter. In particular, we generate a substantial amount of our revenue from sales of quick-frozen food products, such as fish tofu, fish balls, stuffed meat balls as well as beef and lamb rolls, which are generally more popular during cold seasons. To offset the impacts of seasonality to a certain extent, we have enriched our product mix to include roasted pork sausage, shumai, steamed buns and crayfish products, among others, and expect to meet the needs for more diverse dining scenarios.

IMPACT OF COVID-19 PANDEMIC

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the novel coronavirus disease 2019 (the "**COVID-19**") outbreak a public health emergency of international concern, and on March 11, 2020, the World Health Organization declared the global COVID-19 outbreak a pandemic. The COVID-19 virus continued to spread rapidly worldwide in 2022, including where we have business operations and where our customers, suppliers and business partners are located. To contain the virus spread within our office premises and production facilities and protect the well-being of our employees, we adopted various mitigation measures, such as remote working, social distancing and mask wearing, and other site-specific precautionary measures. Our production, supply chain and daily operations had not been materially adversely affected during the Track Record Period. As the COVID-19 pandemic has since subsided, we do not anticipate further adverse impact by the pandemic on our business and financial performance.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

Set forth below are discussions of the accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Other material accounting policy information, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in Note 2 and 3 to the Accountants' Report in Appendix I to this Prospectus.

Revenue Recognition

Revenue From Contracts With Customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which our Group expects to be entitled in exchange for those goods or services.

The timing for recognizing revenue from product sales is as follows:

(1) Sales with Distributors

Our Group typically enters into an annual framework agreement with each of our distributors. Pursuant to the annual framework agreements, the distributors place separate orders and our Group delivers goods based on such orders. Revenue is recognized by our Group after the distributor confirms receipt and acceptance of each shipment.

(2) Sales with Key Accounts

Our Group typically enters into an annual framework agreement with each of our key accounts. Pursuant to the annual framework agreements, the key accounts place separate orders and our Group delivers goods based on the purchase orders. We access the sales records on the key accounts' information system as a supplier, and verify against our own shipment records and the key accounts' receipt confirmations. We recognize revenue after we delivered the goods to our key accounts based on the purchase orders and when both parties reconciled accounts.

In addition, the Group's sales with certain key accounts are conducted on a consignment basis. Our Group enters into a consignment agreement with such key accounts, and delivers goods according to the consignment agreements. Key accounts regularly provide sales records of consigned goods to our Group. We recognize revenue after the goods were sold to end consumers by our key accounts and when we have verified against the key accounts' sales records.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which our Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Some contracts for the sale of quick-frozen foods provide customers with volume rebates, giving rise to variable consideration.

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognized.

Other Income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Property, Plant and Equipment and Depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, our Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Category	Principal annual rate
Buildings	3.0%-9.5%
Machinery equipment	9.0%-32.0%
Motor vehicles	18.0%-32.0%
Office equipment	18.0%-32.0%
Other equipment	9.0%-19.2%
Leasehold improvements	20.0%-33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the statements of profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalized borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by our Group, liabilities assumed by our Group to the former owners of the acquiree and the equity interests issued by our Group in exchange for control of the acquiree. For each business combination, our Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

Our Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When our Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of our Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Our Group performs its annual impairment test of goodwill as of the end of each year. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of our Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair Value Measurement

Our Group measures its certain of financial assets and equity investments at fair value at the end of each year or period during the Track Record Period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by our Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Our Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the Historical Financial Information on a recurring basis, our Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year or period during the Track Record Period.

Income Tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in OCI or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each year or period during the Track Record Period, taking into consideration interpretations and practices prevailing in the countries in which our Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each year or period during the Track Record Period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognized for the Pillar Two income taxes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at the end of each of the reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if our Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated:

	Year ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Revenue	12,105,618	13,964,878	15,029,588
Cost of sales	(9,545,090)	(10,807,721)	(11,621,306)
Gross profit	**2,560,528**	**3,157,157**	**3,408,282**
Other income and gains, net	243,266	290,377	261,713
Selling and distribution expenses	(873,000)	(925,754)	(986,208)
Administrative expenses	(375,471)	(426,785)	(553,816)
Research and development expenses	(93,328)	(94,471)	(97,214)
Other expenses	(11,347)	(58,965)	(39,686)
Finance costs	(12,376)	(14,215)	(1,540)
(Impairment losses)/reversal of impairment losses on financial assets	(11,457)	4,413	(7,326)
Share of (loss)/profit of an associate	(4)	4,452	4,070
Profit before tax	**1,426,811**	**1,936,209**	**1,988,275**
Income tax expense	(309,307)	(435,049)	(474,657)
Profit for the year	**1,117,504**	**1,501,160**	**1,513,618**

NON-IFRS MEASURE

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) as additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-IFRS measure we presented may not be directly comparable to similar measures presented by other companies. The use of this non-IFRS measure should not be considered as substitute for analysis of our results of operations or financial condition as reported under IFRS.

We define adjusted net profit (non-IFRS measure) as the profit for the year adjusted by adding back share-based payment expenses and listing expenses. The following table reconciles our adjusted net profit (non-IFRS measure) for the periods and presented in accordance with IFRS, which is net profit for the years:

	Year ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Profit for the year	1,117,504	1,501,160	1,513,618
Add:			
– Share-based payment expenses[1]	33,460	19,208	100,808
– Listing expenses[2]	–	–	271
Adjusted net profit (*non-IFRS measure*)	**1,150,964**	**1,520,368**	**1,614,697**

Notes:

(1) Share-based payment expenses are non-cash in nature, and mainly represent the employee benefit expenses incurred in connection with our award to key employees.

(2) Listing expenses represented expenses incurred in connection with the Global Offering.

Our adjusted net profit (non-IFRS measure) increased by 32.1% from RMB1,151.0 million in 2022 to RMB1,520.4 million in 2023, and further increased by 6.2% to RMB1,614.7 million in 2024, in line with our business growth.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

We experienced overall revenue growth during the Track Record Period. We primarily derive revenue from sales of quick-frozen food, which include (i) quick-frozen flavored and processed products, (ii) quick-frozen prepared dishes, and (iii) quick-frozen flour and rice products.

Revenue by Product Category

We offer a wide selection of quick-frozen food products across three main product categories. The following table sets forth a breakdown of our revenue by product category in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Quick-frozen flavored and processed products	6,296,764	52.0	7,002,194	50.1	7,793,218	51.9
Quick-frozen prepared dishes	3,015,913	24.9	3,916,311	28.0	4,335,641	28.8
Quick-frozen flour and rice products.	2,402,293	19.8	2,532,713	18.1	2,450,786	16.3
Others[(1)]	390,648	3.3	513,660	3.8	449,943	3.0
Total	**12,105,618**	**100.0**	**13,964,878**	**100.0**	**15,029,588**	**100.0**

Note:

(1) Others primarily include sales of agricultural by-products, such as surimi, fishmeal and other fishery by-products. In 2022, 2023 and 2024, our revenue from sales of surimi amounted to RMB131.7 million, RMB154.1 million and RMB143.1 million, respectively, accounting for 1.1%, 1.1% and 1.0% of our total revenue for the same years. In 2022, 2023 and 2024, our revenue from sales of fishmeal amounted to RMB94.4 million, RMB133.7 million and RMB105.9 million, respectively, accounting for 0.8%, 1.0% and 0.7% of our total revenue for the same years.

Our overall revenue growth across quick-frozen food product categories throughout the Track Record Period was mainly attributable to (i) the increasing customer demand for our products due to our enhanced brand recognition and continuous efforts to expand and upgrade our product portfolio, (ii) our expanding sales network, and (iii) the acquisition of Hubei New Liuwu, which result enriched our product portfolio with crayfish products and contributed to an increase in our overall product sales. In particular, our revenue from sales of quick-frozen prepared dishes increased from RMB3,015.9 million in 2022 to RMB3,916.3 million in 2023 and further to RMB4,335.6 million in 2024, representing a CAGR of 19.9%, primarily due to

(i) our efforts to develop quick-frozen prepared dishes, capturing the accelerated growth in this market segment; (ii) an increase in sales volume of certain signature products, such as shrimp paste, fried crispy strip, and beef and lamb rolls, and (iii) the acquisition of Hubei New Liuwu. In particular, in 2022, 2023 and 2024, our revenue from sales of crayfish products amounted to RMB1,173.6 million, RMB1,586.1 million and RMB1,700.6 million, respectively, accounting for 9.7%, 11.4% and 11.3% of our total revenue for the same years. In addition, due to the fast growth in our quick-frozen prepared dishes business, its contribution to our total revenue increased from 24.9% in 2022 to 28.8% in 2024.

The sales volume of all product categories generally increased throughout the Track Record Period. The following table sets forth a breakdown of our sales volume and average selling price of our key products by category for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Volume	Average selling price[1]	Volume	Average selling price[1]	Volume	Average selling price[1]
	(tons)	*(RMB in thousands per ton)*	*(tons)*	*(RMB in thousands per ton)*	*(tons)*	*(RMB in thousands per ton)*
Quick-frozen flavored and processed products	450,592	14.0	500,755	14.0	568,235	13.7
Quick-frozen prepared dishes	148,339	20.3	196,859	19.9	245,870	17.6
Quick-frozen flour and rice products	224,245	10.7	235,384	10.8	245,320	10.0

Note:

(1) Calculated by dividing the revenue generated from sales during a certain year by the sales volume in that same year.

The average selling price of our products across product categories fluctuated slightly throughout the Track Record Period, primarily due to the changes in product mix in each category. In particular, the average selling price of quick-frozen prepared dishes decreased from RMB20.3 thousands per ton in 2022 to RMB19.9 thousands per ton in 2023, and further decreased to RMB17.6 thousands per ton in 2024, primarily due to a decrease in the selling prices of crayfish products. This was mainly attributable to the intensified competition of crayfish products which led to a decrease in selling prices. In addition, the average selling price of our quick-frozen prepared dishes was higher than that of quick-frozen flavored and processed products and quick-frozen flour and rice products, primarily due to the different raw materials and ingredients and the more complex production processes involved.

Revenue by Sales Channel

During the Track Record Period, we primarily sold our products through our distributors. We collaborate with distributors to sell and distribute our products. Our other sales channels include (i) key accounts, (ii) targeted enterprise customers, and (iii) new retail and e-commerce platforms.

The following table sets forth a breakdown of our revenue by sales channel in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Distributors	9,757,738	80.6	11,318,764	81.1	12,311,205	81.9
Key accounts[1]	973,499	8.0	843,010	6.0	822,481	5.5
Targeted enterprise customers[2]	808,416	6.7	1,049,547	7.5	1,003,997	6.7
New retail and e-commerce platforms[3]	565,965	4.7	753,557	5.4	891,905	5.9
Total	**12,105,618**	**100.0**	**13,964,878**	**100.0**	**15,029,588**	**100.0**

Notes:

(1) Key accounts primarily include national and regional supermarkets.

(2) Targeted enterprise customers primarily include chain catering companies, snack companies and other corporate customers.

(3) New retail and e-commerce platforms primarily include retailers that adopt an online-offline integrated approach, as well as self-operated stores on mainstream e-commerce platforms.

Revenue by Geographical Region

We established a sales and distribution network with nationwide coverage, and primarily sold our products via distributors that are located in different regions. The following table sets forth a breakdown of our revenue by geographical region of our customers in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Mainland China						
Eastern China[(1)]	5,581,450	46.2	6,054,370	43.4	6,439,227	42.8
Northern China[(2)]	1,602,037	13.2	2,094,253	15.0	2,203,197	14.7
Central China[(3)]	1,506,901	12.4	1,780,900	12.8	1,910,003	12.7
Southern China[(4)]	1,033,055	8.5	1,154,457	8.3	1,257,267	8.4
Northeastern China[(5)]	1,028,958	8.5	1,203,889	8.6	1,288,564	8.6
Southwestern China[(6)]	672,471	5.6	815,091	5.8	931,958	6.2
Northwestern China[(7)]	572,597	4.7	733,763	5.2	831,962	5.5
Subtotal	**11,997,469**	**99.1**	**13,836,723**	**99.1**	**14,862,178**	**98.9**
Overseas markets[(8)]	**108,149**	**0.9**	**128,155**	**0.9**	**167,410**	**1.1**
Total	**12,105,618**	**100.0**	**13,964,878**	**100.0**	**15,029,588**	**100.0**

Notes:

(1) Eastern China primarily includes Fujian Province, Anhui Province, Zhejiang Province, Jiangxi Province, Shanghai and Jiangsu Province.

(2) Northern China primarily includes Beijing, Tianjin, Hebei Province, Shanxi Province and Inner Mongolia Autonomous Region.

(3) Central China primarily includes Henan Province, Hubei Province and Hunan Province.

(4) Southern China primarily includes Guangdong Province, Guangxi Zhuang Autonomous Region and Hainan Province.

(5) Northeastern China primarily includes Heilongjiang Province, Jilin Province and Liaoning Province.

(6) Southwestern China primarily includes Chongqing, Sichuan Province, Guizhou Province, Yunnan Province and Tibet Autonomous Region.

(7) Northwestern China primarily includes Shaanxi Province, Gansu Province, Qinghai Province, Xinjiang Uygur Autonomous Region and Ningxia Hui Autonomous Region.

(8) Overseas markets primarily include Europe, the United Kingdom, and the United States.

During the Track Record Period, the majority of our revenue was derived from sales to distributors. The revenue from sales to distributors increased from RMB9,757.7 million in 2022 to RMB11,318.8 million in 2023, and further increased to RMB12,311.2 million in 2024, primarily due to (i) our expanding network of distributors and (ii) an increase in sales volume of products to distributors. Our number of distributors increased from 1,836 as of December 31, 2022 to 1,964 as of December 31, 2023 and further increased to 2,017 as of December 31, 2024.

Our other sales channels include (i) key accounts, (ii) targeted enterprise customers, and (iii) new retail and e-commerce platforms.

- Key accounts primarily include national and regional supermarkets. Our revenue from sales to key accounts decreased by 13.4% from RMB973.5 million in 2022 to RMB843.0 million in 2023, primarily due to the reduced foot traffic and closures of some retail stores by certain supermarket customers, resulting in a decrease in sales volume. Our revenue from sales to key accounts remained relatively stable at RMB843.0 million and RMB822.5 million in 2023 and 2024, respectively.

- Our targeted enterprise customers primarily include chain catering companies, snack companies and other corporate customers. Our revenue from sales to targeted enterprise customers increased by 29.8% from RMB808.4 million in 2022 to RMB1,049.5 million in 2023, primarily due to (i) our efforts in acquiring new targeted enterprise customers, and (ii) the acquisition of Hubei New Liuwu, which resulted in an increase in sales to targeted enterprise customers. Our revenue from sales to targeted enterprise customers subsequently decreased by 4.3% from RMB1,049.5 million in 2023 to RMB1,004.0 million in 2024, primarily due to a decrease in sales of products to certain customers in this channel, which were affected by the sluggish external demand of their products.

- New retail and e-commerce platforms primarily include retailers that adopt an online-offline integrated approach, as well as self-operated stores on mainstream e-commerce platforms. During the Track Record Period, our revenue from sales to new retail and e-commerce platforms increased by 33.1% from RMB566.0 million in 2022 to RMB753.6 million in 2023, and further increased by 18.4% to RMB891.9 million in 2024, primarily due to (i) our efforts to expand business presence on new retail and e-commerce platforms, and (ii) the increasing popularity of new retail and e-commerce platforms among consumers as these platforms typically leverage technologies to enhance convenience and operational efficiency.

Cost of Sales

Our cost of sales primarily consisted of costs of raw materials and manufacturing overhead. Our cost of sales amounted to RMB9,545.1 million, RMB10,807.7 million and RMB11,621.3 million in 2022, 2023 and 2024, respectively.

The following table sets forth a breakdown of our cost of sales by nature in absolute amount and as a percentage of our total cost of sales for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Raw materials	6,602,130	69.2	7,189,877	66.5	7,453,080	64.1
Manufacturing overhead	1,171,036	12.3	1,343,194	12.4	1,532,909	13.2
Contract manufacturer production expenses	995,763	10.4	1,361,431	12.6	1,621,468	14.0
Direct labor expenses	534,485	5.6	646,842	6.0	772,815	6.6
Logistics costs	241,676	2.5	266,377	2.5	241,034	2.1
Total	**9,545,090**	**100.0**	**10,807,721**	**100.0**	**11,621,306**	**100.0**

Our cost of sales increased from RMB9,545.1 million in 2022 to RMB10,807.7 million in 2023 and further increased to RMB11,621.3 million in 2024, primarily due to an increase in the costs of raw materials, manufacturing overhead and contract manufacturer production expenses, which was mainly attributed to an increase in our sales volume, partially offset by an overall decrease in the market prices of certain key raw materials, such as pork, chicken and crayfish. In addition, our logistics costs increased from RMB241.7 million in 2022 to RMB266.4 million in 2023, in line with an increase in our sales volume. Our logistics costs subsequently decreased to RMB241.0 million in 2024, primarily due to (i) optimized logistics planning, and (ii) our efforts to optimize the digitization system for our warehousing and logistics management.

Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB2,560.5 million, RMB3,157.2 million and RMB3,408.3 million in 2022, 2023 and 2024, respectively. Our gross profit margin remained relatively stable at 21.2%, 22.6% and 22.7% in 2022, 2023 and 2024, respectively.

Gross Profit and Gross Profit Margin by Product Category

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

	Year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross profit margin%	Gross profit	Gross profit margin%	Gross profit	Gross profit margin%
	(RMB in thousands, except for percentage)					
Quick-frozen flavored and processed products	1,615,156	25.7	1,957,275	28.0	2,245,993	28.8
Quick-frozen prepared dishes	299,472	9.9	424,488	10.8	481,181	11.1
Quick-frozen flour and rice products	555,143	23.1	638,300	25.2	584,610	23.9
Others	90,757	23.2	137,094	26.7	96,498	21.4
Total/overall	**2,560,528**	**21.2**	**3,157,157**	**22.6**	**3,408,282**	**22.7**

Our overall gross profit margin remained relatively stable at 21.2%, 22.6% and 22.7% in 2022, 2023 and 2024, respectively.

- Our gross profit margin for quick-frozen flavored and processed products improved throughout the Track Record Period, primarily driven by the increasing sales volume of Lock-Fresh product line, which typically is of a relatively higher gross margin.

- Our gross profit margin for quick-frozen prepared dishes was relatively lower than that of other product categories during the Track Record Period, primarily due to (i) the relatively lower gross profit margin of crayfish products as compared to other products, at 4.4%, 3.8% and 6.4% in 2022, 2023 and 2024, respectively; and (ii) the contract manufacture of products in this product category, which in general leads to lower gross profit margin. By outsourcing production of certain products, we typically incur additional costs in relation to engaging contract manufacturers, which adversely affects our profit margin. According to Frost & Sullivan, this is in line with the industry practice.

- Our gross profit margin for quick-frozen flour and rice products increased from 23.1% in 2022 to 25.2% in 2023, primarily due to a decrease in costs of certain raw materials, such as palm oil. Our gross profit margin for quick-frozen flour and rice products subsequently decreased from 25.2% in 2023 to 23.9% in 2024, primarily due to a decrease in selling prices of products in this category as a result of promotional activities responding to the intensified competition.

- Our gross profit margin for others increased from 23.2% in 2022 to 26.7% in 2023, primarily due to the acquisition of New Liuwu leading to an increase in sales of fishmeal products which typically are of relatively higher gross profit margin. Our gross profit margin for others subsequently decreased from 26.7% in 2023 to 21.4% in 2024, primarily due to (i) a decrease in selling price of fishmeal from RMB6.7 thousand per ton in 2023 to RMB5.4 thousand per ton 2024, attributable to intensified competition; and (ii) gross profit margins of surimi decreased in 2024 driven by a increase in raw material costs.

For details on the changes in our gross profit and gross margin during the Track Record Period, see "— Year-to-Year Comparison of Results of Operations."

Gross Profit and Gross Profit Margin by Sales Channel

The following table sets forth a breakdown of our gross profit and gross profit margin by sales channel for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)					
Distributors	1,886,449	19.3	2,376,602	21.0	2,673,322	21.7
Key accounts	402,975	41.4	360,343	42.7	314,229	38.2
Targeted enterprise customers	137,849	17.1	185,907	17.7	168,946	16.8
New retail and e-commerce platforms	133,255	23.5	234,305	31.1	251,785	28.2
Total/overall	**2,560,528**	**21.2**	**3,157,157**	**22.6**	**3,408,282**	**22.7**

Our overall gross profit increased throughout the Track Record Period, which was mainly attributable to the increase in our sales to distributors. Our gross profit margin within each of our sales channels remained relatively stable during the Track Record Period. In particular, we recorded higher gross profit margin in relation to sales to key accounts primarily because this sales channel is direct to consumers and incurs additional selling and marketing expenses, such as charges by supermarkets for product display, costs for on-site promotional activities. As such, we implemented a pricing policy that sets higher prices for products sold to such key accounts, which result in a generally higher gross profit margin compared to other sales channels. Our gross profit margin for products sold to key accounts decreased from 42.7% in 2023 to 38.2% in 2024, primarily due to weakened consumer sentiment and intensified competition in 2024, which is in line with industry trend, according to Frost & Sullivan.

Our gross profit margin for products sold to targeted enterprise customers was generally lower than those of other sales channels during the Track Record Period, primarily because such business customers place orders in bulk and thus with higher bargaining power.

Our gross profit margin for products sold to new retail and e-commerce platforms was relatively higher than those sold to distributors, primarily due to (i) the difference in product mix, with more direct-to-end-customer products sold in the former channel, and (ii) we typically incur additional promotional and marketing expenses for this sales channel and thus set higher prices for products sold. The products sold in this channel are relatively more premium (e.g. Lock-Fresh product line or products with smaller packages). Our gross profit margin for products sold to new retail and e-commerce platforms increased from 23.5% in 2022 to 31.1% in 2023, primarily because (i) as part of products sold through this channel are flour and rice products, the gross profit margins of which increased in 2023 driven by a decrease in raw material costs, (ii) an increase in sales of Lock-Fresh product line via this channel in 2023, and (iii) our business with certain new retail platforms continued to ramp up in 2023 and achieved savings in logistics costs. Our gross profit margin for products sold to new retail and e-commerce platforms subsequently decreased from 31.1% in 2023 to 28.2% in 2024, primarily because (i) we conducted promotional activities in response to weak consumer sentiment and intensified competition, and (ii) we started working with certain platforms and sold products with relatively lower margins, such as crayfish products.

Gross Profit and Gross Profit Margin by Geographical Region

The following table sets forth a breakdown of our gross profit and gross profit margin by geographical region of our customers for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentage)					
Mainland China						
Eastern China	1,237,071	22.2	1,473,646	24.3	1,546,414	24.0
Northern China	366,711	22.9	489,908	23.4	532,091	24.2
Central China	292,143	19.4	365,068	20.5	413,317	21.6
Southern China	220,121	21.3	252,943	21.9	253,790	20.2
Northeastern China	214,827	20.9	268,283	22.3	299,366	23.2
Southwestern China	105,716	15.7	149,310	18.3	170,410	18.3
Northwestern China	106,146	18.5	146,572	20.0	172,649	20.8
Subtotal	**2,542,735**	**21.2**	**3,145,730**	**22.7**	**3,388,037**	**22.8**
Overseas markets	17,793	16.5	11,427	8.9	20,245	12.1
Total/Overall	**2,560,528**	**21.2**	**3,157,157**	**22.6**	**3,408,282**	**22.7**

Our overall gross profit increased throughout the Track Record Period, which was mainly attributable to the increase of our sales to customers in Eastern China and Northern China. Our gross profit margin of product sales within each geographical region remained relatively stable during the Track Record Period. In particular, we recorded a relatively higher gross profit margin in mainland China, as compared to overseas markets, primarily due to the relatively lower profit margins of our products under the Kung Fu Food brand, and the higher logistics costs to transport products from mainland China to the overseas markets.

Other Income and Gains, Net

Our other income and gains, net primarily included government grants and interest income. The government grants related to income have been received to reward our contribution to the local economic growth. We also received certain government grants related to the investments in fixed assets. The following table sets forth a breakdown of our other income and gains, net for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Other Income						
Government grants	128,273	52.7	140,989	48.6	74,796	28.6
Interest income	88,677	36.5	105,424	36.3	73,873	28.2
Income from sales of scrap, net	12,989	5.3	13,635	4.7	16,330	6.2
Subtotal	**229,939**	**94.5**	**260,048**	**89.6**	**164,999**	**63.0**
Gains, net						
Gain on disposal of financial assets at fair value through profit or loss	7,738	3.2	16,519	5.7	26,554	10.1
Unrealized fair value gains on financial assets at fair value through profit or loss	2,500	1.0	9,162	3.2	16,676	6.4
Compensation from non-controlling shareholders of subsidiary[1]	–	–	–	–	47,115	18.0
Others	3,089	1.3	4,648	1.5	6,369	2.4
Subtotal	**13,327**	**5.5**	**30,329**	**10.4**	**96,714**	**37.0**
Total	**243,266**	**100.0**	**290,377**	**100.0**	**261,713**	**100.0**

Note:

(1) The compensation represents the compensation payable to our Company by non-controlling shareholders of Hubei New Liuwu due to their failure to meet the cumulative net profit commitments for the years ended December 31, 2022, 2023, and 2024 as stipulated in the share transfer agreement signed with our Company in April 2022.

Selling and Distribution Expenses

Our selling and distribution expenses primarily consisted of (i) employee benefit expenses, (ii) advertising expenses, and (iii) marketing and promotion expenses. Our selling and distribution expenses amounted to RMB873.0 million, RMB925.8 million and RMB986.2 million in 2022, 2023 and 2024, respectively, accounting for 7.2%, 6.6% and 6.6% of our revenue for the same periods.

The following table sets forth a breakdown of our selling and distribution expenses in absolute amount and as a percentage of our total selling and distribution expenses for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Employee benefit expenses	323,655	37.1	337,237	36.4	364,188	36.9
Advertising expenses	202,352	23.2	195,915	21.2	203,817	20.7
Marketing and promotion expenses	143,979	16.5	185,211	20.0	193,938	19.7
Logistics expenses	112,417	12.9	113,780	12.3	131,732	13.4
Outsourcing service fees(1)	46,930	5.4	29,793	3.2	28,074	2.8
Travel expenses	33,855	3.8	44,661	4.8	44,993	4.6
Others(2)	9,812	1.1	19,157	2.1	19,466	1.9
Total	**873,000**	**100.0**	**925,754**	**100.0**	**986,208**	**100.0**

Notes:

(1) Outsourcing service fees primarily include the fees incurred for personnel conducting supermarket promotional activities.

(2) Others primarily include office related expenses, depreciation, conference expenses, and right-of-use asset amortization.

Administrative Expenses

Our administrative expenses primarily consisted of (i) employee benefit expenses, (ii) taxes and surcharges, and (iii) amortization of long-term assets. Our administrative expenses amounted to RMB375.5 million, RMB426.8 million and RMB553.8 million in 2022, 2023 and 2024, respectively, accounting for 3.1%, 3.1% and 3.7% of our revenue for the same periods.

The following table sets forth a breakdown of our administrative expenses in absolute amount and as a percentage of our total administrative expenses for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Employee benefit expenses	192,853	51.4	227,344	53.3	247,360	44.7
Taxes and surcharges	37,429	10.0	44,937	10.5	54,191	9.8
Amortization of long-term assets	27,322	7.3	38,315	9.0	37,994	6.9
Share-based payment expenses	33,460	8.9	19,208	4.5	100,808	18.2
Office related expenses	18,228	4.9	22,337	5.2	21,312	3.8
Depreciation of fixed assets	16,332	4.3	16,055	3.8	26,924	4.9
Business development expenses	9,978	2.7	11,071	2.6	8,445	1.5
Amortization of right-of-use assets	9,057	2.4	10,092	2.4	10,999	2.0
Repairs consumables	8,118	2.2	11,464	2.7	13,254	2.4
Transportation expenses	3,215	0.9	4,137	1.0	4,080	0.7
Travel expenses	1,297	0.3	2,659	0.6	3,031	0.5
Others[1]	18,182	4.7	19,166	4.4	25,418	4.6
Total	**375,471**	**100.0**	**426,785**	**100.0**	**553,816**	**100.0**

Note:

(1) Others primarily include professional and consulting fees and property insurance fees.

Research and Development Expenses

Our research and development expenses primarily consisted of (i) employee benefit expenses, (ii) raw materials and consumables used, and (iii) depreciation and amortization. Our research and development expenses amounted to RMB93.3 million, RMB94.5 million and RMB97.2 million in 2022, 2023 and 2024, respectively, accounting for 0.8%, 0.7% and 0.6% of our revenue for the same periods.

The following table sets forth a breakdown of our research and development expenses in absolute amount and as a percentage of our total research and development expenses for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Employee benefit expenses	46,736	50.1	48,212	51.0	48,400	49.8
Raw materials and consumables used	34,636	37.1	34,456	36.5	35,658	36.7
Depreciation and amortization	8,216	8.8	7,429	7.9	8,483	8.7
Others(1)	3,740	4.0	4,374	4.6	4,673	4.8
Total	**93,328**	**100.0**	**94,471**	**100.0**	**97,214**	**100.0**

Note:

(1) Others primarily include office related expenses, travel expenses, conference expenses, training fees, repair fees and professional consulting fees.

Finance Costs

Our finance costs include (i) interest on bank and other borrowings, and (ii) interest on lease liabilities. Our finance costs amounted to RMB12.4 million, RMB14.2 million and RMB1.5 million in 2022, 2023 and 2024, respectively.

The following table sets forth a breakdown of our finance costs in absolute amount and as a percentage of our total finance costs for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Interest on bank and other borrowings	12,150	98.2	14,081	99.1	1,141	74.1
Interest on lease liabilities	226	1.8	134	0.9	399	25.9
Total	**12,376**	**100.0**	**14,215**	**100.0**	**1,540**	**100.0**

(Impairment Losses)/Reversal of Impairment Losses on Financial Assets

We recorded certain impairment losses on and reversal of impairment losses on trade receivables. Our impairment losses on financial assets amounted to RMB11.5 million and RMB7.3 million in 2022 and 2024, respectively. We recorded a reversal of impairment losses on financial assets of RMB4.4 million in 2023.

Other Expenses

Our other expenses primarily consisted of (i) loss on disposal of items of property, plant and equipment, (ii) impairment loss of non-financial assets, and (iii) donations. Our other expenses amounted to RMB11.3 million, RMB59.0 million and RMB39.7 million in 2022, 2023 and 2024, respectively.

Income Tax Expense

Our income tax expense amounted to RMB309.3 million, RMB435.0 million and RMB474.7 million in 2022, 2023 and 2024, respectively. We are subject to varying tax rates in different jurisdictions. See Note 12 of the Accountant's Report in Appendix I to this Prospectus.

PRC

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25% unless subject to tax exemption set out below.

Pursuant to an announcement [2021] No. 8 "The Announcement on the Implementation and Supporting of Preferential Income Tax Policies for Small-scaled minimal profit enterprise and Individual Industrial and Commercial Households Development" issued by MOF and National Tax Bureau on April 7, 2021, for Small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included), the taxable income is reduced by 12.5%, and the enterprise income tax is paid at the tax rate of 20%, the Small-scaled minimal profit enterprise with an annual taxable income between RMB1,000,000 and RMB3,000,000 (RMB3,000,000 included) is entitled to a preferential tax treatment with only 50% income taxable at the preferential EIT rate of 20%. Pursuant to an announcement [2023] No. 12 "The Announcement on the Implementation of Preferential Income Tax Policies for Small-scaled minimal profit enterprise and Individual Industrial and Commercial Households" issued by MOF and National Tax Bureau on August 2, 2023, for Small-scaled minimal profit enterprise, the tax relief policy extended to December 12, 2027. That is, for Small-scaled minimal profit enterprise whose annual taxable income does not exceed RMB1,000,000, the taxable income is reduced by 12.5%, and the enterprise income tax is paid at the tax rate of 20%, from January 1, 2022 to December 31, 2024. Certain subsidiaries which meet the criteria of "small-scaled minimal profit enterprise" are eligible for preferential tax rate of 20%.

Pursuant to an announcement [2020] 560 issued by Sichuan Economic and Information Technology Industry Development and Regulation Bureau, the main business of the company's subsidiary, Sichuan Anjoy Foods Co., Ltd. is in line with the encouraged industries in the "Guiding Catalogue for Industrial Structure Adjustment (2019 Edition)", allowing it to enjoy a reduced enterprise income tax rate of 15%.

Pursuant to the Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China, the income from the agricultural products processing projects of the company's subsidiaries Anshan Anrun Food Co., Ltd., Hubei Anrun Food Co., Ltd., Honghu Xinhongye, Hubei New Liuwu, and the subsidiary companies Honghu Hongye Eco-agriculture Company Co., Ltd., Qianjiang New Liuwu Foods Science and Technology Co., Ltd., and Hubei Songlin Biological Feed Co., Ltd. are exempted from enterprise income tax.

Hong Kong

No Hong Kong profit tax has been provided for the subsidiary incorporated in Hong Kong as no assessable profits have been generated in Hong Kong in each year or period during the Track Record Period.

United Kingdom

Before April 1, 2023, Oriental Food Express Limited, the UK corporation tax has been provided at the rate of 19% on the estimated assessable profits arising in UK. From April 1, 2023, the corporation tax main rate for non-ring fence profits increased to 25% for profits above GBP250,000. A small profits rate of 19% was also applicable to the companies with profits of GBP50,000 or less. Companies with profits between GBP50,000 and GBP250,000 will pay tax at the main rate, reduced by a marginal relief. Certain subsidiaries of our Group are the qualifying entities under the UK corporation tax rates regime.

Our Group is within the scope of the Pillar Two model rules published by the Organization for Economic Co-operation and Development. While Hong Kong is in the process of seeking consultation on the implementation of the global minimum tax and domestic minimum top-up tax, it is expected that the new regime will come into effect for the Group's financial year beginning on January 1, 2025. Of the jurisdictions in which Oriental Food Express Limited operates, the UK enacted the Pillar Two legislation which is effective and is applicable to the Group for the year beginning on January 1, 2024. Our Group have undertaken a preliminary assessment of the Pillar Two tax implications for the jurisdictions in which our Group operates and have enacted Pillar Two legislation. Based on the preliminary assessment and current financials, our Group does not expect to have any material Pillar Two exposure (including current tax) arising in these jurisdictions during the year ended December 31, 2024. Our Group has also applied the Amendments to IAS 12, "International Tax Reform — Pillar Two Model Rules," temporary mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

As of the Latest Practicable Date, we did not have any dispute with any tax authority. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any tax investigation, enquiries, penalties or surcharges.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared With Year Ended December 31, 2023

Revenue

Our revenue increased by 7.6% from RMB13,964.9 million in 2023 to RMB15,029.6 million in 2024, primarily due to the increase in sales of quick-frozen flavored and processed products.

- Our revenue from sales of quick-frozen flavored and processed products increased by 11.3% from RMB7,002.2 million in 2023 to RMB7,793.2 million in 2024, primarily due to an increase in sales volume. The overall sales volume of quick-frozen flavored and processed products increased from 500,755 tons in 2023 to 568,235 tons in 2024. In particular, the Lock-Fresh product line continued to gain popularity among customers, and its sales recorded a revenue growth of 18.9% from 2023 to 2024.

- Our revenue from sales of quick-frozen prepared dishes increased by 10.7% from RMB3,916.3 million in 2023 to RMB4,335.6 million in 2024, primarily due to an increase in sales volume of certain signature products, such as shrimp paste, beef and lamb rolls. The overall sales volume of quick-frozen prepared dishes increased from 196,859 tons in 2023 to 245,870 tons in 2024. However, there was a decrease in sales price of crayfish products which is in line with the decrease in market price of crayfish in 2024.

- Our revenue from sales of quick-frozen flour and rice products decreased by 3.2% from RMB2,532.7 million in 2023 to RMB2,450.8 million in 2024, primarily due to (i) a decrease in revenue from sales to key accounts, attributable to the reduced foot traffic and closures of some retail stores by certain supermarket customers, resulting in a decrease in sales volume; and (ii) a decrease in average selling price from RMB10.8 thousand per ton in 2023 to RMB10.0 thousand per ton in 2024, driven by intensified competition.

- Our revenue from sales of other products decreased by 12.4% from RMB513.7 million in 2023 to RMB449.9 million in 2024, primarily due to a decrease in sales of fishmeal and surimi.

Cost of Sales

Our cost of sales increased by 7.5% from RMB10,807.7 million in 2023 to RMB11,621.3 million in 2024, primarily due to an increase in costs of raw materials and manufacturing overhead and contract manufacturer production expenses, which is largely in line with the increase in sales volume, partially offset by (i) a decrease in market prices of raw materials across product categories, and (ii) a decrease in logistics costs.

Gross Profit and Gross Profit Margin

Our gross profit increased by 8.0% from RMB3,157.2 million in 2023 to RMB3,408.3 million in 2024. Our gross profit margin remained relatively stable at 22.6% and 22.7% in 2023 and 2024, respectively.

Other Income and Gains, Net

Our other income and gains, net decreased by 9.9% from RMB290.4 million in 2023 to RMB261.7 million in 2024, primarily due to (i) a decrease in government grants, and (ii) a decrease in interest income, partially offset by an increase in compensation from non-controlling shareholders of subsidiary of RMB47.1 million in 2024. See Note 6 to the Accountants' Report included in Appendix I to this Prospectus.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 6.5% from RMB925.8 million in 2023 to RMB986.2 million in 2024, primarily due to an increase in employee benefit expenses and logistics expenses, which is largely in line with our business expansion. Our selling and distribution expenses as a percentage of our revenue remained relatively stable at 6.6% in 2023 and 2024.

Administrative Expenses

Our administrative expenses increased by 29.8% from RMB426.8 million in 2023 to RMB553.8 million in 2024, primarily due to an increase in share-based payment expenses. Our administrative expenses as a percentage of our revenue increased from 3.1% in 2023 to 3.7% in 2024.

Research and Development Expenses

Our research and development expenses increased by 2.9% from RMB94.5 million in 2023 to RMB97.2 million in 2024, primarily due to an increase in raw materials and consumables used in the product development process. Our research and development expenses as a percentage of our revenue also remained relatively stable at 0.7% and 0.6% in 2023 and 2024, respectively.

Finance Costs

Our finance costs decreased by 89.4% from RMB14.2 million in 2023 to RMB1.5 million in 2024, primarily due to a decrease in interest on bank and other borrowings.

(Impairment Losses)/Reversal of Impairment Losses on Financial Assets

We recorded a reversal of impairment losses on financial assets of RMB4.4 million in 2023, primarily due to a decrease in the balance of certain trade receivables as of December 31, 2023. We subsequently recorded impairment losses on financial assets of RMB7.3 million in 2024, primarily due to an increase in the balance of certain trade receivables as of December 31, 2024.

Other Expenses

Our other expenses decreased by 32.7% from RMB59.0 million in 2023 to RMB39.7 million in 2024, primarily due to a decrease in loss on disposal of items of property, plant and equipment and right-of-use assets.

Income Tax Expense

Our income tax expense increased by 9.1% from RMB435.0 million in 2023 to RMB474.7 million in 2024, primarily due to an increase in taxable income.

Profit for the Year

As a result of the foregoing, our profit for the year remained relatively stable at RMB1,501.2 million and RMB1,513.6 million in 2023 and 2024, respectively.

Year Ended December 31, 2023 Compared With Year Ended December 31, 2022

Revenue

Our revenue increased by 15.4% from RMB12,105.6 million in 2022 to RMB13,964.9 million in 2023, primarily due to the increase in sales of quick-frozen flavored and processed products.

- Our revenue from sales of quick-frozen flavored and processed products increased by 11.2% from RMB6,296.8 million in 2022 to RMB7,002.2 million in 2023, primarily due to (i) our efforts to develop our sales network, in particular with respect to distributors as well as and new retail and e-commerce platforms, and (ii) our continuous efforts to launch new products and upgrade existing ones. The overall sales volume of quick-frozen flavored and processed products increased from 450,592 tons in 2022 to 500,755 tons in 2023. In particular, the Lock-Fresh product line continued to gain popularity among customers, and its sales recorded a revenue growth of 17.6% from 2022 to 2023.

- Our revenue from sales of quick-frozen prepared dishes increased by 29.9% from RMB3,015.9 million in 2022 to RMB3,916.3 million in 2023, primarily due to (i) the acquisition of Hubei New Liuwu, which enriched our product portfolio with crayfish products and contributed to an increase in our overall product sales, and (ii) the increase in sales of signature products, such as shrimp paste and Qianye tofu. The overall sales volume of quick-frozen prepared dishes increased from 148,339 tons in 2022 to 196,859 tons in 2023.

- Our revenue from sales of quick-frozen flour and rice products increased by 5.4% from RMB2,402.3 million in 2022 to RMB2,532.7 million in 2023, primarily due to our continuous efforts in the product development to expand signature products into product lines. For example, building upon our signature sticky rice shumai products, we expanded our product offerings with purple rice shumai and "three-treasure" shumai. We have also launched paper-thin wrapper shumai with various flavors, including black pepper beef and pork with diced vegetables. The overall sales volume of quick-frozen flour and rice products increased from 224,245 tons in 2022 to 235,384 tons in 2023.

- Our revenue from sales of other products increased by 31.5% from RMB390.6 million in 2022 to RMB513.7 million in 2023, primarily due to the acquisition of Hubei New Liuwu, which contributed to an increase in our sales of agricultural by-products.

Cost of Sales

Our cost of sales increased by 13.2% from RMB9,545.1 million in 2022 to RMB10,807.7 million in 2023, primarily due to an increase in costs of raw materials and outsourcing service cost for engaging contract manufacturers, which is largely in line with the increase in sales volume, partially offset by a decrease in market price of raw materials across product categories.

Gross Profit and Gross Profit Margin

Our gross profit increased by 23.3% from RMB2,560.5 million in 2022 to RMB3,157.2 million in 2023. Our gross profit margin increased from 21.2% in 2022 to 22.6% in 2023, primarily due to (i) the decrease in certain key raw material prices across main product categories in 2023. In particular, our average procurement price of chicken decreased by 5.6% from 2022 to 2023; and our average procurement price of pork decreased by 14.8% from 2022 to 2023; and (ii) change in product mix as we optimized our product portfolio. For instance, the products under the Lock-Fresh product line are generally of higher gross profit margins, and recorded a revenue growth of 17.6% from 2022 to 2023.

Other Income and Gains, Net

Our other income and gains, net increased by 19.4% from RMB243.3 million in 2022 to RMB290.4 million in 2023, primarily due to (i) an increase in government grants in 2023, and (ii) an increase in interest income.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 6.0% from RMB873.0 million in 2022 to RMB925.8 million in 2023, primarily due to an increase in marketing and promotion expenses attributable to our increased marketing activities on the new retail and e-commerce platforms. Our selling and distribution expenses as a percentage of our revenue decreased from 7.2% in 2022 to 6.6% in 2023.

Administrative Expenses

Our administrative expenses increased by 13.7% from RMB375.5 million in 2022 to RMB426.8 million in 2023, primarily due to (i) an increase in the employee benefit expenses resulting from the enhanced remuneration for administrative personnel, and (ii) an increase in amortization of long-term assets. Our administrative expenses as a percentage of our revenue remained relatively stable at 3.1% in 2022 and 2023.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB93.3 million and RMB94.5 million in 2022 and 2023, respectively. Our research and development expenses as a percentage of our revenue also remained relatively stable at 0.8% and 0.7% in 2022 and 2023, respectively.

Finance Costs

Our finance costs increased by 14.5% from RMB12.4 million in 2022 to RMB14.2 million in 2023, primarily due to an increase in interest expense on bank and other borrowings.

(Impairment Losses)/Reversal of Impairment Losses on Financial Assets

Our impairment losses on financial assets amounted to RMB11.5 million in 2022, and we subsequently reversed the impairment losses on financial assets of RMB4.4 million in 2023 primarily due to a decrease in the balance of certain trade receivables as of December 31, 2023.

Other Expenses

Other expenses increased from RMB11.3 million in 2022 to RMB59.0 million in 2023, primarily due to an increase in impairment losses of goodwill.

Income Tax Expense

Our income tax expense increased by 40.6% from RMB309.3 million in 2022 to RMB435.0 million in 2023, primarily due to an increase in taxable income. The effective tax rate remained relatively stable at 21.7% and 22.5% in 2022 and 2023, respectively.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 34.3% from RMB1,117.5 million in 2022 to RMB1,501.2 million in 2023.

DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statement of financial position as of the dates indicated, which has been extracted from our audited consolidated financial statements included in Appendix I to this Prospectus.

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Total current assets	10,292,160	10,426,345	10,350,573
Total non-current assets	5,850,555	6,874,083	7,024,527
Total assets	**16,142,715**	**17,300,428**	**17,375,100**
Total current liabilities	3,862,752	4,006,063	3,678,769
Total non-current liabilities	380,954	393,782	425,998
Total liabilities	**4,243,706**	**4,399,845**	**4,104,767**

Non-Current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	4,139,075	5,166,525	5,363,911
Right-of-use assets	368,625	382,562	462,468
Goodwill	806,500	770,407	739,129
Other Intangible assets	339,873	305,047	268,999
Investment in an associate	9,496	15,096	13,764
Other non-current assets	43,629	80,065	19,226
Deferred tax assets	143,357	154,381	157,030
Total non-current assets	**5,850,555**	**6,874,083**	**7,024,527**

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Non-current liabilities			
Deferred income	118,459	132,121	131,686
Interest-bearing bank and other borrowings	2,266	1,465	490
Lease liabilities	1,420	2,175	36,195
Deferred tax liabilities	211,482	248,881	255,481
Other payables and accruals	47,327	9,140	2,146
Total non-current liabilities	**380,954**	**393,782**	**425,998**

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of buildings and machinery equipment. Our property, plant and equipment increased by 24.8% from RMB4,139.1 million as of December 31, 2022 to RMB5,166.5 million as of December 31, 2023, and further increased by 3.8% to RMB5,363.9 million as of December 31, 2024, primarily due to an increase in ongoing construction of our production bases in Guangdong Province, Shandong Province and Hubei Province.

Right-of-use Assets

Our right-of-use assets primarily consisted of (i) leasehold land and (ii) office premises and plant. Our right-of-use assets increased by 3.8% from RMB368.6 million as of December 31, 2022 to RMB382.6 million as of December 31, 2023, and further increased by 20.9% to RMB462.5 million as of December 31, 2024, primarily due to our acquisition of land-use rights and an increase in leases for cold storage facilities, in line with our business expansion.

Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses. We generally determine whether goodwill is impaired on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires us to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Our Group performs its annual impairment test of goodwill as of December 31. As of December 31, 2022, 2023 and 2024, our goodwill amounted to RMB806.5 million, RMB770.4 million and RMB739.1 million, respectively.

Impairment Testing of Goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit ("CGU") for impairment testing.

- Wuxi Anjoy Foods Marketing Co., Ltd CGU;
- Honghu Xinhongye and subsidiaries CGU(1);
- Oriental Food and subsidiaries CGU(2); and
- Hubei New Liuwu and subsidiaries CGU(3).

Notes:

(1) Honghu Xinhongye Food Co., Ltd., Honghu Xinhongye Aquatic Company Co., Ltd. and Honghu Hongye Eco-agriculture Company Co., Ltd. have been identified as Honghu Xinhongye and subsidiaries cash-generating unit. Honghu Xinhongye and subsidiaries cash-generating unit were acquired by our Group in August 2021 and became a subsidiary of our Group since then.

(2) Oriental Food Express Limited, Good News International Trading Europe B.V, Good News International Trading Limited have been identified as Oriental Food and subsidiaries cash-generating unit. Oriental Food and subsidiaries cash-generating unit were acquired by our Group in September 2021 and became a subsidiary of our Group since then.

(3) Hubei New Liuwu Foodstuff Group Co., Ltd., Qianjiang New Liuwu Food Technology Co., Ltd., Hubei Songlin Biological Feed Co., Ltd., and Jiangxi Liuwu Co., Ltd. have been identified as Hubei New Liuwu and subsidiaries cash-generating unit. Hubei New Liuwu and subsidiaries cash-generating unit were acquired by our Group in August 2022 and became a subsidiary of our Group since then.

The recoverable amount of Honghu Xinhongye and subsidiaries CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rates applied to the cash flow projections were 10.20%, 10.00% and 9.20% as of December 31, 2022, 2023 and 2024, respectively. The growth rate used to extrapolate the cash flows of the foods production and processing unit beyond the five-year period were 0%, 0% and 0% as of December 31, 2022, 2023 and 2024, which is an estimate of the long-term rate of inflation.

The recoverable amount of Oriental Food and subsidiaries CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rates applied to the cash flow projections were 14.00%, 13.90% and 14.00% as of December 31, 2022, 2023 and 2024, respectively. The growth rate used to extrapolate the cash flows of the foods production and processing unit beyond the five-year period were 0%, 0% and 0% as of December 31, 2022, 2023 and 2024, which is also an estimate of the long-term rate of inflation.

The recoverable amount of Hubei New Liuwu and subsidiaries CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rates applied to the cash flow projections were 10.00%, 9.70% and 9.20% as of December 31, 2022, 2023 and 2024, respectively. The growth rate used to extrapolate the cash flows of the foods products production and processing unit beyond the five-year period were 0%, 0% and 0% as of December 31, 2022, 2023 and 2024, which is also an estimate of the long-term rate of inflation.

The management made the impairment test of CGUs with the assistance of external valuers. The following table sets forth the carrying amount of goodwill allocated to each of the cash-generating units as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Wuxi Anjoy Foods Marketing Co., Ltd.	1,059	1,059	1,059
Honghu Xinhongye and subsidiaries CGU	441,352	441,352	421,096
Oriental Food and subsidiaries CGU	19,957	19,957	19,957
Hubei New Liuwu and subsidiaries CGU	344,132	308,039	297,017

The carrying amount of Hubei New Liuwu and subsidiaries CGU was impaired by RMB36.1 million and RMB11.0 million in 2023 and 2024, respectively. Consequently, the carrying amount of goodwill was written down by RMB36.1 million and RMB11.0 million, respectively. The impairment loss was recognized as other expenses in the consolidated statement of profit or loss. The recoverable amount of the CGU was RMB308.0 million and RMB297.0 million as of December 31, 2023 and 2024, respectively. The impairment was attributable to the overall decline in the crayfish industry which led to a decrease in selling prices.

The carrying amount of Honghu Xinhongye and subsidiaries CGU was impaired by RMB20.3 million in 2024, respectively. Consequently, the carrying amount of goodwill was written down by RMB20.3 million. The impairment loss was recognized as other expenses in the consolidated statement of profit or loss. The recoverable amount of the CGU was RMB421.1 million as of December 31, 2024. The impairment was attributable to the overall decline in the crayfish industry which led to a decrease in demand and selling prices.

We perform our annual impairment test of goodwill at the end of a calendar year. Assumptions were used in the value in use calculation of CGU as of December 31, 2022, 2023 and 2024, respectively. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill of CGU:

- *Budgeted gross margins* — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

- *Discount rates* — The discount rates used are before tax and reflect specific risks relating to the CGU.

- *Long-term growth rates* — The basis used to determine the value assigned to the long-term growth rates are the forecast price indices during the budget year from where the main business are located.

The values assigned to the key assumptions on market development of the CGU and discount rates are consistent with external information sources.

Sensitivity Analysis of Goodwill

In the opinion of our Directors, for Honghu Xinhongye and subsidiaries CGU, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount as of December 31, 2022 and 2023, respectively. The headroom was RMB443.0 million as of December 31, 2022. If the budgeted gross profit margin decreased from 11.3% to 9.1%, or the pre-tax discount rate increased from 10.2% to 13.1%, or the average sales growth rate decreased from 4.7% to a negative decreasing trend of 2.9%, an impairment on goodwill would be recognized for the year ended December 31, 2022. The headroom was RMB287.0 million as of December 31, 2023. If the budgeted gross profit margin decreased from 11.0% to 9.4%, or the pre-tax discount rate increased from 10.0% to 11.9%, or the average sales growth rate decreased from 4.0% to a negative decreasing trend of 1.3%, a further impairment on goodwill would be recognized for the year ended December 31, 2023.

For Oriental Food and subsidiaries CGU, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount as of December 31, 2022, 2023 and 2024, respectively. The headroom was RMB23.9 million as of December 31, 2022. If the budgeted gross profit margin decreased from 21.7% to 20.0%, an impairment on goodwill would be recognized for the year ended December 31, 2022. The headroom was RMB10.9 million as of December 31, 2023. If the budgeted gross profit margin decreased from 19.4% to 18.5%, a further impairment on goodwill would be recognized for the year ended December 31, 2023. The headroom was RMB13.2 million as of December 31, 2024. If the budgeted gross profit margin decreased from 22.1% to 21.9%, or the pre-tax discount rate increased from 14.0% to 14.5%, a further impairment on goodwill would be recognized for the year ended December 31, 2024.

For Hubei New Liuwu and subsidiaries CGU, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount. The headroom was RMB10.7 million as of December 31, 2022. If the budgeted gross profit margin decreased from 11.5% to 11.4%, or the pre-tax discount rate increased from 10.0% to 10.1%, or the average sales growth rate decreased from 9.3% to 9.1%, an impairment on goodwill would be recognized for the year ended December 31, 2022.

See Note 17 to the Accountants' Report in Appendix I to this prospectus.

Other Intangible Assets

Other intangible assets primarily include software, trademarks and patent rights. They were acquired by our Group and are stated at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses. As of December 31, 2022, 2023 and 2024, our intangible assets amounted to RMB339.9 million, RMB305.0 million and RMB269.0 million, respectively.

Net Current Assets

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Current assets				
Inventories	3,136,836	3,566,705	3,284,638	3,046,658
Trade and bills receivables	736,997	572,084	626,127	434,353
Prepayments, other receivables and other assets	241,987	278,852	339,427	418,326
Financial assets at fair value through profit or loss	672,325	1,033,242	3,321,233	3,357,196
Restricted cash and time deposits	2,446,105	448,011	550,826	267,327
Cash and bank balances	3,057,910	4,527,451	2,228,322	2,490,158
Total current assets	**10,292,160**	**10,426,345**	**10,350,573**	**10,014,018**
Current liabilities				
Trade and bills payables	1,327,301	1,288,469	1,379,710	955,271
Other payables and accruals	1,885,979	2,229,172	1,711,352	1,456,564
Due to related parties — trade payables	–	7,751	16,449	8,351
Interest-bearing bank and other borrowings	489,905	326,341	112,095	384,238
Lease liabilities	3,584	1,563	6,477	3,803
Tax payables	155,983	152,767	175,159	52,200
Dividends payable	–	–	277,527	–
Total current liabilities	**3,862,752**	**4,006,063**	**3,678,769**	**2,860,427**
Net current assets	**6,429,408**	**6,420,282**	**6,671,804**	**7,153,591**

Our net current assets decreased by 0.1% from RMB6,429.4 million as of December 31, 2022 to RMB6,420.3 million as of December 31, 2023, primarily due to an increase in other payables and accruals of RMB343.2 million, partially offset by (i) a decrease in interest-bearing bank and other borrowings of RMB163.6 million, (ii) an increase in total current assets of RMB134.2 million, and (iii) a decrease in trade and bills payables of RMB38.8 million.

Our net current assets increased by 3.9% from RMB6,420.3 million as of December 31, 2023 to RMB6,671.8 million as of December 31, 2024, primarily due to (i) an increase in financial assets at fair value through profit and loss of RMB2,288.0 million, (ii) a decrease in other payables and accruals of RMB517.8 million, and (iii) a decrease in interest-bearing bank and other borrowings of RMB214.2 million, partially offset by (i) a decrease in cash and cash equivalents of RMB2,299.1 million, (ii) a decrease in inventories of RMB282.1 million, and (iii) an increase in dividends payable of RMB277.5 million.

Our net current assets increased by 7.2% from RMB6,671.8 million as of December 31, 2024 to RMB7,153.6 million as of April 30, 2025, primarily due to (i) a decrease in trade and bills payables of RMB424.4 million, (ii) a decrease in dividends payable of RMB277.5 million and (iii) a decrease in other payables and accruals of RMB254.8 million, partially offset by (i) a decrease in restricted cash and time deposits of RMB283.5 million, (ii) an increase in interest-bearing bank and other borrowings of RMB272.1 million and (iii) a decrease in inventories of RMB238.0 million.

Inventories

Our inventories primarily consisted of finished goods, raw materials and goods in transit. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Raw materials	1,007,407	936,086	1,060,604
Work in progress	7,167	3,531	4,480
Semi-finished goods	243,939	292,385	254,668
Finished goods	1,133,514	1,449,414	1,116,365
Goods in transit	789,559	920,699	869,742
Provision for impairment of inventories	(44,750)	(35,410)	(21,221)
Total	**3,136,836**	**3,566,705**	**3,284,638**

Our inventories increased by 13.7% from RMB3,136.8 million as of December 31, 2022, to RMB3,566.7 million as of December 31, 2023, primarily due to an increase in production volume to support our business expansion. Our inventories subsequently decreased by 7.9% from RMB3,566.7 million as of December 31, 2023 to RMB3,284.6 million as of December 31, 2024, primarily due to a decrease in finished goods in response to the market conditions in 2024, in particular, the overall decrease in the market prices of crayfish products.

The following table sets out an aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Within one year	3,095,629	3,499,666	3,260,591
One to two years	35,298	58,533	18,475
Over two years	5,909	8,506	5,572
Total	**3,136,836**	**3,566,705**	**3,284,638**

The following table sets forth our inventory turnover days for the years indicated:

	Year ended December 31,		
	2022	2023	2024
Inventory turnover days(1)	106.1	113.2	107.6

Note:

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year divided by cost of sales for the relevant year and multiplied by the number of days during such period (i.e. 365 days for a fiscal year).

Our inventory turnover days increased from 106.1 days in 2022 to 113.2 days in 2023, primarily due to the consolidation of inventory of Hubei New Liuwu and its procurement of raw materials is affected by seasonality and thus of relatively slower turnover. Our inventory turnover days decreased from 113.2 days in 2023 to 107.6 days in 2024, primarily due to (i) our reduced inventory level in response to the market conditions in 2024, and (ii) improved turnover efficiency for crayfish products by aligning production cycles with our customer's needs, as we typically procure raw materials of crayfish products in the first quarter for year-round sales.

As of April 30, 2025, RMB2,584.0 million, or 78.7% of inventories as of December 31, 2024, had been used, consumed or sold.

Trade and Bills Receivables

Our trade and bills receivables primarily consisted of trade receivables, and bills receivable. The following table sets out a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Trade receivables	784,461	615,493	671,913
Bills receivable	239	2,723	–
Impairment	(47,703)	(46,132)	(45,786)
Total	**736,997**	**572,084**	**626,127**

For certain customers, such as our distributors, we have engaged in credit sale with them during the Track Record Period and we usually grant credit terms of 30 days. In addition, we impose a credit limit on such customers. We seek to maintain strict control over our outstanding receivables. Our finance department is responsible for minimizing credit risks. Overdue balances are reviewed regularly by senior management.

The following table sets out an aging analysis of our trade and bills receivable as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Within one year	736,823	568,908	616,633
1 to 2 years	174	3,176	9,183
2 to 3 years	–	–	311
Total	**736,997**	**572,084**	**626,127**

Our trade and bills receivables decreased by 22.4% from RMB737.0 million as of December 31, 2022, to RMB572.1 million as of December 31, 2023, primarily due to the enhanced efforts in following up with our customers in relation to payments. Our trade and bills receivables increased by 9.4% from RMB572.1 million as of December 31, 2023 to RMB626.1 million as of December 31, 2024, primarily due to relaxation of receivables management practice in light of the market conditions where certain customers had witnessed relatively sluggish external demand for their products. Our trade and bills receivable aging one to two years increased from RMB3.2 million as of December 31, 2023 to RMB9.2 million as of December 31, 2024 primarily due to (i) certain customers for our crayfish products with long-standing relationships are given extended credit term till end of a calendar year, and (ii) certain customers with cashflow issues are also given extended credit terms.

In relation to the trade and bills receivables of RMB626.1 million as of December 31, 2024, the Company is of the view that there was no material recoverability issues with such outstanding trade and bills receivables, primarily because (i) the outstanding balance was generally within the credit period granted to our customers or in accordance with relevant settlement procedures implemented by either us or our customers, (ii) our customers displayed good creditworthiness with steady business and financial performance in the past, (iii) we have not had any material collection issue with our customers, and (iv) we have provided sufficient provisions in relation to our trade and bills receivables as of December 31, 2024. RMB595.2 million, or 88.6% of our trade and bills receivables as of December 31, 2024 had been settled as of April 30, 2025.

The following table sets forth our trade and bills receivables turnover days for the years indicated:

	Year ended December 31,		
	2022	2023	2024
Trade and bills receivables turnover days[(1)]	19.3	17.1	14.5

Note:

(1) Trade and bills receivables turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables for a year divided by revenue for the relevant year and multiplied by the number of days during such period (i.e. 365 days for a fiscal year).

Our trade and bills receivables turnover days decreased from 19.3 days in 2022 to 17.1 days in 2023 and further decreased to 14.5 days in 2024, primarily due to the enhanced efforts in following up with our customers in relation to payments.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consisted of (i) value added tax recoverable, (ii) prepayments, and (iii) deposits. The following table sets out a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Prepayments	79,276	70,625	64,891
Deposits	14,163	13,052	8,878
Corporate income tax recoverable	3,152	11,850	3,893
Value added tax recoverable[1]	133,499	175,798	248,421
Others	18,194	10,370	16,869
Impairment	(6,297)	(2,843)	(3,525)
Total	**241,987**	**278,852**	**339,427**

Note:

(1) Value added tax recoverable included (i) pending deductible input tax, (ii) pending certification input tax, (iii) VAT retention mainly arising from property, plant and equipment and inventory purchase, (iv) prepaid VAT, (v) prepaid additional tax.

Our prepayments, other receivables and other assets increased by 15.2% from RMB242.0 million as of December 31, 2022 to RMB278.9 million as of December 31, 2023, primarily due an increase in value added tax recoverable of RMB42.3 million. Our prepayments, other receivables and other assets further increased by 21.7% from RMB278.9 million as of December 31, 2023 to RMB339.4 million as of December 31, 2024, primarily due to an increase in value added tax recoverable of RMB72.6 million.

As of April 30, 2025, RMB300.9 million, or 88.7% of our prepayments, other receivables and other assets as of December 31, 2024, had been settled.

Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss during the Track Record Period mainly represented wealth management products, which were structured deposits and debt bonds in nature. See Note 26 to the Accountant's Report included in Appendix I to this Prospectus. The current financial product portfolio could be subject to the impact of macroeconomic environment conditions, and we monitor the portfolio mix closely. See "Risk Factors — Risks Relating to Our Industry and Business — We are exposed to changes in our financial assets at fair value through profit or loss ("FVTPL")." Our financial assets at fair value through profit or loss increased from RMB672.3 million as of December 31, 2022 to

RMB1,033.2 million as of December 31, 2023 and further increased to RMB3,321.2 million as of December 31, 2024. Such increase during the Track Record Period was primarily due to an increase in wealth management products.

Our investment policies and strategies with respect to financial products mainly include: (i) we minimize financial risks by matching the maturities of the portfolio with anticipated operating cash needs, while aiming to generate reasonable investment returns for the benefits of our shareholders; (ii) investment in high-risk products is not allowed; (iii) the proposed investment must not interfere with our business operations or capital expenditures; and (iv) the financial products are issued by a reputable financial institution and whether a minimum returns is guaranteed. We primarily invest in short-to-mid-term financial products issued by major commercial banks in Mainland China. Whilst certain financial products that we purchased may not be principal-protected, they are generally categorized as low to medium risks at R1 and R2 risk ratings. We make investment decisions related to financial products on a case-by-case basis after thoroughly considering a number of factors, including the macro-economic environment, general market conditions, the risk control and credit levels of the issuing banks, our working capital needs, and the expected profit or potential loss of the investment.

To monitor and control the investment risks associated with our financial product portfolio, we have adopted a comprehensive set of internal procedures to manage our investment in financial products. With the authorization of the Board and the supervision by our Chairman and our chief financial officer, we evaluate and determine the investment plans with respect to financial products in accordance with our cash management policies and internal approval process. Prior to modifying our existing investment portfolio, the proposal must be approved by our finance department head, our chief financial officer and our Chairman. For details of our chief financial officer's expertise in this regard, see "Directors, Supervisors and Senior Management."

After Listing, our investments in financial products will be subject to compliance with Chapter 14 of the Listing Rules.

Our investment strategy related to such products focuses on minimizing the financial risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs, while generating desirable investment returns. To control our risk exposure, we make investment decisions related to low risk wealth management products, after thoroughly considering a number of factors, including, but not limited to, macro-economic environment, general market conditions, risk control and credit of issuing financial institutions, our own working capital conditions, and the expected profit or potential loss of the investment.

Trade and Bills Payables

Our trade and bills payables represent our obligation to pay for goods or services that have been purchased from suppliers in the ordinary course of business, and consisted of (i) bills payables, and (ii) trade payables.

The trade payables are typically settled within 60 days. The following table sets out an aging analysis of our trade payables and bills payables as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Within 1 year	1,318,870	1,266,540	1,375,078
Over 1 year	8,431	21,929	4,632
Total	**1,327,301**	**1,288,469**	**1,379,710**

The following table sets forth our trade and bills payables turnover days for the years indicated:

	Year ended December 31,		
	2022	2023	2024
Trade and bills payables turnover days[(1)]	50.2	44.2	41.9

Note:

(1) Trade and bills payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year divided by cost of sales for the relevant year and multiplied by the number of days during such period (i.e. 365 days for a fiscal year).

Our trade and bills payables turnover days decreased from 50.2 days in 2022 to 44.2 days in 2023, primarily due to the enhanced settlement, which was partially offset by the increased procurement volume to meet our expanding sales volume. Our trade and bills payables turnover days further decreased from 44.2 days in 2023 to 41.9 days in 2024, primarily due to further settlement with our suppliers.

As of April 30, 2025, RMB1,306.0 million, or 94.7% of our trade and bills payables as of December 31, 2024, had been settled.

Other Payables and Accruals (Current)

Our other payables and accruals (current) primarily consisted of (i) contract liabilities, (ii) deposits, and (iii) other payables for property, plant, and equipment. The following table sets out a breakdown of our other payables and accruals (current) as of the dates indicated:

	As of December 31,		
	2022	2023	2024
		(RMB in thousands)	
Current			
Contract liabilities	439,211	629,522	260,138
Deposits	352,631	289,020	278,621
Other payables for property, plant, and equipment	284,230	507,865	396,872
Sales rebates allowance	244,981	249,227	280,843
Staff salaries, bonuses and welfare payables	200,893	243,720	245,520
Other tax payables	126,607	145,413	99,187
Accrued expenses	104,153	90,701	78,690
Other payables-restricted stock repurchase	47,053	–	–
Others	86,220	73,704	71,481
Total	**1,885,979**	**2,229,172**	**1,711,352**

Our other payables and accruals (current) increased by 18.2% from RMB1,886.0 million as of December 31, 2022 to RMB2,229.2 million as of December 31, 2023, primarily due to (i) an increase in other payables for property, plant, and equipment, and (ii) an increase in contract liabilities. Our other payables and accruals (current) subsequently decreased by 23.2% from RMB2,229.2 million as of December 31, 2023 to RMB1,711.4 million as of December 31, 2024, primarily due to (i) a decrease in contract liabilities, and (ii) a decrease in other payables for property, plant, and equipment, (iii) a decrease in staff salaries, bonuses and welfare payables, and (iv) a decrease in sales rebates allowance.

Contract liabilities are recognized when payments are received or are due (whichever is earlier) from a customer before our Group transfers the related goods or services. Our contract liabilities (current) increased from RMB439.2 millions of December 31, 2022 to RMB629.5 million as of December 31, 2023, in line with our increase in sales. Our contract liabilities (current) subsequently decreased from RMB629.5 million as of December 31, 2023 to RMB260.1 million as of December 31, 2024, primarily due to further order fullfillment with our customers.

Contract liabilities are subsequently recognized as revenue when our Group performs under the contract (i.e. transfers control of the related goods or services to the customer). As of April 30, 2025, RMB254.3 million, or approximately 97.8% of our contract liabilities as of December 31, 2024 had been recognized as revenue.

As of April 30, 2025, RMB1,370.7 million, or 80.1% of our other payables and accruals (current) as of December 31, 2024, had been settled.

Due to Related Parties — Trade Payables

Our trade payables due to related parties primarily represented amounts due to Beihai Heyuan Foods Co., Ltd ("Beihai Heyuan") for the purchase of shrimp paste products. Our trade payables due to related parties increased by 110.3% from RMB7.8 million as of December 31, 2023 to RMB16.4 million as of December 31, 2024, primarily due to (i) an increase in purchase amount of shrimp paste products from Beihai Heyuan in 2024, and (ii) the credit terms extended by the parties and such payables were yet due as of December 31, 2024.

Dividends Payable

We recorded dividends payable of nil, nil and RMB277.5 million as of December 31, 2022, 2023 and 2024, respectively. The dividends payable of RMB277.5 million as of December 31, 2024 had been fully paid in January 2025.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations, capital contribution from shareholders and proceeds from external debts and other fundraising activities. After the Global Offering, we intend to finance our future capital requirements through cash generated from our business operations and the net proceeds from the Global Offering. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Cash Flow

The following table sets forth a summary of our cash flows for the years indicated:

	Year ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Net cash flows generated from operating activities	1,361,327	1,907,058	2,024,015
Net cash flows (used in)/generated from investing activities	(4,749,238)	266,009	(3,132,159)
Net cash flows generated from/(used in) financing activities	5,421,382	(705,392)	(1,190,643)
Cash and cash equivalents at beginning of year	1,024,626	3,057,910	4,527,451
Effect of foreign exchange differences, net	(187)	1,866	(342)
Cash and cash equivalents at end of year	3,057,910	4,527,451	2,228,322

Net Cash Flows Generated From Operating Activities

In 2024, our net cash flows generated from operating activities were RMB2,024.0 million, which represents our profit before taxation of RMB1,988.3 million, as adjusted by non-cash and non-operating items, primarily comprising the depreciation of property, plant and equipment of RMB451.8 million, partially offset by income tax paid of RMB440.4 million.

In 2023, our net cash flows generated from operating activities were RMB1,907.1 million, which primarily represents our profit before taxation of RMB1,936.2 million.

In 2022, our net cash flows generated from operating activities were RMB1,361.3 million, which represents our profit before taxation of RMB1,426.8 million, partially offset by a decrease in trade and bills payables of RMB129.0 million.

Net Cash Flows Generated From/(Used in) Investing Activities

In 2024, our net cash flows used in investing activities were RMB3,132.2 million, primarily attributable to (i) the purchases of financial assets at fair value through profit or loss of RMB11,079.5 million, mainly included wealth management products, which were structured deposits and debt bonds in nature; and (ii) the purchase of items of property, plant and equipment of RMB844.4 million, partially offset by the proceeds from disposal of financial assets at fair value through profit or loss of RMB8,846.1 million. See "Discussion of Key Items of Consolidated Statements of Financial Position — Financial Assets at Fair Value Through Profit or Loss."

In 2023, our net cash flows generated from investing activities were RMB266.0 million, primarily attributable to (i) the proceeds from disposal of financial assets at fair value through profit or loss of RMB2,651.0 million, and (ii) the proceeds from disposal of time deposits of RMB2,539.4 million, partially offset by (i) the purchases of financial assets at fair value through profit or loss of RMB3,006.0 million, (ii) the purchase of items of property, plant and equipment of RMB1,415.4 million, and (iii) the purchases of time deposits of RMB546.4 million.

In 2022, our net cash flows used in investing activities were RMB4,749.2 million, primarily attributable to (i) the purchases of time deposits of RMB2,346.3 million, and (ii) the purchases of financial assets at fair value through profit or loss of RMB2,100.0 million.

Net Cash Flows Generated From/(Used in) Financing Activities

In 2024, our net cash flows used in financing activities were RMB1,190.6 million, primarily attributable to (i) the dividends paid of RMB921.8 million, and (ii) repayment of interest-bearing bank and other borrowings of RMB698.0 million, partially offset by the proceeds from interest-bearing bank and other borrowings of RMB483.0 million.

In 2023, our net cash flows used in financing activities were RMB705.4 million, primarily attributable to (i) the repayment of interest-bearing bank and other borrowings of RMB679.2 million, and (ii) the dividends paid of RMB552.0 million, partially offset by the proceeds from interest-bearing bank and other borrowings of RMB564.5 million.

In 2022, our net cash flows generated from financing activities were RMB5,421.4 million, primarily attributable to the issue of shares of RMB5,674.6 million, partially offset by the dividends paid of RMB205.0 million.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Current				
Interest-bearing bank and other borrowings	489,905	326,341	112,095	384,238
Lease liabilities	3,584	1,563	6,477	3,803
Non-current				
Interest-bearing bank and other borrowings	2,266	1,465	490	–
Lease liabilities	1,420	2,175	36,195	38,954
Total	**497,175**	**331,544**	**155,257**	**426,995**

Our Directors confirmed that there is no material change in our indebtedness since April 30, 2025 to the date of this Prospectus. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, except for bank borrowings, we did not have plans for other material external debt financing.

Interest-Bearing Bank and Other Borrowings

As of December 31, 2022, 2023 and 2024, we had borrowings of RMB492.2 million, RMB327.8 million and RMB112.6 million, respectively, mainly representing unsecured bank loans primarily to supplement our working capital. Our borrowings are all denominated in Renminbi. The effective interest rate on our bank loans ranged from 1.7% to 4.7% during the Track Record Period. As of the Latest Practicable Date, our unutilized banking facilities amounted to RMB2,242.7 million.

Our Directors confirm that, there was no material covenant on any of our outstanding debt as of the Latest Practicable Date, and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

As of December 31, 2022, 2023 and 2024, our total lease liabilities (including current and non-current portions) amounted to RMB5.0 million, RMB3.7 million and RMB42.7 million, respectively.

Our lease liabilities decreased by 26.0% from RMB5.0 million as of December 31, 2022 to RMB3.7 million as of December 31, 2023, primary due to payments of lease liabilities. Our lease liabilities subsequently increased from RMB3.7 million as of December 31, 2023 to RMB42.7 million as of December 31, 2024, primarily due to the increased number of leased properties, in line with our business expansion. Our lease liabilities remained relatively stable at RMB42.7 million and RMB42.8 million as of December 31, 2024 and April 30, 2025, respectively.

Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2022, 2023, and 2024, and April 30, 2025, respectively.

Indebtedness Statement

Except as disclosed above, as of April 30, 2025 being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there is no material change in our indebtedness since April 30, 2025 and up to the date of this Prospectus.

KEY FINANCIAL RATIOS

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

	As of/For the Year ended December 31,		
	2022	2023	2024
Revenue growth (%)	N/A	15.4	7.6
Gross profit margin (%)[1]	21.2	22.6	22.7
Net profit margin (%)[2]	9.2	10.7	10.1
Gearing ratio (%)[3]	4.1	2.6	1.2
Current ratio[4]	2.7	2.6	2.8
Adjusted net profit margin (non-IFRS measure)[5]	9.5	10.9	10.7

Notes:

(1) Gross profit margin equals gross profit for the year divided by revenues for the respective year and multiplied by 100%.

(2) Net profit margin equals profit for the year divided by revenues for the respective year and multiplied by 100%.

(3) Gearing ratio equals debt divided by the adjusted capital plus debt, and multiplied by 100%. Debt includes interest-bearing borrowings and lease liabilities. Capital includes equity attributable to owners of the parent.

(4) Current ratio equals total current assets divided by total current liabilities as of the relevant dates.

(5) Adjusted net profit margin (non-IFRS measure) equals adjusted profit for the year (as a non-IFRS measure) divided by revenue and multiplied by 100%. See "— Non-IFRS Measure."

Gearing Ratio

Our gearing ratio decreased from 4.1% as of December 31, 2022 to 2.6% as of December 31, 2023, primarily due to the decrease in debt from RMB497.2 million as of December 31, 2022 to RMB331.5 million as of December 31, 2023.

Our gearing ratio decreased from 2.6% as of December 31, 2023 to 1.2% as of December 31, 2024, primarily due to the decrease in debt from RMB331.5 million as of December 31, 2023 to RMB155.3 million as of December 31, 2024.

Current Ratio

Our current ratio remained relatively stable at 2.7 and 2.6 in 2022 and 2023, respectively.

Our current ratio increased from 2.6 in 2023 to 2.8 in 2024, primarily due to a decrease in our total current liabilities, which was mainly attributable to (i) a decrease in other payables and accruals of RMB517.8 million, and (ii) a decrease in interest-bearing bank and other borrowings of RMB214.2 million, partially offset by a decrease in our total current assets.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of (i) purchase of items of property, plant and equipment, and (ii) purchase of other intangible assets. The following table sets forth our capital expenditure for the years indicated:

	Year ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Purchase of items of property, plant and equipment	1,038,061	1,415,423	844,366
Purchase of other intangible assets	5,311	5,493	4,257
Total	**1,043,372**	**1,420,916**	**848,623**

In 2022, 2023 and 2024, our capital expenditures amounted to RMB1,043.4 million, RMB1,420.9 million and RMB848.6 million, respectively. We funded these expenditures mainly with cash generated from our operations and proceeds from financing activities.

Following the Global Offering, we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations, bank borrowings, and the net proceeds received from the Global Offering. See "Future Plans and Use of Proceeds." We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

During the Track Record Period, our capital commitments were primarily related to the purchase of property, plant and equipment. See Note 41 to the Accountant's Report in Appendix I to this Prospectus. As of December 31, 2022, 2023 and 2024, the total amount of our capital commitments was RMB284.2 million, RMB507.9 million and RMB396.9 million, respectively.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details about our related party transactions during the Track Record Period, see Note 42 of Appendix I to this Prospectus.

Our Directors are of the view that each of the related party transactions set out in Note 42 to the Accountant's Report in Appendix I to this Prospectus was conducted in the ordinary course of business on an arm's-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or R&D services with us.

FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate and foreign currency risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 45 of Appendix I to this Prospectus.

Foreign Currency Risk

We have transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. In addition, we have currency exposures from our cash and cash equivalent. The management of the Company consider our exposure to foreign currency risk not significant.

Interest Rate Risk

Our bank balances, other than short-term and long-term bank deposits, expose to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate. The directors of the Company consider our exposure to interest rate risk in respect of bank balances, long-term bank deposits and interest-bearing bank and other borrowings is not significant as most of them are at fixed interest rate.

Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant.

Liquidity Risk

We monitor and maintain a level of cash and bank balances deemed adequate by our management to finance the operations and mitigate the effects of fluctuations of cash flows.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize equity holders' value.

We manage our capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust the dividend payment to equity holders, return capital to equity holders or issue new shares. We are not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2022, 2023 and 2024.

We monitor capital using a gearing ratio, which is debt divided by the adjusted capital plus debt. Debt includes interest-bearing borrowings and lease liabilities. Capital includes equity attributable to owners of the parent.

DIVIDENDS AND DIVIDEND POLICY

Pursuant to the Articles of Association, which were adopted and effective in August 2024, we target to declare cash dividends that account for not less than 40% of the distributable profits realized in that year, subject to we have sufficient working capital and there are no material adverse changes in the Company's external business environment and operating conditions. We declared dividends of RMB330.5 million and RMB740.1 million with respect to the years ended December 31, 2022 and 2023, respectively.

In April 2025, the Board proposed a dividend of RMB296.5 million with respect to the year ended December 31, 2024, which was approved by the Shareholders in May 2025. In aggregate, we declared RMB977.2 million in relation to the year ended December 31, 2024, which had been fully paid as of the date of this Prospectus.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the net proceeds from the Global Offering and the financial resources available to us, including cash and cash equivalents, we have sufficient working capital for our present requirements, that is at least 12 months from the date of this Prospectus.

DISTRIBUTABLE RESERVES

As of December 31, 2024, we had RMB12,768 million of retained earnings available for distribution to our shareholders.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering. We estimate that our listing expenses will be approximately RMB131.6 million (assuming an Offer Price of HK$66.00 per Offer Share (being the maximum Offer Price), and no exercise of the Over-allotment Option), representing 5.5% of the gross proceeds (based on the maximum Offer Price), and assuming that the Over-Allotment Option is not exercised) of the Global Offering. We expect to incur listing expenses of approximately RMB131.6 million, of which approximately RMB1.3 million is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately RMB130.3 million is expected to be recognized as a deduction in equity directly upon the Listing. By nature, our listing expenses are composed of (i) underwriting commission of approximately RMB92.3 million and (ii) non-underwriting-related expenses of approximately RMB39.3 million, which consist of fees and expenses of legal advisors and Reporting Accountants of approximately RMB25.6 million and other fees and expenses of approximately RMB13.7 million.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited Pro Forma Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this Prospectus there has been no material adverse change in our financial or trading position or prospects since December 31, 2024, being the end date of the periods reported in Appendix I to this Prospectus, and there is no event since December 31, 2024 that would materially affect the information as set out in the Accountants' Report in Appendix I to this Prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Strategies" for a detailed discussion of our future plans.

USE OF PROCEEDS

Assuming an Offer Price of HK$66.00 per Offer Share (being the maximum Offer Price), we estimate that we will receive net proceeds of approximately HK$2,495.8 million from the Global Offering after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

	Year ended December 31,						Approximate % of the total
	2026	2027	2028	2029	2030	Total	
						(HK$ in million)	
Expanding our sales and distribution network	18.8%	18.8%	18.8%	18.8%	24.8%	873.5	35.0%
Strengthening our procurement capabilities, optimizing our supply chain and building a supply chain system	18.8%	18.8%	18.8%	18.8%	24.8%	873.5	35.0%
Digitalizing our business operations	4.1%	20.0%	20.0%	20.0%	35.9%	374.4	15.0%
Product development and technological innovation	18.0%	18.0%	18.0%	18.0%	28.0%	124.8	5.0%
Working capital and general corporate purposes	40.0%	30.0%	30.0%	0.0%	0.0%	249.6	10.0%
Total	**18.6%**	**20.1%**	**20.1%**	**17.1%**	**24.1%**	**2,495.8**	**100.0%**

- Approximately 35.0% or HK$873.5 million, for expanding our sales and distribution network. In particular:

  o approximately 15.0% of the net proceeds, or HK$374.4 million, is expected to be used to strengthen our domestic sales and distribution network. We will continue to empower our distributors and capture new market opportunities. Leveraging our rich industry experience, we intend to continually provide dedicated services and support to distributors across Mainland China in developing downstream customers, organizing various marketing activities, and promoting their sales growth. As our Group has nationwide coverage across Mainland China, we also plan to further expand our customer base of targeted enterprise customers, such as chain restaurants, and develop customized products to meet their needs. In addition, we plan to further develop our partnerships with new retail and e-commerce platforms by investing resources to enrich our product offerings and better reach individual customers through these platforms;

- approximately 5.0% of the net proceeds, or HK$124.8 million, is expected to be used to strengthen our overseas sales channels and distribution network. We plan to conduct brand-building and marketing activities in overseas markets, such as the Southeast Asia, Australia, North America and Europe. These regions present significant opportunities for rapid growth. According to Frost & Sullivan, the market size of quick-frozen food in the Southeast Asia is expected to grow at a CAGR of 14.0% from 2024 to 2029. Additionally, the market share of top five companies in the region is currently below 5%, indicating substantial opportunities for future market consolidation and expansion. Meanwhile, regions such as Australia, North America and Europe, where the quick-frozen food industry has entered a mature development stage, offer promising prospects for the overseas development of Chinese cuisine, supported by well-established cold chain infrastructure. We believe that by leveraging our business presence in UK via Oriental Food Express Limited, a UK's leading producer of Chinese quick-frozen food cuisines with the brand "Kung Fu Food" and the experience of acquisition, we plan to capture the market opportunities in these overseas markets with the potential of accelerated growth. By collaborating with well-established distributors in overseas markets, we plan to expand sales coverage to local supermarkets, restaurants and other areas where local communities typically gather. We also plan to establish strategic partnerships or business relationships with catering companies that have overseas operations or are preparing for overseas market expansion. We plan to establish a dedicated sales team to explore market opportunities and serve such customers. We will also develop new products based on consumer demand in overseas markets to cater to their local tastes and preferences;

- approximately 15.0% of the net proceeds, or HK$374.4 million, is expected to be used to acquire or invest in suitable target companies, so as to enhance our sales and distribution network. In particular, we evaluate potential targets based on a number of factors, including (i) market position in the food sector, (ii) brand value and product portfolio, (iii) sales network and customer base, and (iv) product development capabilities. We typically aim to acquire targets with an annual revenue exceeding RMB300.0 million. Such potential targets are expected to have solid track record of operations and financials and maintain a good internal control mechanism and compliance history, with an operating history of over five years. We believe that acquiring market players of such caliber will align with our overall business growth strategy. As of the Latest Practicable Date, we had not identified any investment or acquisition target. According to Frost & Sullivan, there were thousands of suitable targets of such caliber in these overseas regions as of the Latest Practicable Date, based on initial identification through desk research and public searches to filter players meeting the target selection criteria, followed by expert interviews and data from our database to locate those targets that met the acquisition standards.

- Approximately 35.0% or HK$873.5 million, for strengthening our procurement capabilities, optimizing our supply chain and building a supply chain system. We believe that improving our access to raw materials at competitive prices and optimized supply chain would allow us to capture market opportunities globally, including the overseas Chinese populations in regions such as the Southeast Asia, Australia, North Americas and Europe, and the substantial halal food market in the Southeast Asia. We believe these regions present significant opportunities for rapid growth. According to Frost & Sullivan, the market size of quick-frozen food in the Southeast Asia is expected to grow at a CAGR of 14.0% from 2024 to 2029. Additionally, the market share of top five companies in the region is currently below 5%, indicating substantial opportunities for future market consolidation and expansion. Meanwhile, regions such as Australia, North America and Europe, where the quick-frozen food industry has entered a mature development stage, offer promising prospects for the overseas development of Chinese cuisine, supported by well-established cold chain infrastructure. In particular:

  - approximately 15.0% of the net proceeds, or HK$374.4 million, is expected to be used to further enhance our procurement capabilities, strengthen cooperation with suppliers, and develop our global supplier network. We plan to explore strategic cooperative relationships, so as to establish a stable and diversified supply chain. The supply chain system will primarily serve to connect our supply chain resources, enabling us to obtain a stable supply of high-quality raw materials globally at competitive prices. In addition, as we plan to establish production facilities that are catered for overseas markets, such supply chain system will empower us to procure raw materials globally that may be closer to their flavor profiles and cost effective. For instance, we are in the process of obtaining Halal certification in relation to some of our prepared dish products; and

    - o approximately 20.0% of the net proceeds, or HK$499.2 million, is expected to be used to enhance our global production capabilities. We may establish new production base(s) in China or in overseas markets, and/or acquire or invest in suitable target companies, so as to enhance our production and supply chain capabilities. In particular, we evaluate potential targets based on a number of factors, including (i) market position in the food sector, (ii) supply chain resources and capabilities, (iii) production technology and (iv) licenses qualifications and permits. We typically aim to acquire targets with an annual revenue exceeding RMB300.0 million. Such potential targets are expected to have solid track record of operations and financials and maintain a good internal control mechanism and compliance history, with an operating history of over five years. As of the Latest Practicable Date, we had not identified any investment or acquisition target. According to Frost & Sullivan, there were thousands of suitable targets of such caliber in these overseas regions as of the Latest Practicable Date, based on initial identification through desk research and public searches to filter players meeting the target selection criteria, followed by expert interviews and data from our database to locate those targets that met the acquisition standards.

- Approximately 15.0% or HK$374.4 million, for digitalizing our business operations. For instance, we intend to strengthen our production infrastructure with intelligent production equipment and digitalization tools. We plan to invest in implementing advanced technologies, such as intelligent production and warehousing capabilities. We also plan to enhance our digitalization capabilities by developing and upgrading our digital systems. We plan to collaborate with third-party service providers, so as to equip ourselves with cutting-edge technologies. We will enhance data analytics capabilities, so as to support our business decision making. For instance, we plan to further improve (i) our "Anjoy Home" CRM system and Fastsell system to provide better support for our distributors; (ii) the KA-Link system to better serve key accounts and assist our sales teams in optimizing product marketing and sales strategies; and (iii) our EDI system by enhancing its production process monitoring and quality control capabilities to further improve our production efficiency.

- Approximately 5.0% or HK$124.8 million, for product development and technological innovation. We plan to invest in the research and development of new products and the upgrade of existing products, so as to meet evolving consumer demand and taste preferences. We intend to optimize and upgrade our existing product portfolio, in order to seize market opportunities and meet consumer demand for convenient and quality food options. We also plan to continue to implement the strategy of “R&D with regional insights” by enhancing our regional research and development capabilities. From time to time, we intend to recruit approximately 50 new product development and R&D personnel in the next five years to supplement our existing team. We generally expect such personnel to hold bachelor’s degree and above, and with relevant experience in food production and food product development.

- Approximately 10.0%, or HK$249.6 million, will be allocated to working capital and general corporate purposes.

To the extent our net proceeds from the Global Offering (including the net proceeds from the exercise of the Over-allotment Option) are less than expected, we will decrease the intended use of our net proceeds for the above purposes on a pro rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes, we will only deposit those net proceeds into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**" and collectively, the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**" and collectively, the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of US$90 million or HK$706.45 million, calculated based on the conversion rate of US$1.00 to HK$7.85 (the "**Cornerstone Placing**"). The aggregate amount of the investment contributed by the Cornerstone Investors does not include brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee which the Cornerstone Investors will pay in respect of the International Offer Shares to be subscribed by them.

Based on the Offer Price of HK$66.00 per H Share, being the maximum Offer Price, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 10,703,700 Offer Shares, representing approximately (i) 26.76% of the H Shares offered pursuant to the Global Offering (assuming the Over-allotment Option is not exercised); (ii) 3.21% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan); and (iii) 3.15% of our total issued share capital immediately upon completion of the Global Offering and the full exercise of the Over-allotment Option (assuming no new Shares are issued under the 2023 Share Option Incentive Plan).

Our Company is of the view that the Cornerstone Investment will help raise the profile of our Company and to signify that such investors have confidence in our business and prospect. Further, we believe that we will benefit from the cornerstone investment, taking into account the business sectors they primarily focus on. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through introduction by the Company's business partners or Overall Coordinators.

The Cornerstone Placing will form part of the International Offering, and save as otherwise obtained consent by the Stock Exchange, the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and all the H Shares to be subscribed by the cornerstone investors will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors will not have any Board representation in our Company; and none of the Cornerstone Investors will become a Substantial Shareholder of our Company. The Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's Shares commence on the Stock Exchange. There will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares in full before the Listing.

To the best of the knowledge, information and belief of our Company, (i) the Cornerstone Investors are independent of the Company, its connected persons and their respective associates; (ii) none of the Cornerstone Investor is accustomed to take and has not taken instructions from the Company, our Directors, Supervisors, chief executive, the Single Largest Shareholder, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is directly or indirectly financed by the Company, our Directors, Supervisors, chief executive, the Single Largest Shareholder, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this Prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

To the best knowledge of our Company, the Cornerstone Investors make independent investment decisions, and their subscription under the Cornerstone Investment Agreements would be financed by their own internal resources, financial resources of its shareholders or (in the case of Cornerstone Investors which are funds or investment managers) the assets managed for its investors as its source of funding for the subscription of the Offer Shares, and they have sufficient funds to settle their respective investment under the Cornerstone Placing. Each of the Cornerstone Investor has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for the relevant cornerstone investment.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around July 3, 2025.

The table below sets forth the details of the Cornerstone Placing, assuming an Offer Price of HK$66.00, being the maximum Offer Price:

			Assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan		Assuming the Over-allotment Option is fully exercised and no new Shares are issued under the 2023 Share Option Incentive Plan	
Cornerstone Investors	**Total Investment Amount**	**Number of Offer Shares[1]**	**Approximate % of the Offer Shares**	**Approximate % of our total issued share capital**	**Approximate % of the Offer Shares**	**Approximate % of our total issued share capital**
	(US$ in million)					
Shanghai Greenwoods and HTCI (in connection with the Greenwoods OTC Swaps)	20	2,378,600	5.95%	0.71%	5.17%	0.70%
HK Greenwoods	20	2,378,600	5.95%	0.71%	5.17%	0.70%
Hosen Capital	20	2,378,600	5.95%	0.71%	5.17%	0.70%
QRT	10	1,189,300	2.97%	0.36%	2.59%	0.35%
FCP Domains	10	1,189,300	2.97%	0.36%	2.59%	0.35%
NonaVerse	10	1,189,300	2.97%	0.36%	2.59%	0.35%
Total	**90**	**10,703,700**	**26.76%**	**3.21%**	**23.27%**	**3.15%**

Notes:

(1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, and to be converted to Hong Kong dollars based on the exchange rate as disclosed in this Prospectus.

(2) Subject to rounding down to the nearest whole board lot of 100 H Shares. Calculated based on the exchange rate set out in the section headed "*Information about this Prospectus and the Global Offering — Exchange Rate Conversion*."

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by our Cornerstone Investors in connection with the Cornerstone Placing.

Shanghai Greenwoods and HTCI (in connection with the Greenwoods OTC Swaps)

Huatai Capital Investment Limited ("**HTCI**") and Huatai Securities Company Limited ("**HTSC**") will enter into a series of cross border delta-one OTC swap transactions (collectively, the "**Greenwoods OTC Swaps**") with each other and their ultimate clients (the "**HTCI Ultimate Clients (Greenwoods)**"), pursuant to which HTCI will hold the Offer Shares on a non-discretionary basis to hedge the Greenwoods OTC Swaps while the economic risks and returns of the underlying Offer Shares are passed to the HTCI Ultimate Clients (Greenwoods), subject to customary fees and commissions. The Greenwoods OTC Swaps will be fully funded by the HTCI Ultimate Clients (Greenwoods). During the terms of the Greenwoods OTC Swaps, all economic returns of the Offer Shares subscribed by HTCI will be passed to the HTCI Ultimate Clients (Greenwoods) and all economic loss shall be borne by the HTCI Ultimate Clients (Greenwoods) through the Greenwoods OTC Swaps, and HTCI will not take part in any economic return or bear any economic loss in relation to the Offer Shares. The Greenwoods OTC Swaps are linked to the Offer Shares and the HTCI Ultimate Clients (Greenwoods) may, after expiration of the lock-up period beginning from the date of the cornerstone agreement entered into among HTCI, the Company, the Joint Sponsors and the Overall Coordinators, and ending on the date which is six months from the Listing Date, request to early terminate the Greenwoods OTC Swaps at their own discretions, upon which HTCI may dispose of the Offer Shares on the secondary market and the HTCI Ultimate Clients (Greenwoods) will receive a final settlement amount of the Greenwoods OTC Swaps in cash in accordance with the terms and conditions of the Greenwoods OTC Swaps. Despite that HTCI will hold the legal title of the Offer Shares by itself, it will not exercise the voting rights attaching to the relevant Offer Shares during the terms of the Greenwoods OTC Swaps according to its internal policy. To the best of HTCI's knowledge after having made all reasonable inquiries, each of the HTCI Ultimate Clients (Greenwoods) is an independent third party of (i) the Company, the connected persons or associates thereof, and (ii) HTCI, and the companies which are members of the same group of Huatai Financial Holdings (Hong Kong) Limited ("**Huatai**"), and no single ultimate beneficial owner holds 30% or more interests in each of the HTCI Ultimate Clients (Greenwoods).

Both HTCI and Huatai, one of the Joint Bookrunners of the Global Offering, are indirect wholly-owned subsidiaries of HTSC, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601688), the H shares of which are listed on the Stock Exchange (stock code: 6886), and the global depositary receipts of which are listed on the London Stock Exchange (LON: HTSC). HTCI is a connected client (as defined under Appendix F1 to the Listing Rules) of Huatai, holding securities on a non-discretionary basis on behalf of independent third parties. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 5(1) of Appendix F1 to the Listing Rules to permit us to allocate the Offer Shares to HTCI. See "Waivers and Exemption — Consent in Respect of the Proposed Subscription of H Shares by a Cornerstone Investor who is a Connected Client".

The HTCI Ultimate Clients (Greenwoods) are certain domestic private funds (including a total of no more than seven funds) managed by Shanghai Greenwoods Asset Management Co., Ltd. (上海景林資產管理有限公司) ("**Shanghai Greenwoods**") in its capacity as fund manager. Shanghai Greenwoods is a private fund management company with the registration under the Asset Management Association of China (AMAC). Shanghai Greenwoods is one of the largest and earliest PRC domestic asset managers mainly specializing in investing into companies in the Greater China region. Shanghai Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds managed by Shanghai Greenwoods include institutional investors and high-net-worth individuals professional investors. Mr. Jiang Jinzhi, an Independent Third Party, is the chairman, a major shareholder and an ultimate beneficial owner of Shanghai Greenwoods. No other shareholder holds 30% or more interest in Shanghai Greenwoods. As confirmed by Shanghai Greenwoods, the subscription of the Offer Shares as cornerstone investor will be made by Shanghai Greenwoods in its capacity as the fund manager of domestic private funds through total return swap mechanism.

According to our PRC Legal Advisors, the aforementioned transaction structure does not violate the PRC laws and regulations.

HK Greenwoods

Greenwoods Asset Management Hong Kong Limited ("**HK Greenwoods**") is a private fund management company incorporated in Hong Kong with limited liability. Established in 2005, Greenwoods is one of the largest and earliest China-focused asset managers mainly specializing in investing into companies in the Greater China region. HK Greenwoods focuses on fundamental research, value investments, and local due diligence. Investors of funds and accounts managed by HK Greenwoods includes institutional investors and high-net-worth individuals professional investors. Mr. Jiang Jinzhi, an Independent Third Party, is the Chairman, a major shareholder and an ultimate beneficial owner of HK Greenwoods. As confirmed by HK Greenwoods, the subscription of the Offer Shares as a cornerstone investor will be made by HK Greenwoods in its capacity as the investment manager of Golden China Master Fund and no single ultimate beneficial owner holds 30% or more interests in Golden China Master Fund. HK Greenwoods and Shanghai Greenwoods are affiliate of each other.

Hosen Capital

HT Investment Limited ("**Hosen Capital**") was incorporated as an exempted company in the Cayman Islands. It is a wholly owned subsidiary of Hosen Private Equity III, L.P., a limited partnership formed under the laws of Cayman Islands, whose general partner is Hosen Private Equity III GP, LTD., which is ultimately controlled by Wang Hang and Alex Tianli Zhang, each an Independent Third Party. No single limited partner holds 30% or more partnership interests in Hosen Private Equity III, L.P.. Hosen Private Equity III, L.P. primarily focuses on investment in food and other consumer sectors relating to PRC and PRC consumers.

QRT

Torus Fund SP ("**Torus**") is a segregated portfolio of QRT Master Fund SPC, a Cayman Islands exempted company registered as a segregated portfolio company. There is no beneficial owner holding 30% or more of the shares in Torus. Torus is managed by Qube Research & Technologies Hong Kong Limited ("**QRT HK**") and certain affiliates of QRT HK (collectively "**QRT**"). QRT HK is a company incorporated in Hong Kong and licensed by the SFA to carry on type 9 (asset management) regulated activity. QRT deploys a diverse range of investments strategies across geographies, asset classes and time frames, combining data, research, technology, and trading expertise. There is no beneficial owner holding 30% or more interests in QRT.

FCP Domains

FCP Domains Co., Ltd. ("**FCP Domains**") was incorporated as an exempted company in the Cayman Islands and is principally engaged in equity investment. FCP Domains is a wholly owned subsidiary of Fengshion Capital Partners, Ltd., which is in turn wholly owned by Mr. Gao Feng (高豐), an Independent Third Party.

NonaVerse

NonaVerse (Hong Kong) Limited ("**NonaVerse**") is a company incorporated in Hong Kong with limited liability and licensed by the SFC to carry out Type 9 (asset management) regulated activity. NonaVerse invests globally with an Asia investment viewpoint, focusing on sectors including consumer goods, technology, and AI across the US, China, Japan, and both developed and emerging markets. NonaVerse deploys an investment approach based on deep fundamental analysis with a partnership framework, to identify opportunities with disruptive innovation and long-term structural trends. NonaVerse was founded in 2023 and has a physical presence across Asia including Hong Kong, Shanghai, Japan and Taiwan.

NonaVerse has entered into the cornerstone agreement in its capacity as the investment manager for and on behalf of NonaVerse Master Fund, Ltd, NonaVerse Concentration Fund, Ltd., and NonaVerse Variable Fund, Ltd.. Apart from Mr. Ye Guofu who is an Independent Third Party and holds 30% or more interest in NonaVerse Concentration Fund, Ltd. and NonaVerse Variable Fund, Ltd., no other single ultimate beneficial owner holds 30% or more interest in NonaVerse Master Fund, Ltd, NonaVerse Concentration Fund, Ltd., or NonaVerse Variable Fund, Ltd.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;

(ii) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);

(iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(iv) no laws shall have been enacted or promulgated which prohibits the consummation of the transactions contemplated in the Global Offering or the respective Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(v) the respective agreements, representations, warranties, undertakings, confirmations and acknowledgements of the Cornerstone Investors under the respective Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the Closing (as defined in the Cornerstone Investment Agreement)) accurate and true in all respects and not misleading and that there is no breach of the respective Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that without the prior written consent of our Company, the Joint Sponsors and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to the respective Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investor, including the Lock-up Period restriction.

HONG KONG UNDERWRITERS

Goldman Sachs (Asia) L.L.C.

China International Capital Corporation Hong Kong Securities Limited

Ping An Securities (Hong Kong) Company Limited

CMB International Capital Limited

China Securities (International) Corporate Finance Company Limited

Huatai Financial Holdings (Hong Kong) Limited

China Galaxy International Securities (Hong Kong) Co., Limited

UOB Kay Hian (Hong Kong) Limited

GF Securities (Hong Kong) Brokerage Limited

CCB International Capital Limited

China Industrial Securities International Capital Limited

UNDERWRITING

This Prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 3,999,500 Hong Kong Offer Shares and the International Offering of initially 35,995,200 International Offering Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this Prospectus as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such approval not having been subsequently revoked prior to the commencement of trading of the H Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this Prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect:

(i) there develops, occurs, exists or comes into force:

(a) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore, or other jurisdictions relevant to the Group or the Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(b) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions, taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

(c) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or

(d) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or

(e) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(f) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to this Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or

(g) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against any member of the Group or a director, supervisor or a senior management member of any member of the Group or announcing an intention to take any such action; or

(h) the imposition of sanctions or export controls in whatever form, directly or indirectly, on or relevant to any member of the Group or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(i) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or

(j) any non-compliance of this Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) ("**CSRC Filings**") or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

(k) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Director, Supervisor or senior management members as named in this Prospectus; or

(l) any contravention by any member of the Group or any Director or Supervisor of the Listing Rules or applicable laws; or

(m) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this Prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters): (A) has or will or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the

Company or the Group as a whole; or (B) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or (C) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents (as defined in the Hong Kong Underwriting Agreement) ("**Offering Documents**"); or (D) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(ii) there has come to the notice of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:

(n) any statement contained in any of the Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the "**Global Offering Documents**") was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

(o) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this Prospectus, constitute a material omission or misstatement in any Global Offering Document; or

(p) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by the Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(q) any event, act or omission which gives rise or is likely to give rise to any liability of the Company pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

(r) any breach of any of the obligations or undertakings imposed upon the Company to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or

(s) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement); or

(t) that the chairman of the Board, any Director, any Supervisor or any member of senior management of the Company named in this Prospectus seeks to retire, or is removed from office or vacating his/her office; or

(u) any Director, any Supervisor or any member of senior management of the Company named in this Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship or supervisorship of a company; or

(v) the Company withdraws this Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(w) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

(x) any person (other than any of the Joint Sponsors) has withdrawn its consent to the issue of this Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(y) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

(z) any person (other than the Joint Sponsors and the Overall Coordinators) has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents or to the issue of any of the Offering Documents; or (aa) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

(bb) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) ("**CSRC Rules**") or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable laws; or

(cc) (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, has been withdrawn, terminated or cancelled; or

(dd) the payment of the relevant order or investment amount has not been received or settled in the stipulated time and manner or otherwise,

then, in each case, the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not issue any further H Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) or enter into any agreement to such issue within six months from the Listing Date (whether or not such issue of H Shares or securities will be completed within six months from the Listing Date), except pursuant to the Global Offering, the exercise of the Over-allotment Option or for the circumstances permitted under Rule 10.08 of the Listing Rules.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

Except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option), during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**First Six-Month Period**"), the Company has undertaken to each of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries not to without the prior written consent of the Joint Sponsors and the Overall Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) ("**Encumbrance**") over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in the share capital or any other securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of the Company, as applicable), or deposit any share capital or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or

(iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

(iv) offer to or agree to do any of the foregoing specified in paragraphs (i), (ii) or (iii) or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six Month Period). The Company further agrees that, in the event the Company is allowed to enter into any of the transactions described in paragraphs (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the "**Second Six Month Period**"), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any Shares or other securities of the Company.

The Company has agreed and undertaken to each of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that it will comply with the minimum public float requirements specified in the Listing Rules or any waiver granted and not revoked by the Stock Exchange (the "**Minimum Public Float Requirement**"), and it will not effect any purchase of the H Shares, or agree to do so, which may reduce the holdings of the H Shares held by the public (as defined in Rule 8.24 of the Listing Rules) to below the Minimum Public Float Requirement or any waiver granted and not revoked by the Stock Exchange prior to the expiration of the First Six Month Period without first having obtained the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters).

Hong Kong Underwriters' interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any H Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any H Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with, among others, the International Underwriters. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offering Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See "Structure of the Global Offering — The International Offering" in this Prospectus.

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinators on behalf of the International Underwriters at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 5,999,200 H Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. See "Structure of the Global Offering — Over-allotment Option" in this Prospectus.

Commissions and Expenses

The Underwriters will receive an underwriting commission of 3.0% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option) (the "**Fixed Fees**"), out of which they will pay any sub-underwriting commissions and other fees.

The Company may, at its sole discretion, pay to any one or more of the Underwriters a discretionary incentive fee of an aggregate of up to 1.0% of the Offer Price for each Offer Share (the "**Discretionary Fees**"). As of the date of this prospectus, the allocation of a portion of the Fixed Fees remains subject to the Company's discretion. For the purpose of disclosure of the ratio of fixed and discretionary fees payable (the "**Fee Split Ratio**") as required under paragraph 3B of Appendix D1A to the Listing Rules, assuming the incentive fees are paid in full, the Fee Split Ratio will be approximately 63.75%:36.25%.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, and such commission will be paid to the relevant International Underwriters.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering (collectively, the "**Commissions and Fees**") are estimated to be approximately HK$149.8 million (assuming the Over-allotment Option is not exercised).

Indemnity

The Company has agreed to indemnify the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering" in this Prospectus. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this Prospectus.

39,994,700 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 3,999,500 H Shares (subject to reallocation) in Hong Kong as described in "— The Hong Kong Public Offering" in this section below; and

(b) the International Offering of initially 35,995,200 H Shares (subject to reallocation and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S and in the United States only to QIBs in reliance of Rule 144A or any other available exemption from registration under the U.S. Securities Act, as described in the sub-section headed "— The International Offering" in this section below.

Investors may either:

(i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(ii) apply for or indicate an interest for International Offering Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 12% of the total Shares in issue immediately following the completion of the Global Offering, assuming (i) the Over-allotment Option is not exercised; and (ii) without taking into account any Shares that may be issued under the 2023 Share Option Incentive Plan. If the Over-allotment Option is exercised in full (without taking into account any Shares that may be issued under the 2023 Share Option Incentive Plan), the Offer Shares (including H Shares issued pursuant to the full exercise of the Over-allotment Option) will represent approximately 13.6% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-Allotment Option.

References in this Prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

The Company is initially offering 3,999,500 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "— Conditions of the Global Offering" in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools: pool A and pool B (with any odd lot being allocated to pool A). The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 1,999,700 Hong Kong Offer Shares (being approximately 50% of the 3,999,500 Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation and clawback

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached.

If the International Offering is fully subscribed or oversubscribed and the number of Offer Shares validly applied for under the Hong Kong Public Offering represents (a) 15 times or more but less than 50 times; (b) 50 times or more but less than 100 times; and (c) 100 times or more of the total number of Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering. As a result of such reallocation, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 11,998,500 Offer Shares (in the case of (a)), 15,997,900 Offer Shares (in the case of (b)) and 19,997,400 Offer Shares (in the case of (c)), representing approximately 30%, approximately 40% and approximately 50% of the total number of Offer Shares initially available under the Global Offering, respectively (before any exercise of the Over-allotment Option) (the "**PN18 Clawback**"). In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

If the Hong Kong Public Offering is not fully subscribed for, the Overall Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators deem appropriate. In addition, the Overall Coordinators may in their sole discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In particular, if (i) the International Offering is not fully subscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offering is fully subscribed or oversubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed with the number of Offer Shares validly applied for in the Hong Kong Public Offering representing less than 15 times of the number of H Shares initially available for subscription under the Hong Kong Public Offering, the Overall Coordinators have the authority to reallocate International Offer Shares originally included in the International Offering to the Hong Kong Public Offering in such number as they deem appropriate, provided that in accordance with Chapter

4.14 of the Guide for New Listing Applicants issued by the Stock Exchange, the number of International Offer Shares reallocated to the Hong Kong Public Offering should not exceed 3,999,500 H Shares, representing approximately the number of the Offer Shares initially available under the Hong Kong Public Offering, increasing the total number of Offer Shares available under the Hong Kong Public Offering to 7,999,000 H Shares, representing twice the number of the Offer Shares initially available under the Hong Kong Public Offering.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Thursday, July 3, 2025.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offering Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he has been or will be placed or allocated International Offering Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application, the Offer Price of HK$66.00 per Offer Share in addition to the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$6,666.56 for one board lot of 100 H Shares. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this Prospectus.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

The International Offering will consist of an offering of initially 35,995,200 H Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation and the Over-allotment Option).

Allocation

The International Offering will include selective marketing of Offer Shares to QIBs in the United States and institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "— Pricing of the Global Offering" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further H Shares and/or hold or sell its H Shares after the Listing. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the H Shareholders as a whole.

The Overall Coordinators (on behalf of the International Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback arrangement described in "— The Hong Kong Public Offering — Reallocation and clawback" in this section above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

PRICING

Determining the Pricing of the Offer Shares

The Offer Price for the purposes of the various offerings under the Global Offering will be fixed between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date. The Price Determination Date is expected to be on or around Wednesday, July 2, 2025 (Hong Kong time) and in any event no later than 12:00 noon on Wednesday, July 2, 2025, and the allocation of the International Offer Shares under the International Offering will be determined shortly thereafter.

We will determine the Offer Price by reference to, among other factors, the closing price of the A Shares on the Shanghai Stock Exchange on the last trading day on or before the Price Determination Date (which is accessible to the Shareholders and potential investors at https://english.sse.com.cn/markets/equities/list/overview/?COMPANY_CODE=603345&STOCKCODE=603345), and the Offer Price will not be more than HK$66.00. The historical prices of our A Shares and trading volume on Shanghai Stock Exchange are set out below.

Period	High	Low	ADTV[(1)]
	(RMB)	*(RMB)*	*(A Shares)*
Year ended December 31, 2022	170.89	103.90	2,728,485
Year ended December 31, 2023	173.35	96.25	2,696,671
Year ended December 31, 2024	103.38	68.93	4,582,537
Year of 2025 (up to the Latest Practicable Date)	85.85	73.70	3,886,399

Note:

(1) Average daily trading volume ("**ADTV**") represents daily average number of the A Shares of the Company traded over the relevant period.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in "How to Apply for Hong Kong Offer Shares — B. Publication of Results."

Price Payable on Application

Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channel), the maximum Offer Price per Hong Kong Offer Share plus the brokerage fee of 1.0%, the SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, amounting to a total of HK$6,666.56 for one board lot of 100 H Shares. If the Offer Price, as finally determined in the manner described in "— Determining the Pricing of the Offer Shares" above, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in "How to Apply for Hong Kong Offer Shares."

Announcement of the Basis of Allocations

The level of applications in the Hong Kong Public Offering, level of indications of interest in the International Offering, and basis of allocations of the Hong Kong Offer Shares are expected to be made available through a variety of channels in the manner described in the subsection headed "How to Apply for the Hong Kong Offer Shares — B. Publication of Results."

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators at their sole and absolute discretion (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to an aggregate of 5,999,200 additional H Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, among other things, cover over-allocations in the International Offering, if any. We will delay delivery of the Offer Shares allocated to certain investors under the International Offering in order to cover over-allocation of the Offer Shares before exercise of the Over-allotment Option.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 1.9% of the total H Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of the Company; (b) may be discontinued at any time; and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering. The number of H Shares that may be over-allocated will not exceed the number of H Shares that may be sold under the Over-allotment Option, being 5,999,200 H Shares, which is approximately 15% of the Offer Shares initially available under the Global Offering.

Stabilization action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong. Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares; (b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares; (c) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases, and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

(a) the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;

(b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;

(c) liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;

(d) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Wednesday, July 30, 2025, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;

(e) the price of the H Shares cannot be assured to stay at or above the Offer Price either during or after the stabilization period by the taking of any stabilizing action; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 5,999,200 H Shares, representing up to approximately 15% of the initial Offer Shares, through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be paid before the Listing Date.

The Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, by using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or through stock borrowing arrangements or a combination of these means.

Reduction in Number of Offer Shares and/or Offer Price

The Overall Coordinators (on behalf of the Underwriters) may, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with our consent, reduce the number of Offer Shares below that stated in this prospectus at any time on or before the morning of the last day for making applications under the Hong Kong Public Offering. In this case, we will as soon as practicable after the decision to make the reduction (and no later than the morning of the last day for making applications under the Hong Kong Public Offering) publish on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **www.anjoyfood.com/** notice of the reduction, the cancellation of the Global Offering and the relaunch of the Global Offering at the revised number of Offer Shares. This notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as set out in this prospectus, as well as any other financial information which may change as a result of the reduction.

We will, as soon as practicable following the decision to make the reduction, in addition to publishing the notice, issue a supplemental prospectus containing details in relation to the change in the number of Offer Shares being offered. The Global Offering will be cancelled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before making applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares may not be made until or before the day which is the last day for making applications under the Hong Kong Public Offering.

In the absence of a notice of reduction, the number of Offer Shares (if the Company agrees with the Overall Coordinator (on behalf of the Underwriters)) will not be reduced.

Announcement of Offer Price and Basis of Allocations

The final Offer Price, the level of indications of interest in the Global Offering, the results of allocations and the basis of allotment of the Hong Kong Offer Shares are expected to be announced on Thursday, July 3, 2025 on the website of the Stock Exchange at **www.hkexnews.hk** and on the website of our Company at **www.anjoyfood.com/**.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed "Underwriting" in this Prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on, among other things:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the commencement of trading of the H Shares on the Stock Exchange;

(b) the Offer Price having been agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements or otherwise, in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published on the websites of the Company and the Stock Exchange at **www.anjoyfood.com/** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this Prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Friday, July 4, 2025, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, July 4, 2025, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, July 4, 2025.

The H Shares will be traded in board lots of 100 H Shares each and the stock code of the H Shares will be 2648.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG PUBLIC OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offer and below are the procedures for application.

This Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the *"HKEXnews > New Listings > New Listing Information"* section, and our website at www.anjoyfood.com.

The contents of this Prospectus are identical to the Prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address *(for the* **White Form eIPO** service *only).*

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing H Shareholder or close associates; or
- are a Director or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offer period will begin at 9:00 am on Wednesday, June 25, 2025 and end at 12:00 noon on Monday, June 30, 2025 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	www.eipo.com.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 am on Wednesday, June 25, 2025 to 11:30 a.m. on Monday, June 30, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Monday, June 30, 2025, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** service provider to apply on the terms and conditions in this Prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this Prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offer.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this Prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s)[2] as shown on your identity document	• Full name(s)[2] as shown on your identity document
• Identity document's issuing country or jurisdiction	• Identity document's issuing country or jurisdiction
• Identity document type, with order of priority:	• Identity document type, with order of priority:
i. HKID card; or	i. LEI registration document; or
ii. National identification document; or	ii. Certificate of incorporation; or
iii. Passport; and	iii. Business registration certificate; or
	iv. Other equivalent document; and
• Identity document number	• Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong Address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "**Unlisted company**" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "**Statutory control**" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	100 H Shares
Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment	:	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below. The maximum Offer Price is HK$66.00 per H Share.

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong. By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application
	HK$		*HK$*		*HK$*		*HK$*
100	6,666.56	2,000	133,331.22	10,000	666,656.10	300,000	19,999,683.00
200	13,333.13	2,500	166,664.03	20,000	1,333,312.20	400,000	26,666,244.00
300	19,999.68	3,000	199,996.84	30,000	1,999,968.30	500,000	33,332,805.00
400	26,666.24	3,500	233,329.64	40,000	2,666,624.40	600,000	39,999,366.00
500	33,332.80	4,000	266,662.45	50,000	3,333,280.50	700,000	46,665,927.00
600	39,999.37	4,500	299,995.25	60,000	3,999,936.60	800,000	53,332,488.00
700	46,665.93	5,000	333,328.06	70,000	4,666,592.70	900,000	59,999,049.00
800	53,332.49	6,000	399,993.65	80,000	5,333,248.80	1,000,000	66,665,610.00
900	59,999.05	7,000	466,659.26	90,000	5,999,904.90	1,250,000	83,332,012.50
1,000	66,665.61	8,000	533,324.88	100,000	6,666,561.00	1,500,000	99,998,415.00
1,500	99,998.41	9,000	599,990.49	200,000	13,333,122.00	1,999,700(1)	133,311,220.32

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "*— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply*" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this Prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this Prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this Prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons[1], the H Share Registrar and HKSCC will not be liable for any information and representations not in this Prospectus and any supplement to it;

1 Relevant Persons would include the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering.

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "*— G. Personal Data — 3. Purposes and 4. Transfer of personal data*" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "*— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares*" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this Prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial H Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the H Share Registrar or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through **White Form eIPO** service or **HKSCC EIPO** channel:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: with a "search by ID" function.	24 hours, from 11:00 p.m. on Thursday, July 3, 2025 to 12:00 midnight on Wednesday, July 9, 2025 (Hong Kong time)

Platform		Date/Time
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk**	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.anjoyfood.com/** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Thursday, July 3, 2025 (Hong Kong time).
Telephone	+852 2862 8555 – the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Friday, July 4, 2025 to Wednesday, July 9, 2025 (Hong Kong time) on a business day

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, July 2, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, July 2, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the Global Offer, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.anjoyfood.com/** by no later than 11:00 p.m. on Thursday, July 3, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "*— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited*" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Public Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the Global Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Friday, July 4, 2025 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate[2]		
For physical H Share certificates of 1,000,000 or more Offer Shares issued under your own name	Collection in person from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong **Time:** from 9:00 a.m. to 1:00 p.m. on Friday, July 4, 2025 (Hong Kong time). If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. **Note:** If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.

2 Except in the event of any Severe Weather Signals (as defined below) in force in Hong Kong in the morning on the business day before the Listing Date rendering it impossible for the relevant share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the Hong Kong Share Registrar to arrange for delivery of the supporting documents and share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— *E. Severe Weather Arrangements*" in this section.

	White Form eIPO service	HKSCC EIPO channel
For physical H Share certificates of less than 1,000,000 Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk **Time:** Thursday, July 3, 2025	
Refund mechanism for surplus application monies paid by you		
Date	Friday, July 4, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account .	**White Form** e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Monday, June 30, 2025 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an "extreme conditions" announcement issued after a super typhoon ("**Extreme Conditions**"),

(collectively, "**Severe Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, June 30, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Severe** Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this Prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.anjoyfood.com/** of the revised timetable.

If a **Severe** Weather Signal is hoisted on Thursday, July 3, 2025, the H Share Registrar will make appropriate arrangements for the delivery of the share certificates to the CCASS Depository's service counter so that they would be available for trading on Friday, July 4, 2025.

If a **Severe** Weather Signal is hoisted on Thursday, July 3, 2025:

- for physical share certificates of less than 1,000,000 Offer Shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, July 3, 2025 or on Friday, July 4, 2025).

If a **Severe** Weather Signal is hoisted on Friday, July 4, 2025:

- for physical share certificates of 1,000,000 or more Offer Shares issued under your own name, you may pick them up from the H Share Registrar's office after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Friday, July 4, 2025 or on Monday, July 7, 2025).

Prospective investors should be aware that if they choose to receive physical share certificates issued in their own name, there may be a delay in receiving the share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Public Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

a. processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this Prospectus and announcing results of allocation of Hong Kong Offer Shares;

b. compliance with applicable laws and regulations in Hong Kong and elsewhere;

c. registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;

d. maintaining or updating the register of members of the Company;

e. verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;

f. facilitating Hong Kong Offer Shares balloting;

g. establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;

h. distributing communications from the Company and its subsidiaries;

i. compiling statistical information and profiles of the holder of the H Shares;

j. disclosing relevant information to facilitate claims on entitlements; and

k. any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

a. the Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar;

b. HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);

c. any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;

d. the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and

e. any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this Prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ANJOY FOODS GROUP CO., LTD, GOLDMAN SACHS (ASIA) L.L.C. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Anjoy Foods Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-93, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 (the "Relevant Years"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-93 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 25 June 2025 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 (the "Relevant Years") and of the financial performance and cash flows of the Group for each of the Relevant Years in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Years.

Ernst & Young
Certified Public Accountants
Hong Kong
25 June 2025

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Years, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December 2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
CONTINUING OPERATIONS				
Revenue	5	12,105,618	13,964,878	15,029,588
Cost of sales		(9,545,090)	(10,807,721)	(11,621,306)
Gross profit		2,560,528	3,157,157	3,408,282
Other income and gains, net	6	243,266	290,377	261,713
Selling and distribution expenses		(873,000)	(925,754)	(986,208)
Administrative expenses		(375,471)	(426,785)	(553,816)
Research and development expenses		(93,328)	(94,471)	(97,214)
Other expenses	7	(11,347)	(58,965)	(39,686)
Finance costs	9	(12,376)	(14,215)	(1,540)
(Impairment losses)/reversal of impairment losses on financial assets		(11,457)	4,413	(7,326)
Share of (loss)/profit of an associate		(4)	4,452	4,070
PROFIT BEFORE TAX	8	1,426,811	1,936,209	1,988,275
Income tax expense	12	(309,307)	(435,049)	(474,657)
PROFIT FOR THE YEAR		1,117,504	1,501,160	1,513,618
Profit attributable to:				
Owners of the parent		1,101,030	1,478,067	1,484,831
Non-controlling interests		16,474	23,093	28,787
		1,117,504	1,501,160	1,513,618
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic				
– For profit for the year (RMB)	14	3.89	5.04	5.08
Diluted				
– For profit for the year (RMB)	14	3.87	5.04	5.08

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
PROFIT FOR THE YEAR	1,117,504	1,501,160	1,513,618
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent years:			
Exchange differences on translation of foreign operations	(979)	3,210	1,521
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,116,525	1,504,370	1,515,139
Total comprehensive income attributable to:			
Owners of the parent	1,100,345	1,480,313	1,485,895
Non-controlling interests	16,180	24,057	29,244
	1,116,525	1,504,370	1,515,139

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2022	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*15*	4,139,075	5,166,525	5,363,911
Right-of-use assets	*16(a)*	368,625	382,562	462,468
Goodwill	*17*	806,500	770,407	739,129
Other intangible assets	*18*	339,873	305,047	268,999
Investment in an associate	*19*	9,496	15,096	13,764
Other non-current assets	*20*	43,629	80,065	19,226
Deferred tax assets	*22*	143,357	154,381	157,030
Total non-current assets		5,850,555	6,874,083	7,024,527
CURRENT ASSETS				
Inventories	*23*	3,136,836	3,566,705	3,284,638
Trade and bills receivables	*24*	736,997	572,084	626,127
Prepayments, other receivables and other assets	*25*	241,987	278,852	339,427
Financial assets at fair value through profit or loss	*26*	672,325	1,033,242	3,321,233
Restricted cash and time deposits	*27*	2,446,105	448,011	550,826
Cash and cash equivalents	*27*	3,057,910	4,527,451	2,228,322
Total current assets		10,292,160	10,426,345	10,350,573
CURRENT LIABILITIES				
Trade and bills payables	*29*	1,327,301	1,288,469	1,379,710
Other payables and accruals	*30*	1,885,979	2,229,172	1,711,352
Due to related parties – trade payables	*31*	–	7,751	16,449
Interest-bearing bank and other borrowings	*28*	489,905	326,341	112,095
Lease liabilities	*16(b)*	3,584	1,563	6,477
Tax payables		155,983	152,767	175,159
Dividends payable		–	–	277,527
Total current liabilities		3,862,752	4,006,063	3,678,769
NET CURRENT ASSETS		6,429,408	6,420,282	6,671,804
TOTAL ASSETS LESS CURRENT LIABILITIES		12,279,963	13,294,365	13,696,331

	Notes	As at 31 December		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Deferred income	34	118,459	132,121	131,686
Interest-bearing bank and other borrowings	28	2,266	1,465	490
Lease liabilities	16(b)	1,420	2,175	36,195
Deferred tax liabilities	22	211,482	248,881	255,481
Other payables and accruals	30	47,327	9,140	2,146
Total non-current liabilities		380,954	393,782	425,998
NET ASSETS		11,899,009	12,900,583	13,270,333
EQUITY				
Share capital	36	293,294	293,294	293,294
Treasury shares		(47,053)	(45,714)	(108,593)
Reserves	38(a)	11,433,043	12,380,443	12,767,828
Total equity attributable to the owners of the parent		11,679,284	12,628,023	12,952,529
Non-controlling interests		219,725	272,560	317,804
Total equity		11,899,009	12,900,583	13,270,333

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to owners of the parent								
	Share capital	**Capital reserve***	**Statutory reserve***	**Exchange fluctuation reserves***	**Treasury shares**	**Retained earnings***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 *(note 36)*	*RMB'000* *(note 38)*	*RMB'000* *(note 38)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	244,424	2,419,919	138,325	(987)	(104,660)	2,376,400	5,073,421	70,369	5,143,790
Profit for the year	–	–	–	–	–	1,101,030	1,101,030	16,474	1,117,504
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	–	–	–	(685)	–	–	(685)	(294)	(979)
Total comprehensive (loss)/income for the year	–	–	–	(685)	–	1,101,030	1,100,345	16,180	1,116,525
Issue of shares	48,885	5,625,671	–	–	–	–	5,674,556	–	5,674,556
Share issue expenses	–	(39,982)	–	–	–	–	(39,982)	–	(39,982)
Capital injection from non-controlling equity holders	–	–	–	–	–	–	–	7,222	7,222
Share awards arrangements *(note 37)*	–	24,394	–	–	–	–	24,394	–	24,394
Vesting of restricted A shares	–	–	–	–	57,221	–	57,221	–	57,221
Forfeiting of restricted A shares	(15)	(729)	–	–	386	–	(358)	–	(358)
Final 2021 dividend	–	–	–	–	–	(205,013)	(205,013)	–	(205,013)
Transfer from retained profits	–	–	9,581	–	–	(9,581)	–	–	–
Acquisition of a subsidiary *(note 40)*	–	–	–	–	–	–	–	128,515	128,515
Others	–	(5,300)	–	–	–	–	(5,300)	(2,561)	(7,861)
As at 31 December 2022	293,294	8,023,973	147,906	(1,672)	(47,053)	3,262,836	11,679,284	219,725	11,899,009

Year ended 31 December 2023

	Attributable to owners of the parent								
	Share capital	**Capital reserve***	**Statutory reserve***	**Exchange fluctuation reserves***	**Treasury shares**	**Retained earnings***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 *(note 36)*	*RMB'000* *(note 38)*	*RMB'000* *(note 38)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	293,294	8,023,973	147,906	(1,672)	(47,053)	3,262,836	11,679,284	219,725	11,899,009
Profit for the year	–	–	–	–	–	1,478,067	1,478,067	23,093	1,501,160
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	–	–	–	2,246	–	–	2,246	964	3,210
Total comprehensive income for the year	–	–	–	2,246	–	1,478,067	1,480,313	24,057	1,504,370
Vesting of restricted A shares	–	–	–	–	47,053	–	47,053	–	47,053
Capital injection from non-controlling equity shareholders	–	–	–	–	–	–	–	28,778	28,778
Share-based payment arrangements *(note 37)*	–	19,208	–	–	–	–	19,208	–	19,208
Repurchase of A-shares	–	–	–	–	(45,714)	–	(45,714)	–	(45,714)
Final 2022 dividend	–	–	–	–	–	(330,543)	(330,543)	–	(330,543)
2023 Interim dividend	–	–	–	–	–	(221,437)	(221,437)	–	(221,437)
Others	–	(141)	–	–	–	–	(141)	–	(141)
As at 31 December 2023	293,294	8,043,040	147,906	574	(45,714)	4,188,923	12,628,023	272,560	12,900,583

Year ended 31 December 2024

	Attributable to owners of the parent								
	Share capital	Capital reserve*	Statutory reserve*	Exchange fluctuation reserves*	Treasury shares	Retained earnings*	Total	Non-controlling interests	Total equity
	RMB'000 *(note 36)*	*RMB'000* *(note 38)*	*RMB'000* *(note 38)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	293,294	8,043,040	147,906	574	(45,714)	4,188,923	12,628,023	272,560	12,900,583
Profit for the year	–	–	–	–	–	1,484,831	1,484,831	28,787	1,513,618
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	–	–	–	1,064	–	–	1,064	457	1,521
Total comprehensive income for the year	–	–	–	1,064	–	1,484,831	1,485,895	29,244	1,515,139
Capital injection from non-controlling equity shareholders	–	–	–	–	–	–	–	16,000	16,000
Share options arrangements (*note 37*)	–	100,808	–	–	–	–	100,808	–	100,808
Repurchase of A-shares	–	–	–	–	(62,879)	–	(62,879)	–	(62,879)
Final 2023 dividend	–	–	–	–	–	(518,647)	(518,647)	–	(518,647)
2024 Interim dividend	–	–	–	–	–	(680,671)	(680,671)	–	(680,671)
As at 31 December 2024	293,294	8,143,848	147,906	1,638	(108,593)	4,474,436	12,952,529	317,804	13,270,333

* These reserve accounts comprise the consolidated reserves of RMB11,433,043,000, RMB12,380,443,000 and RMB12,767,828,000 in the consolidated statements of financial position as at 31 December 2022, 2023 and 2024, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax:		1,426,811	1,936,209	1,988,275
Adjustments for:				
Depreciation of property, plant and equipment	*15*	314,442	373,476	451,759
Depreciation of right-of-use assets	*16(a)*	11,428	12,383	14,479
Amortisation of other intangible assets	*18*	28,363	40,008	40,064
Interest income	*6*	(88,677)	(105,424)	(73,873)
Gain on disposal of financial assets at fair value through profit or loss	*6*	(7,738)	(16,519)	(26,554)
Unrealised fair value gains on financial assets at fair value through profit or loss	*6*	(2,500)	(9,162)	(16,676)
Compensation from non-controlling shareholder of subsidiary	*26*	–	–	(47,115)
Loss on disposal of items of property, plant and equipment and right-of-use assets	*7*	8,021	20,849	5,485
Finance costs	*9*	12,376	14,215	1,540
Impairment of property, plant and equipment	*7*	1,023	–	–
Impairment of inventories	*8*	45,029	29,255	20,927
Impairment losses/(reversal of impairment losses) on financial assets, net	*8*	11,457	(4,413)	7,326
Share-based payment expenses	*37*	33,460	19,208	100,808
Share of profit and loss of an associate		4	(4,452)	(4,070)
Impairment of goodwill	*17*	–	36,093	31,278
		1,793,499	2,341,726	2,493,653
(Increase)/decrease in inventories		(382,717)	(460,272)	261,500
(Increase)/decrease in trade and bills receivables		(41,513)	116,005	(60,674)
Increase in prepayments, other receivables and other assets		(18,131)	(24,847)	(66,442)
Decrease in other non-current assets		3,970	2,845	227
Decrease in restricted cash and time deposits		7,571	25,685	17,811

	Note	Year ended 31 December		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
(Decrease)/increase in trade and bills payables		(128,977)	(38,832)	91,241
Increase/(decrease) in other payables and accruals		273,422	272,694	(348,811)
(Decrease)/increase in deferred income		(1,439)	282	1,092
Increase in due to related parties – trade		–	7,751	8,698
Cash generated from operations		1,505,685	2,243,037	2,398,295
Interest received		51,750	84,750	66,077
Income tax paid		(196,108)	(420,729)	(440,357)
Net cash flows generated from operating activities		1,361,327	1,907,058	2,024,015
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of items of property, plant and equipment		3,054	4,023	6,292
Purchase of items of property, plant and equipment		(1,038,061)	(1,415,423)	(844,366)
Purchase of other intangible assets		(5,311)	(5,493)	(4,257)
Purchases of financial assets at fair value through profit or loss		(2,100,000)	(3,006,000)	(11,079,526)
Purchases of time deposits		(2,346,258)	(546,365)	(527,000)
Purchases of right-of-use assets		(29,699)	(23,542)	(52,657)
Receipt of government grants for property, plant and equipment		39,200	48,597	66,069
Proceeds from disposal of financial assets at fair value through profit or loss		1,485,083	2,651,000	8,846,111
Proceeds from disposal of time deposits		50,000	2,539,448	416,364
Income from disposal of financial assets at fair value through profit or loss		7,953	19,764	35,769
Investment in an associate		(9,500)	–	–
Acquisition of subsidiaries, net of cash	40	(805,699)	–	–
Dividends received from associate		–	–	5,042
Net cash flows (used in)/generated from investing activities		(4,749,238)	266,009	(3,132,159)

	Note	Year ended 31 December 2022	2023	2024
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from interest-bearing bank and other borrowings		661,800	564,500	483,000
Repayment of interest-bearing bank and other borrowings		(661,146)	(679,213)	(697,985)
Principal portion of lease payments		(4,414)	(4,746)	(3,713)
Share issue expenses		(36,963)	–	–
Dividends paid		(205,013)	(551,980)	(921,791)
Interest paid for interest-bearing bank and other borrowings		(14,274)	(17,017)	(7,993)
Proceeds from government grants related to loan interest		–	–	7,160
Issue of shares		5,674,556	–	–
Payment of listing expense		–	–	(2,442)
Capital injection from non-controlling equity shareholders		7,222	28,778	16,000
Repurchase of ordinary stocks		(386)	(45,714)	(62,879)
Net cash flows generated from/(used in) financing activities		5,421,382	(705,392)	(1,190,643)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,033,471	1,467,675	(2,298,787)
Cash and cash equivalents at beginning of year		1,024,626	3,057,910	4,527,451
Effect of foreign exchange differences, net		(187)	1,866	(342)
CASH AND CASH EQUIVALENTS AT END OF YEAR		3,057,910	4,527,451	2,228,322
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	27	2,356,097	4,527,451	2,228,322
Non-pledged time deposits with original maturity of less than three months when acquired	27	701,813	–	–
Cash and cash equivalents as stated in the statements of cash flows and the statements of financial position		3,057,910	4,527,451	2,228,322

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	15	234,000	215,524	200,970
Right-of-use assets	16(a)	17,714	17,170	15,950
Other intangible assets	18	6,890	8,727	9,585
Other non-current assets	20	4,082	2,790	1,226
Investments in subsidiaries	21	6,144,429	6,447,429	8,861,935
Total non-current assets		6,407,115	6,691,640	9,089,666
CURRENT ASSETS				
Inventories	23	232,868	178,820	190,261
Trade and bills receivables	24	21	2	3
Prepayments, other receivables and other assets	25	12,928	17,015	10,074
Due from subsidiaries	33	2,798,574	2,857,447	204,202
Financial assets at fair value through profit or loss	26	50,109	101,597	1,372,545
Restricted cash and time deposits	27	574,430	202,801	366,904
Cash and cash equivalents	27	134,825	244,571	151,621
Total current assets		3,803,755	3,602,253	2,295,610
CURRENT LIABILITIES				
Trade and bills payable	29	120,625	101,214	94,340
Other payables and accruals	30	821,567	1,001,834	1,794,552
Due to related parties	31	–	260	2,609
Due to subsidiaries	32	10,686	13,421	32,750
Lease liabilities	16(b)	1,205	727	313
Tax payable		–	–	17,256
Dividends payable		–	–	277,527
Total current liabilities		954,083	1,117,456	2,219,347
NET CURRENT ASSETS		2,849,672	2,484,797	76,263
TOTAL ASSETS LESS CURRENT LIABILITIES		9,256,787	9,176,437	9,165,929
NON-CURRENT LIABILITIES				
Deferred income	34	28,024	20,935	17,557
Lease liabilities	16(b)	423	829	516
Deferred tax liabilities	22	6,384	40,907	55,895
Other financial liabilities		13,601	6,902	–
Total non-current liabilities		48,432	69,573	73,968
NET ASSETS		9,208,355	9,106,864	9,091,961
EQUITY				
Share capital	36	293,294	293,294	293,294
Treasury shares		(47,053)	(45,714)	(108,593)
Reserves	38(b)	8,962,114	8,859,284	8,907,260
Total equity		9,208,355	9,106,864	9,091,961

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China (hereinafter referred to as "PRC"). The registered office of the Company is located at No. 2508, Xinyang Road, Haicang District, Xiamen. The Company's A shares have been listed on the Shanghai Stock Exchange since 22 February 2017.

In the opinion of the directors, the controlling shareholder of the Company is Fujian Guoli Minsheng Technology Development Co., Ltd. (福建國力民生科技發展有限公司).

During the Relevant Years, the Company and its subsidiaries (together as the "Group") were mainly involved in the food procession, production and wholesaling.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies. The particulars of principal subsidiaries are set out below:

Name*	Place and date of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
無錫華順民生食品有限公司 (Wuxi Huashun Minsheng Foods Co., Ltd.) *(i)*	PRC/Mainland China 9 December 2005	RMB500,000,000	96.84%	3.16%	Food processing and production
無錫安井食品營銷有限公司 (Wuxi Anjoy Foods Marketing Co., Ltd.) *(i)*	PRC/Mainland China 5 November 2007	RMB312,000,000	100.00%	–	Food wholesaling and retailing
泰州安井食品有限公司 (Taizhou Anjoy Foods Co., Ltd.) *(i)*	PRC/Mainland China 28 March 2011	RMB965,000,000	100.00%	–	Food processing and production
香港安井食品有限公司 (Hong Kong Anjoy Foods Limited) *(ii)*	Hong Kong 24 February 2012	USD4,000,000	100.00%	–	Investment
遼寧安井食品有限公司 (Liaoning Anjoy Foods Co., Ltd.) *(i)*	PRC/Mainland China 23 July 2013	RMB635,000,000	100.00%	–	Food processing and production
四川安井食品有限公司 (Sichuan Anjoy Foods Co., Ltd.) *(i)*	PRC/Mainland China 3 May 2016	RMB810,000,000	100.00%	–	Food processing and production
湖北安井食品有限公司 (Hubei Anjoy Foods Co., Ltd.) *(i)*	PRC/Mainland China 27 November 2017	RMB500,000,000	100.00%	–	Food processing and production
河南安井食品有限公司 (Henan Anjoy Foods Co., Ltd.) *(i)*	PRC/Mainland China 18 October 2018	RMB930,000,000	100.00%	–	Food processing and production
廣東安井食品有限公司 (Guangdong Anjoy Foods Co., Ltd.) *(i)*	PRC/Mainland China 26 May 2020	RMB766,000,000	100.00%	–	Food processing and production
山東安井食品有限公司 (Shandong Anjoy Foods Co., Ltd.) *(i)*	PRC/Mainland China 2 April 2021	RMB655,000,000	100.00%	–	Food processing and production

Name*	Place and date of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
湖北安潤食品有限公司 (Hubei Anrun Foods Co., Ltd.) *(i)*	PRC/Mainland China 13 April 2021	RMB20,000,000	100.00%	–	Food processing and production
廈門安井凍品先生供應鏈有限公司 (Xiamen Anjoy Mr. Frozen Supply Chain Co., Ltd.) *(i)*	PRC/Mainland China 18 November 2020	RMB50,000,000	100.00%	–	Food wholesaling and retailing
洪湖市新宏業食品有限公司 (Honghu Xinhongye Food Co., Ltd.) *(i)*	PRC/Mainland China 25 October 2017	RMB80,000,000	90.00%	–	Food processing and production
洪湖市新宏業水產有限公司 (Honghu Xinhongye Aquatic Co., Ltd.) *(i)*	PRC/Mainland China 4 December 2017	RMB2,000,000	–	90.00%	Food processing and production
洪湖市宏業生態農業有限公司 (Honghu Hongye Eco-agriculture Co., Ltd.) *(i)*	PRC/Mainland China 31 October 2017	RMB2,000,000	–	90.00%	Food processing and production
Oriental Food Express Limited *(v)*	England 10 May 2011	GBP1,416	69.99%	–	Food production and retailing
Good News International Trading Europe B.V *(v)*	Holland 4 January 2021	EUR1,000	–	69.99%	Food wholesaling and retailing
Good News International Trading Limited *(v)*	England 1 February 2019	GBP100	–	69.99%	Food wholesaling and retailing
洪湖安井食品有限公司 (Honghu Anjoy Foods Co., Ltd.) *(iii)*	PRC/Mainland China 15 March 2022	RMB670,000,000	90.00%	–	Food processing and production
湖北新柳伍食品集團有限公司 (Hubei New Liuwu Foodstuff Group Co., Ltd.) *(i)*	PRC/Mainland China 23 July 2019	RMB260,000,000	70.00%	–	Food processing and production
潛江市新柳伍食品科技有限公司 (Qianjiang New Liuwu Food Technology Co., Ltd.) *(i)*	PRC/Mainland China 15 December 2021	RMB80,000,000	–	70.00%	Food processing and production
湖北松林生物飼料有限公司 (Hubei Songlin Biological Feed Co., Ltd.) *(i)*	PRC/Mainland China 4 January 2022	RMB5,000,000	–	70.00%	Food processing and production
江西柳伍食品有限公司 (Jiangxi Liuwu Co., Ltd. *(iv)*	PRC/Mainland China 14 November 2023	RMB20,000,000	–	70.00%	Food processing and production
廈門安井電子商務有限公司 (Xiamen Anjoy E-commerce Co., Ltd.) *(iv)*	PRC/Mainland China 11 January 2023	RMB10,000,000	100.00%	–	Food wholesaling and retailing
廈門安井食品工業有限公司 (Xiamen Anjoy Food Industry Co., Ltd.) *(iv)*	PRC/Mainland China 1 February 2023	RMB610,000,000	100.00%	–	Food processing and production

* The English names of the PRC companies above represent management's best efforts in translating the Chinese names of these companies as no English names have been registered.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results during the Relevant Years or formed a substantial portion of the net assets of the Group.

Notes:

(i) The statutory financial statements of these companies for the years ended 31 December 2022, 2023 and 2024 prepared in accordance with the PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)).

(ii) The statutory financial statements of this company for the years ended 31 December 2022, 2023 and 2024 prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") were audited by IP YING HO Certified Public Accountants LLP (葉永豪會計師事務所).

(iii) The statutory financial statements of this company for the years ended 31 December 2023 and 2024 prepared in accordance with the PRC GAAP were audited by BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)).

(iv) No audited statutory financial statements of these companies have been prepared for these companies for the year ended 31 December 2023 as they were established in 2023. The statutory financial statements of this company for the year ended 31 December 2024 prepared in accordance with the PRC GAAP were audited by BDO China SHU LUN PAN Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)).

(v) No audited statutory financial statements of these companies have been prepared for these companies as there is no statutory requirement to issue statutory financial statements at its place of incorporation.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all accounting standards and interpretations approved by the International Accounting Standards Board (the "IASB").

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2024, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information consistently throughout the Relevant Years covered by the Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the years ended 31 December 2022, 2023 and 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Issued but not yet Effective IFRS Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvement to IFRS Accounting Standards — Volume 11	*Amendments to IFRS 1, IFRS7, IFRS9, IFRS10 and IAS 7*[2]

1 Effective for annual periods beginning on or after 1 January 2025

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual/reporting periods beginning on or after 1 January 2027

4 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18. The new standard is not expected to have any impact on the Group's results of operations and financial position but has impact on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior years are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards — Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.3 Material Accounting Policies

Investments in an associate

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its certain of financial assets and equity investments at fair value at the end of each of the Relevant Years. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Years.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statements of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Years as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statements of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Category	Principal annual rate
Buildings	3.0%-9.5%
Machinery equipment	9.0%-32.0%
Motor vehicles	18.0%-32.0%
Office equipment	18.0%-32.0%
Other equipment	9.0%-19.2%
Leasehold improvements	20.0%-33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statements of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 2 to 10 years based on the Group's past experiences and different purposes on usages of the software and the authorised period for such uses.

Trademarks and patent rights

Trademarks and patent rights acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Trademarks and patent rights with finite useful lives are stated at their cost less any impairment losses and are amortised on a straight-line basis over their estimated useful lives of 10 years. The Group determines their useful lives with reference to the estimated periods that the Group intends to derive future economic benefits from the use of the assets.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. When no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office premises and plant	3-5 years
Leasehold land	50 years
Machine	3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of warehouses and office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of office equipment that are considered to be of low value.

Lease payments on short-term leases of warehouses as the cost of sales on a straight-line basis over the lease term. Lease payments on short-term leases of office premises and leases of low-value assets are mainly recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets measured at amortised cost (including cash and cash equivalents, restricted cash and time deposits, trade and bills receivables and other receivables). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statements of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statements of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including short-term bank deposits and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Years of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statements of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in OCI or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Years, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Years between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of quick frozen foods

Revenue from the sale of home meal and other food related products is recognised at the point in time when control of the asset is transferred to the customer.

Some contracts for the sale of quick frozen foods provide customers with volume rebates, giving rise to variable consideration.

<u>Volume rebates</u>

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates restricted A share incentive scheme and share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration in exchange for equity instruments (“equity-settled transactions”).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of restricted A share is determined by an external valuer using the closing price for employees and the Black-Scholes formula for executives respectively. The fair value of share option for employees and executives is determined by an external valuer using the Black-Scholes formula. Since there are no cash settlement alternatives, the Group accounts for the restricted A share incentive scheme and share option scheme as an equity-settled share option scheme, further details of which are given in note 37 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statements of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Foreign currencies

These Historical Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the Historical Financial Information of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has unrecognised deferred tax assets in respect of tax losses as at 31 December 2022, 2023 and 2024 amounting to Nil, RMB535,000 and RMB910,000, respectively. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details on deferred taxes are disclosed in note 22 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill were RMB806,500,000, RMB770,407,000, and RMB739,129,000 as at 31 December 2022, 2023 and 2024. Further details are given in note 17 to the Historical Financial Information.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrated the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products, consumer price index, deposit reserve ratio, inflation rate and rate of unemployment) are expected to deteriorate over the next year which can lead to an increased number of defaults in the retail sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 24 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at 31 December 2022, 2023 and 2024. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment, right-of-use assets, other intangible assets, investments in an associate and other non-current assets are set out in notes 15, 16, 18, 19 and 20 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no reportable segment information is presented.

Geographical information

Since over 99% of the Group's revenue and operating profits are derived from customers based in Mainland China and over 99% of the Group's identifiable assets and liabilities are in Mainland China, no further geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

No sales to a single customer accounted for 10% or more of the Group's revenue during the year ended 31 December 2022, 2023 and 2024.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers			
Sale of food products	12,105,618	13,964,878	15,029,588
Timing of revenue recognition			
Goods are satisfied at a point in time	12,105,618	13,964,878	15,029,588

The following table shows the amounts of revenue recognised in each of the Relevant Years that were included in the contract liabilities at the beginning of the Relevant Years:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the year:			
Sale and rebate allowance of food products	504,909	683,328	869,151

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of food products

The performance obligation is satisfied when control of the food products is transferred to the customers and payment is generally due within 60 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with volume rebates which gives rise to variable consideration.

The Group has no revenue contract that has an original expected duration of more than one year. Thus, management applied practical expedient under IFRS15 and did not disclose the aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied or partially satisfied as at the end of 31 December 2022 and 2023 and 2024.

6. OTHER INCOME AND GAINS, NET

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Government grants related to			
– income *(i)*	115,573	125,278	57,040
– assets *(ii)*	12,700	15,711	17,756
Interest income	88,677	105,424	73,873
Income from sales of scrap, net	12,989	13,635	16,330
Total other income	229,939	260,048	164,999
Gains, net			
Foreign exchange gains, net	–	25	–
Unrealised fair value gains on wealth management products	2,500	9,162	16,676
Compensation from non-controlling shareholder of subsidiary *(iii)*	–	–	47,115
Gain on disposal of financial assets at fair value through profit or loss	7,738	16,519	26,554
Others	3,089	4,623	6,369
Total gains, net	13,327	30,329	96,714
Total other income and gains, net	243,266	290,377	261,713

(i) The government grants related to income have been received to reward for the Group's contribution to the local economic growth. These grants related to income are recognised in the consolidated statements of profit or loss upon receipt of these rewards and the related conditions associated with the rewards, if any, are met. There are no unfulfilled conditions or other contingencies attaching to these grants.

(ii) The Group has received certain government grants related to the investments in production plants and related to income. The grants related to assets were net off the book value of related assets or recognised in the consolidated statements of profit or loss over the useful lives of relevant assets. Details of these grants related to assets are set out in note 34 to the Historical Financial Information.

(iii) This gain represents the compensation payable to the Company by non-controlling shareholders of Hubei New Liuwu Foodstuff Group Co., Ltd due to its failure to meet the cumulative net profit commitments for years 2022, 2023, and 2024 as stipulated in the share transfer agreement signed with the Company in April 2022. Further details are disclosed in note 40 to the financial statements.

7. OTHER EXPENSES

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Donations	1,309	485	267
Foreign exchange losses, net	85	–	481
Loss on disposal of items of property, plant and equipment and right-of-use assets	8,021	20,849	5,485
Bank charges	797	788	642
Impairment loss of non-financial assets	1,023	36,093	31,278
Others	112	750	1,533
Total	11,347	58,965	39,686

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December 2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Cost of goods sold		7,597,894	8,551,308	9,074,548
Depreciation of property, plant and equipment	*15*	314,442	373,476	451,759
Depreciation of right-of-use assets	*16(a)*	11,428	12,383	14,479
Interest on lease liabilities	*16(c)*	226	134	399
Lease payments not included in the measurement of lease liabilities		12,584	14,892	15,387
Amortisation of other intangible assets*	*18*	28,363	40,008	40,064
Employee benefit expense (including directors', chief executive's and supervisors' remuneration as set out in note 10):				
Wages and salaries		1,236,787	1,396,672	1,538,107
Share-based payment expenses	*37*	33,460	19,208	100,808
Pension scheme contributions, social welfare and other welfare**		165,898	191,659	226,040
Other employee benefits		73,648	125,177	100,532
Research and development cost***		93,328	94,471	97,214
Listing expense		–	–	271
Impairment losses/(reversal of impairment losses) on financial assets, net		11,457	(4,413)	7,326
Impairment of inventories	*23*	45,029	29,255	20,927
Impairment of property, plant and equipment		1,023	–	–
Impairment loss on goodwill		–	36,093	31,278
Auditor's remuneration		2,050	2,050	2,050
Loss on disposal of items of property, plant and equipment and right-of-use assets	*7*	8,021	20,849	5,485
Government grants	*6*	(128,273)	(140,989)	(74,796)
Foreign exchange differences, net	*6/7*	85	(25)	481
Bank interest income	*6*	(88,677)	(105,424)	(73,873)
Finance costs	*9*	12,376	14,215	1,540
Compensation from non-controlling shareholder of subsidiary	*40*	–	–	(47,115)

* The amortisation of other intangible assets is included in administrative expenses and selling and distribution expenses in the consolidated statements of profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of pension scheme contributions.

*** Research and development cost include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

9. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank and other borrowings	12,150	14,081	1,141
Interest on lease liabilities	226	134	399
Total	12,376	14,215	1,540

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Details of the emoluments paid or payable to the directors and the chief executive of the Company for their services provided to the Group during the year ended 31 December 2022, 2023 and 2024 are as follows:

		Year ended 31 December 2022					
	Notes	Fees	Salaries	Performance-related bonuses	Pension scheme contributions	Equity-settled share-based payment expenses	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chief executive, executive Directors and non-executive directors:							
Chief executive:							
Mr. Mingming Liu	*i*	–	1,700	660	19	–	2,379
Executive Directors and non-executive directors:							
Mr. Qingmiao Zhang	*i*	–	1,664	660	19	549	2,892
Mr. Yongzhuang Bian	*iv*	–	–	–	–	–	–
Mr. Gaolu Zhang	*ii*	–	785	650	19	–	1,454
Subtotal		–	4,149	1,970	57	549	6,725
Independent non-executive directors:							
Mr. Youmei Chen	*v*	80	–	–	–	–	80
Mr. Junyi Weng	*iii*	80	–	–	–	–	80
Ms. Dongyun Lin	*iii*	80	–	–	–	–	80
Subtotal		240	–	–	–	–	240
Supervisor:							
Ms. Zhihua Gu	*ii*	–	368	144	19	–	531
Mr. Yi Lin	*ii*	–	119	16	9	–	144
Ms. Yanping Cui	*iv*	–	305	–	–	–	305
Subtotal		–	792	160	28	–	980
Total		240	4,941	2,130	85	549	7,945

		Year ended 31 December 2023					
	Notes	**Fees**	**Salaries**	**Performance-related bonuses**	**Pension scheme contributions**	**Equity-settled share-based payment expenses**	**Total**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chief executive, executive Directors and non-executive directors:							
Chief executive:							
Mr. Mingming Liu	*i*	–	2,700	960	–	–	3,660
Executive Directors and non-executive directors:							
Mr. Qingmiao Zhang	*i*	–	2,700	960	20	9	3,689
Mr. Yongzhuang Bian	*iv*	–	–	–	–	–	–
Mr. Gaolu Zhang	*ii*	–	1,780	660	20	–	2,460
Mr. Fan Dai	*vi*	–	590	–	–	–	590
Mr. Yanan Zheng	*vi*	–	–	–	–	133	133
Subtotal		–	7,770	2,580	40	142	10,532
Independent non-executive directors:							
Mr. Youmei Chen	*v*	40	–	–	–	–	40
Mr. Junyi Weng	*iii*	40	–	–	–	–	40
Ms. Dongyun Lin	*iii*	40	–	–	–	–	40
Ms. Mei Zhang	*vi*	48	–	–	–	–	48
Ms. Bei Zhao	*vi*	48	–	–	–	–	48
Mr. Yueping Zhang	*vi*	48	–	–	–	–	48
Subtotal		264	–	–	–	–	264
Supervisor:							
Ms. Zhihua Gu	*ii*	–	184	144	8	–	336
Mr. Yi Lin	*ii*	–	65	17	4	–	86
Ms. Yanping Cui	*iv*	–	153	–	–	–	153
Ms. Runan Zheng	*vi*	–	101	–	3	–	104
Mr. Guangxi Zhang	*vi*	–	632	–	–	–	632
Mr. Wei Zhang	*vi*	–	115	25	7	–	147
Subtotal		–	1,250	186	22	–	1,458
Total		264	9,020	2,766	62	142	12,254

		Year ended 31 December 2024					
	Notes	**Fees**	**Salaries**	**Performance-related bonuses**	**Pension scheme contributions**	**Equity-settled share-based payment expenses**	**Total**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chief executive, executive Directors and non-executive directors:							
Chief executive:							
Mr. Mingming Liu	*i*	–	1,509	2,220	–	–	3,729
Executive Directors and non-executive directors:							
Mr. Qingmiao Zhang	*i*	–	1,517	2,220	20	–	3,757
Mr. Gaolu Zhang	*ii*	–	1,006	1,480	20	–	2,506
Mr. Fan Dai	*vi*	–	332	420	–	–	752
Mr. Yanan Zheng	*vi*	–	–	–	–	729	729
Mr. Jianlian Huang	*viii*	–	1,378	960	18	729	3,085
Subtotal		–	5,742	7,300	58	1,458	14,558
Independent non-executive directors:							
Ms. Mei Zhang	*vi*	100	–	–	–	–	100
Ms. Bei Zhao	*vi*	100	–	–	–	–	100
Mr. Yueping Zhang	*vi*	100	–	–	–	–	100
Subtotal		300	–	–	–	–	300
Supervisor:							
Ms. Runan Zheng	*vi*	–	70	18	3	–	91
Mr. Guangxi Zhang	*vi*	–	432	420	–	–	852
Mr. Wei Zhang	*vi*	–	237	25	12	–	274
Ms. Xiaojiao Wang	*vii*	–	51	12	4	–	67
Subtotal		–	790	475	19	–	1,284
Total		300	6,532	7,775	77	1,458	16,142

Notes:

(i) Mr. Mingming Liu and Mr. Qingmiao Zhang were appointed in February 2011.

(ii) Mr. Gaolu Zhang, Ms. Zhihua Gu, Mr. Yi Lin were appointed in April 2017. Ms. Zhihua Gu, Mr. Yi Lin retired in May 2023.

(iii) Mr. Junyi Weng, and Ms. Dongyun Lin were appointed in May 2017 and retired in May 2023.

(iv) Mr. Yongzhuang Bian and Ms. Yanping Cui were appointed in September 2017. Ms. Yanping Cui retired in May 2023. Mr. Yongzhuang Bian resigned in September 2024.

(v) Mr. Youmei Chen was appointed in December 2017 and retired in May 2023.

(vi) Ms. Mei Zhang, Ms. Bei Zhao, Mr. Yueping Zhang, Mr. Yanan Zheng, Mr. Fan Dai, Ms. Runan Zheng, Mr. Guangxi Zhang and Mr. Wei Zhang were appointed in May 2023. Ms. Runan Zheng resigned in May 2024.

(vii) Ms. Xiaojiao Wang was appointed in May 2024.

(viii) Mr. Jianlian Huang was appointed in September 2024.

There was no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the reporting periods.

The fair value of the restricted A shares incentive scheme and share option scheme, which has been recognised in the consolidated statements of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the consolidated statements of profit or loss for each of the Relevant Years are included in the above directors' and chief executive's remuneration disclosures.

11. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group for the years ended 31 December 2022, 2023 and 2024 include two, two and three directors and a chief executive, respectively, details of whose remuneration are set out in note 10 above. Details of the remuneration for the years ended 31 December 2022, 2023 and 2024 of the remaining two, two and one highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	2,120	3,219	1,334
Performance-related bonuses	840	1,320	960
Equity-settled share option expense	–	266	729
Pension scheme contributions	37	38	21
Total	2,997	4,843	3,044

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees		
	Year ended 31 December		
	2022	2023	2024
HK$500,001 to HK$1,000,000	–	–	–
HK$1,000,001 to HK$1,500,000	–	–	–
HK$1,500,001 to HK$2,000,000	2	–	–
HK$2,000,001 to HK$2,500,000	–	2	–
HK$2,500,001 to HK$3,000,000	–	–	–
HK$3,000,001 to HK$3,500,000	–	–	1
Total	2	2	1

12. INCOME TAX

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Current – PRC			
Charge for the year	308,154	409,069	470,246
Under/(over) provision in prior years	111	(254)	460
Deferred income tax *(note 22)*	1,042	26,234	3,951
Total	309,307	435,049	474,657

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

PRC corporate income tax

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25% unless subject to tax exemption set out below.

Pursuant to an announcement [2021] No. 8 "The Announcement on the Implementation and Supporting of Preferential Income Tax Policies for Small-scaled minimal profit enterprise and Individual Industrial and Commercial Households Development" issued by MOF and National Tax Bureau on 7 April 2021, for Small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included), the taxable income is reduced by 12.5%, and the enterprise income tax is paid at the tax rate of 20%, the Small-scaled minimal profit enterprise with an annual taxable income between RMB1,000,000 and RMB3,000,000 (RMB3,000,000 included) is entitled to a preferential tax treatment with only 50% income taxable at the preferential EIT rate of 20%. Pursuant to an announcement [2023] No. 12 "The Announcement on the Implementation of Preferential Income Tax Policies for Small-scaled minimal profit enterprise and Individual Industrial and Commercial Households" issued by MOF and National Tax Bureau on 2 August 2023, for Small-scaled minimal profit enterprise, the tax relief policy extended to 12 December 2027. That is, for Small-scaled minimal profit enterprise whose annual taxable income does not exceed RMB1,000,000, the taxable income is reduced by 12.5%, and the enterprise income tax is paid at the tax rate of 20%, from 1 January 2022 to 31 December 2024. Certain subsidiaries which meet the criteria of "Small-scaled minimal profit enterprise" are eligible for preferential tax rate of 20%.

Pursuant to an announcement [2020] 560 issued by Sichuan Economic and Information Technology Industry Development and Regulation Bureau, the main business of the Company's subsidiary, Sichuan Anjoy Foods Co., Ltd. is in line with the encouraged industries in the "Guiding Catalogue for Industrial Structure Adjustment (2019 Edition)", allowing it to enjoy a reduced enterprise income tax rate of 15%.

Pursuant to the Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China, the income from the agricultural products processing projects of the Company's subsidiaries Hubei Anrun Foods Co., Ltd., Honghu Xinhongye Food Co., Ltd., Hubei New Liuwu Foodstuff Group Co., Ltd., and the subsidiary companies Honghu Hongye Eco-agriculture Co., Ltd., Qianjiang New Liuwu Food Technology Co., Ltd., and Hubei Songlin Biological Feed Co., Ltd. are exempted from enterprise income tax.

HK profit tax

No Hong Kong profit tax has been provided for the subsidiary incorporated in Hong Kong as no assessable profits have been generated in Hong Kong during each of the Relevant Years.

UK corporation tax

Before 1 April 2023, Oriental Food Express Limited, the UK corporation tax has been provided at the rate of 19% on the estimated assessable profits arising in UK. From 1 April 2023, the corporation tax main rate for non-ring fence profits increased to 25% for profits above GBP250,000. A small profits rate of 19% was also applicable to the companies with profits of GBP50,000 or less. Companies with profits between GBP50,000 and GBP250,000 will pay tax at the main rate, reduced by a marginal relief. Certain subsidiaries of the Group are the qualifying entities under the UK corporation tax rates regime.

The Group is within the scope of the Pillar Two model rules published by the Organization for Economic Co-operation and Development. While Hong Kong is in the process of seeking consultation on the implementation of the global minimum tax and domestic minimum top-up tax, it is expected that the new regime will come into effect for the Group's financial year beginning on January 1, 2025. Of the jurisdictions in which Oriental Food Express Limited operates, UK enacted Pillar Two legislation which is effective and is applicable to the Group for the year beginning on January 1, 2024, The Group has undertaken a preliminary assessment of the Pillar Two tax implications for the jurisdictions in which the Group operates and have enacted Pillar Two legislation. Based on the preliminary assessment and current financials, the Group does not expect to have any material Pillar Two exposure (including current tax) arising in these jurisdictions during the year ended 31 December 2024. The Group has also applied the Amendments to IAS 12, "International Tax Reform — Pillar Two Model Rules", temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	1,426,811	1,936,209	1,988,275
Tax at the PRC EIT rate of 25%	356,703	484,052	497,069
Effect of different tax rate	(8,315)	(13,434)	(14,769)
Adjustments in respect of current tax of previous years	111	(254)	460
Expenses not deductible for tax	5,310	15,710	35,894
Research and development super deduction and disabled individuals super deduction	(13,983)	(13,280)	(14,676)
Income not subject to tax	(30,519)	(38,280)	(29,697)
Tax losses not recognised	–	535	376
Tax charge at the Group's effective rate	309,307	435,049	474,657

13. DIVIDENDS

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interim – (2023: RMB0.755 2024: RMB1.380) per ordinary share	–	221,437	403,144
Interim – (2024: RMB0.950) per ordinary share	–	–	277,527
Proposed final – (2022: RMB1.127 2023: RMB1.775) per ordinary share	330,543	518,647	–

The proposed final dividend for the period is subject to the approval of the Company's shareholders at the annual general meeting.

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the parent, adjusted to reflect the cash dividends distributed to the restricted A shares scheme and the weighted average number of ordinary shares of 282,987,000, 293,118,000, and 292,260,000 outstanding during the years ended 31 December 2022, 2023 and 2024, respectively.

(a) Basic

	Year ended 31 December		
	2022	2023	2024
Profit attributable to owners of the parent *(RMB'000)*	1,101,030	1,478,067	1,484,831
Less: Cash dividends distributed to the restricted A shares scheme *(RMB'000)*	(1,313)	–	–
Adjusted profit attributable to ordinary equity owners of the parent, used in the basic earnings per share calculation *(RMB'000)*	1,099,717	1,478,067	1,484,831
Weighted average number of ordinary shares used in the basic earnings per share calculation *('000)*	282,987	293,118	292,260
Basic earnings per share *(RMB)*	3.89	5.04	5.08

(b) Diluted

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of restricted ordinary shares with a contingent non-market performance condition assumed to have been released upon vesting of all dilutive potential ordinary shares. The Group has excluded the share option scheme from the diluted earnings per share calculation for the years ended 31 December 2023 and 2024 as it has an anti-dilutive effect on the basic earnings per share amounts presented.

	Year ended 31 December		
	2022	2023	2024
Profit attributable to owners of the parent *(RMB'000)*	1,101,030	1,478,067	1,484,831
Weighted average number of ordinary shares used in the basic earnings per share calculation *('000)*	282,987	293,118	292,260
Adjustment for the restricted A shares *('000)*	1,519	157	–
Weighted average number of ordinary shares used in the diluted earnings per share calculation *('000)*	284,506	293,275	292,260
Diluted earnings per share *(RMB)*	3.87	5.04	5.08

15. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings	Machinery equipment	Motor vehicles	Office equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022								
At 1 January 2022:								
Cost	1,880,615	1,762,487	35,650	60,414	72,692	315,613	46,802	4,174,273
Accumulated depreciation and impairment	(328,732)	(492,915)	(20,664)	(36,706)	(33,752)	–	(25,933)	(938,702)
Net carrying amount	1,551,883	1,269,572	14,986	23,708	38,940	315,613	20,869	3,235,571
At 1 January 2022, net of accumulated depreciation and impairment	1,551,883	1,269,572	14,986	23,708	38,940	315,613	20,869	3,235,571
Additions	–	182,304	3,908	14,388	7,246	654,952	24,483	887,281
Transfers	147,306	83,565	–	–	1,579	(232,450)	–	–
Acquisition of subsidiaries *(note 40)*	179,305	136,901	3,985	2,615	683	22,972	–	346,461
Disposals	(810)	(40,533)	(1,117)	(2,043)	(1,608)	–	(11,637)	(57,748)
Depreciation provided during the year	(94,170)	(181,020)	(6,154)	(11,995)	(10,518)	–	(10,585)	(314,442)
Disposals of depreciation	259	26,491	860	1,919	1,471	–	11,637	42,637
Impairment provided during the year	–	(997)	–	(1)	(25)	–	–	(1,023)
Disposals of impairment	–	312	–	1	25	–	–	338
At 31 December 2022, net of accumulated depreciation and impairment	1,783,773	1,476,595	16,468	28,592	37,793	761,087	34,767	4,139,075
At 31 December 2022:								
Cost	2,206,416	2,124,724	42,426	75,374	80,592	761,087	59,648	5,350,267
Accumulated depreciation and impairment	(422,643)	(648,129)	(25,958)	(46,782)	(42,799)	–	(24,881)	(1,211,192)
Net carrying amount	1,783,773	1,476,595	16,468	28,592	37,793	761,087	34,767	4,139,075

As at 31 December 2022, certain of the Group's buildings with an aggregate net carrying amount of approximately RMB78,502,000 were pledged to secure other borrowings granted to the Group (note 28).

As at 31 December 2022, the Group has obtained the property ownership certificates for all buildings except for the buildings with a carrying amount of RMB243,149,000 in which the Group is in the process of obtaining the certificates.

Group	Buildings	Machinery equipment	Motor vehicles	Office equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023								
At 1 January 2023:								
Cost	2,206,416	2,124,724	42,426	75,374	80,592	761,087	59,648	5,350,267
Accumulated depreciation and impairment	(422,643)	(648,129)	(25,958)	(46,782)	(42,799)	–	(24,881)	(1,211,192)
Net carrying amount	1,783,773	1,476,595	16,468	28,592	37,793	761,087	34,767	4,139,075
At 1 January 2023, net of accumulated depreciation and impairment	1,783,773	1,476,595	16,468	28,592	37,793	761,087	34,767	4,139,075
Additions	72	300,965	8,014	19,779	8,039	1,070,258	20,305	1,427,432
Transfers	602,536	161,524	–	2,853	892	(767,805)	–	–
Disposals	(2,110)	(63,477)	(2,270)	(1,769)	(335)	–	(12,742)	(82,703)
Depreciation provided during the year	(116,604)	(215,267)	(6,598)	(14,201)	(9,096)	–	(11,710)	(373,476)
Disposals of depreciation	506	38,531	1,999	1,592	259	–	12,742	55,629
Disposals of impairment	–	568	–	–	–	–	–	568
At 31 December 2023, net of accumulated depreciation and impairment	2,268,173	1,699,439	17,613	36,846	37,552	1,063,540	43,362	5,166,525
At 31 December 2023:								
Cost	2,806,914	2,523,736	48,170	96,237	89,188	1,063,540	67,211	6,694,996
Accumulated depreciation and impairment	(538,741)	(824,297)	(30,557)	(59,391)	(51,636)	–	(23,849)	(1,528,471)
Net carrying amount	2,268,173	1,699,439	17,613	36,846	37,552	1,063,540	43,362	5,166,525

As at 31 December 2023, certain of the Group's buildings with an aggregate net carrying amount of approximately RMB126,918,000 were pledged to secure other borrowings granted to the Group (note 28).

As at 31 December 2023, the Group has obtained the property ownership certificates for all buildings except for the buildings with a carrying amount of RMB166,772,000 in which the Group is in the process of obtaining the certificates.

Group	Buildings	Machinery equipment	Motor vehicles	Office equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024								
At 1 January 2024:								
Cost	2,806,914	2,523,736	48,170	96,237	89,188	1,063,540	67,211	6,694,996
Accumulated depreciation and impairment	(538,741)	(824,297)	(30,557)	(59,391)	(51,636)	–	(23,849)	(1,528,471)
Net carrying amount	2,268,173	1,699,439	17,613	36,846	37,552	1,063,540	43,362	5,166,525
At 1 January 2024, net of accumulated depreciation and impairment	2,268,173	1,699,439	17,613	36,846	37,552	1,063,540	43,362	5,166,525
Additions	–	413,912	5,230	20,368	6,524	202,575	17,385	665,994
Transfers	945,093	119,726	–	2,757	85	(1,067,661)	–	–
Disposals	–	(33,009)	(1,576)	(2,034)	(672)	–	(8,299)	(45,590)
Depreciation provided during the year	(154,497)	(249,540)	(7,073)	(18,049)	(9,561)	–	(13,039)	(451,759)
Disposals of depreciation	–	16,714	1,446	1,768	600	–	8,213	28,741
At 31 December 2024, net of accumulated depreciation and impairment	3,058,769	1,967,242	15,640	41,656	34,528	198,454	47,622	5,363,911
At 31 December 2024:								
Cost	3,752,007	3,024,365	51,824	117,327	95,124	198,454	76,296	7,315,397
Accumulated depreciation and impairment	(693,238)	(1,057,123)	(36,184)	(75,671)	(60,596)	–	(28,674)	(1,951,486)
Net carrying amount	3,058,769	1,967,242	15,640	41,656	34,528	198,454	47,622	5,363,911

As at 31 December 2024, certain of the Group's buildings and motor vehicles with aggregate net carrying amount of approximately RMB125,068,000 were pledged to secure bank and other borrowings granted to the Group, respectively (note 28).

As at 31 December 2024, the Group has obtained the property ownership certificates for all buildings except for the buildings with a carrying amount of RMB401,123,000 in which the Group is in the process of obtaining the certificates.

Company	Buildings	Machinery equipment	Motor vehicles	Office equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022								
At 1 January 2022:								
Cost	190,049	254,388	9,260	12,881	10,245	3,935	317	481,075
Accumulated depreciation and impairment	(79,196)	(130,876)	(6,686)	(9,188)	(7,650)	–	(9)	(233,605)
Net carrying amount	110,853	123,512	2,574	3,693	2,595	3,935	308	247,470
At 1 January 2022, net of accumulated depreciation and impairment	110,853	123,512	2,574	3,693	2,595	3,935	308	247,470
Additions	–	11,987	382	7,135	1,767	197	5,401	26,869
Depreciation provided during the year	(8,195)	(21,660)	(738)	(2,148)	(653)	–	(636)	(34,030)
Disposals	–	(12,881)	(212)	(4,880)	(499)	–	–	(18,472)
Disposals of depreciation	–	10,112	167	1,410	474	–	–	12,163
At 31 December 2022, net of accumulated depreciation and impairment	102,658	111,070	2,173	5,210	3,684	4,132	5,073	234,000
At 31 December 2022:								
Cost	190,049	253,494	9,430	15,136	11,513	4,132	5,718	489,472
Accumulated depreciation and impairment	(87,391)	(142,424)	(7,257)	(9,926)	(7,829)	–	(645)	(255,472)
Net carrying amount	102,658	111,070	2,173	5,210	3,684	4,132	5,073	234,000

Company	Buildings	Machinery equipment	Motor vehicles	Office equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023								
At 1 January 2023:								
Cost	190,049	253,494	9,430	15,136	11,513	4,132	5,718	489,472
Accumulated depreciation and impairment	(87,391)	(142,424)	(7,257)	(9,926)	(7,829)	–	(645)	(255,472)
Net carrying amount	102,658	111,070	2,173	5,210	3,684	4,132	5,073	234,000
At 1 January 2023, net of accumulated depreciation and impairment	102,658	111,070	2,173	5,210	3,684	4,132	5,073	234,000
Additions	–	9,788	1,801	3,958	3,616	3,180	–	22,343
Depreciation provided during the year	(8,194)	(20,277)	(741)	(2,190)	(849)	–	(1,127)	(33,378)
Disposals	–	(12,160)	(932)	(2,474)	(370)	–	–	(15,936)
Disposals of depreciation	–	6,963	850	335	347	–	–	8,495
Transfers	–	5,459	–	–	99	(5,558)	–	–
At 31 December 2023, net of accumulated depreciation and impairment	94,464	100,843	3,151	4,839	6,527	1,754	3,946	215,524
At 31 December 2023:								
Cost	190,049	256,581	10,299	16,620	14,858	1,754	5,718	495,879
Accumulated depreciation and impairment	(95,585)	(155,738)	(7,148)	(11,781)	(8,331)	–	(1,772)	(280,355)
Net carrying amount	94,464	100,843	3,151	4,839	6,527	1,754	3,946	215,524

Company	Buildings	Machinery equipment	Motor vehicles	Office equipment	Other equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024								
At 1 January 2024:								
Cost	190,049	256,581	10,299	16,620	14,858	1,754	5,718	495,879
Accumulated depreciation and impairment	(95,585)	(155,738)	(7,148)	(11,781)	(8,331)	–	(1,772)	(280,355)
Net carrying amount	94,464	100,843	3,151	4,839	6,527	1,754	3,946	215,524
At 1 January 2024, net of accumulated depreciation and impairment	94,464	100,843	3,151	4,839	6,527	1,754	3,946	215,524
Additions	1,389	13,955	107	4,641	1,766	1,947	370	24,175
Depreciation provided during the year	(9,223)	(16,842)	(950)	(2,551)	(1,670)	–	(1,212)	(32,448)
Disposals	–	(9,505)	–	(3,048)	(201)	–	–	(12,754)
Disposals of depreciation	–	5,828	–	467	178	–	–	6,473
At 31 December 2024, net of accumulated depreciation and impairment	86,630	94,279	2,308	4,348	6,600	3,701	3,104	200,970
At 31 December 2024:								
Cost	191,439	261,032	10,406	18,212	16,423	3,701	6,089	507,302
Accumulated depreciation and impairment	(104,809)	(166,753)	(8,098)	(13,864)	(9,823)	–	(2,985)	(306,332)
Net carrying amount	86,630	94,279	2,308	4,348	6,600	3,701	3,104	200,970

16. LEASES

The Group as a lessee

The Group has lease contracts for items of office premises and plant and machine used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of office premises and plant and machine generally have lease terms between 3 and 5 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the years of 2022, 2023 and 2024 are as follows:

Group	Leasehold land	Office premises and plant	Machine	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	309,544	9,623	–	319,167
Additions	28,140	–	–	28,140
Acquisition of a subsidiary *(note 40)*	32,746	–	–	32,746
Depreciation charge	(7,360)	(4,068)	–	(11,428)
As at 31 December 2022 and 1 January 2023	363,070	5,555	–	368,625
Additions	23,096	3,224	–	26,320
Depreciation charge	(8,487)	(3,896)	–	(12,383)
As at 31 December 2023 and 1 January 2024	377,679	4,883	–	382,562
Additions	52,657	40,177	2,473	95,307
Depreciation charge	(10,079)	(3,823)	(577)	(14,479)
Disposal	–	(922)	–	(922)
As at 31 December 2024	420,257	40,315	1,896	462,468

As at 31 December 2022, 2023 and 2024, the Group has respectively obtained the land use right certificates for all leasehold lands except for the leasehold land with a carrying amount of RMB3,724,500, RMB3,648,000 and RMB3,685,000 in which the Group is in the process of obtaining the certificates.

As at 31 December 2022, 2023 and 2024, certain of the Group's leasehold land with an aggregate net carrying amount of approximately RMB45,714,000, RMB44,631,000 and RMB43,547,000 were pledged to secure bank borrowings granted to the Group (note 28).

Company	Leasehold land	Office premises and plant	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2022	16,636	2,878	19,514
Depreciation charge	(500)	(1,300)	(1,800)
As at 31 December 2022 and 1 January 2023	16,136	1,578	17,714
Additions	–	1,208	1,208
Depreciation charge	(500)	(1,252)	(1,752)
As at 31 December 2023 and 1 January 2024	15,636	1,534	17,170
Additions	2,448	–	2,448
Depreciation charge	(2,948)	(720)	(3,668)
As at 31 December 2024	15,136	814	15,950

(b) ***Lease liabilities***

The carrying amount of lease liabilities and the movements during the the years of 2022, 2023 and 2024 are as follows:

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	9,192	5,004	3,738
New leases	–	2,805	42,993
Accretion of interest recognised during the year	226	134	399
COVID-19-related rent concessions from lessors	(92)	–	–
Payments	(4,322)	(4,205)	(3,536)
Disposal	–	–	(922)
At end of year	5,004	3,738	42,672
Analysed into:			
Within one year or on demand	3,584	1,563	6,477
In the second year	710	1,197	4,809
In the third to fifth years, inclusive	710	978	5,553
Beyond five years	–	–	25,833
	5,004	3,738	42,672

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	2,916	1,628	1,556
New leases	–	1,207	–
Accretion of interest recognised during the year	79	39	31
Payments	(1,367)	(1,318)	(758)
At end of year	1,628	1,556	829
Analysed into:			
Within one year or on demand	1,205	727	313
In the second year	423	313	516
In the third to fifth years, inclusive	–	516	–
	1,628	1,556	829

The maturity analysis of lease liabilities is disclosed in note 48 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	226	134	399
Depreciation charge of right-of-use assets	11,428	12,383	14,479
Expense relating to short-term leases	12,534	14,843	15,387
Expense relating to leases of low-value assets	50	49	–
COVID-19-related rent concessions from lessors	(92)	–	–
Total amount recognised in profit or loss	24,146	27,409	30,265

(d) The total cash outflows for leases are disclosed in note 41(c) to the Historical Financial Information.

17. GOODWILL

	RMB'000
At 1 January 2022	
Cost	462,368
Net carrying amount	462,368
Cost at 1 January 2022, net of accumulated impairment	462,368
Acquisition of a subsidiary *(note 40)*	344,132
At 31 December 2022	806,500
At 31 December 2022:	
Cost	806,500
Net carrying amount	806,500
Cost at 1 January 2023, net of accumulated impairment	806,500
Impairment during the year	(36,093)
At 31 December 2023	770,407
At 31 December 2023:	
Cost	806,500
Accumulated impairment	(36,093)
Net carrying amount	770,407
Cost at 1 January 2024, net of accumulated impairment	770,407
Impairment during the year	(31,278)
At 31 December 2024	739,129
At 31 December 2024:	
Cost	770,407
Accumulated impairment	(31,278)
Net carrying amount	739,129

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit ("CGU") of for impairment testing.

- Wuxi Anjoy Foods Marketing Co., Ltd cash-generating unit;
- Honghu Xinhongye and subsidiaries cash-generating unit (note (i));
- Oriental Food and subsidiaries cash-generating unit (note (ii)) and
- Hubei New Liuwu and subsidiaries cash-generating unit (note (iii)).

Notes:

(i) Honghu Xinhongye Food Co., Ltd., Honghu Xinhongye Aquatic Company Co., Ltd. and Honghu Hongye Eco-agriculture Company Co., Ltd. have been identified as Honghu Xinhongye and subsidiaries cash-generating unit. Honghu Xinhongye and subsidiaries cash-generating unit were acquired by Group in August 2021 and became a subsidiary of the Group since then.

(ii) Oriental Food Express Limited, Good News International Trading Europe B.V, Good News International Trading Limited have been identified as Oriental Food and subsidiaries cash-generating unit. Oriental Food and subsidiaries cash-generating unit were acquired by Group in September 2021 and became a subsidiary of the Group since then.

(iii) Hubei New Liuwu Foodstuff Group Co., Ltd., Qianjiang New Liuwu Food Technology Co., Ltd., Hubei Songlin Biological Feed Co., Ltd., and Jiangxi Liuwu Co., Ltd. have been identified as Hubei New Liuwu and subsidiaries cash-generating unit. Hubei New Liuwu and subsidiaries cash-generating unit were acquired by Group in August 2022 and became a subsidiary of the Group since then.

Honghu Xinhongye and subsidiaries cash-generating unit

The recoverable amount of Honghu Xinhongye and subsidiaries cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections are 10.20%, 10.00% and 9.20% as at 31 December 2022, 2023 and 2024. The growth rate used to extrapolate the cash flows of the foods production and processing unit beyond the five-year period are 0%, 0% and 0% as at 31 December 2022, 2023 and 2024, which is also an estimate of the long-term rate of inflation.

Oriental Food and subsidiaries cash-generating unit

The recoverable amount of Oriental Food and subsidiaries cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections are 14.00%, 13.90% and 14.00% as at 31 December 2022, 2023 and 2024. The growth rate used to extrapolate the cash flows of the foods production and processing unit beyond the five-year period are 0%, 0% and 0% as at 31 December 2022, 2023 and 2024. which is also an estimate of the long-term rate of inflation.

Hubei New Liuwu and subsidiaries cash-generating unit

The recoverable amount of Hubei New Liuwu and subsidiaries cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections are 10.00%, 9.70% and 9.20% as at 31 December 2022, 2023 and 2024. The growth rate used to extrapolate the cash flows of the foods products production and processing unit beyond the five-year period are 0%, 0% and 0% as at 31 December 2022, 2023 and 2024. which is also an estimate of the long-term rate of inflation.

The management made the impairment test of CGUs with the assistance of external valuers.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Wuxi Anjoy Foods Marketing Co., Ltd.	1,059	1,059	1,059
Honghu Xinhongye and subsidiaries cash-generating unit	441,352	441,352	421,096
Oriental Food and subsidiaries cash-generating unit	19,957	19,957	19,957
Hubei New Liuwu and subsidiaries cash-generating unit	344,132	308,039	297,017

The carrying amount of Hubei New Liuwu and subsidiaries cash-generating unit was impaired by RMB36,093,000 and RMB11,022,000 during the years ended 31 December 2023 and 2024. Consequently, the carrying amount of goodwill was written down by RMB36,093,000 and RMB11,022,000. The impairment loss recognised was included in "Other expenses" in the consolidated statement of profit or loss. The recoverable amount of the cash-generating unit was RMB308,039,000 and RMB297,017,000 as at 31 December 2023 and 2024. The impairment was attributable to the overall decline in the crayfish industry which led to a decrease in demand and selling prices.

The carrying amount of Honghu Xinhongye and subsidiaries cash-generating unit was impaired by RMB20,256,000 during the year ended 31 December 2024. Consequently, the carrying amount of goodwill was written down by RMB20,256,000. The impairment loss recognised was included in "Other expenses" in the consolidated statement of profit or loss. The recoverable amount of the cash-generating unit was RMB421,096,000 as at 31 December 2024. The impairment was attributable to the overall decline in the crayfish industry which led to a decrease in demand and selling prices.

The Group performs its annual impairment test of goodwill as at 31 December. Assumptions were used in the value in use calculation of CGU as at the end of 31 December 2022, 2023 and 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill of CGU:

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the CGU.

Long-term growth rates — The basis used to determine the value assigned to the long-term growth rates are the forecast price indices during the budget year from where the main business are located.

The values assigned to the key assumptions on market development of the CGU and discount rates are consistent with external information sources.

Sensitivity Analysis of Goodwill

In the opinion of the directors of the Company, for Honghu Xinhongye and subsidiaries cash-generating unit, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount as at 31 December 2022 and 2023, respectively. The headroom was RMB443,000,000 as at 31 December 2022. If the budgeted gross profit margin decreased from 11.3% to 9.1%, or the pre-tax discount rate increased from 10.2% to 13.1%, or the average sales growth rate decreased from 4.7% to a negative decreasing trend of 2.9%, an impairment on goodwill would be recognised during the year ended 31 December 2022. The headroom was RMB287,000,000 as at 31 December 2023. If the budgeted gross profit margin decreased from 11.0% to 9.4%, or the pre-tax discount rate increased from 10.0% to 11.9%, or the average sales growth rate decreased from 4.0% to a negative decreasing trend of 1.3%, a further impairment on goodwill would be recognised during the year ended 31 December 2023.

For Oriental Food and subsidiaries cash-generating unit, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount as at 31 December 2022, 2023 and 2024. The headroom was RMB23,880,000 as at 31 December 2022. If the budgeted gross profit margin decreased from 21.7% to 20.0%, an impairment on goodwill would be recognised during the year ended 31 December 2022. The headroom was RMB10,940,000 as at 31 December 2023. If the budgeted gross profit margin decreased from 19.4% to 18.5%, a further impairment on goodwill would be recognised during the year ended 31 December 2023. The headroom was RMB13,172,000 as at 31 December 2024. If the budgeted gross profit margin decreased from 22.1% to 21.9%, or the pre-tax discount rate increased from 14.0% to 14.5%, a further impairment on goodwill would be recognised during the year ended 31 December 2024.

For Hubei New Liuwu and subsidiaries cash-generating unit, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount. The headroom was RMB10,730,000 as at 31 December 2022. If the budgeted gross profit margin decreased from 11.5% to 11.4%, or the pre-tax discount rate increased from 10.0% to 10.1%, or the average sales growth rate decreased from 9.3% to 9.1%, an impairment on goodwill would be recognised during the year ended 31 December 2022.

18. OTHER INTANGIBLE ASSETS

Group

	Software	Trademarks	Patent rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022				
At 1 January 2022:				
Cost	18,870	190,901	3,211	212,982
Accumulated amortisation	(13,407)	(8,745)	(315)	(22,467)
Net carrying amount	5,463	182,156	2,896	190,515
Cost at 1 January 2022, net of accumulated amortization	5,463	182,156	2,896	190,515
Additions	5,010	–	–	5,010
Acquisition of subsidiaries	711	167,000	5,000	172,711
Amortisation provided during the year	(3,308)	(24,582)	(473)	(28,363)
At 31 December 2022, net of accumulated amortisation	7,876	324,574	7,423	339,873
At 31 December 2022:				
Cost	24,591	357,901	8,211	390,703
Accumulated amortisation	(16,715)	(33,327)	(788)	(50,830)
Net carrying amount	7,876	324,574	7,423	339,873

	Software	Trademarks	Patent rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023				
Cost at 1 January 2023, net of accumulated amortization	7,876	324,574	7,423	339,873
Additions	5,182	–	–	5,182
Amortisation provided during the year	(3,490)	(35,716)	(802)	(40,008)
At 31 December 2023, net of accumulated amortization	9,568	288,858	6,621	305,047
At 31 December 2023:				
Cost	22,602	357,901	8,211	388,714
Accumulated amortisation	(13,034)	(69,043)	(1,590)	(83,667)
Net carrying amount	9,568	288,858	6,621	305,047
31 December 2024				
Cost at 1 January 2024, net of accumulated amortization	9,568	288,858	6,621	305,047
Additions	4,016	–	–	4,016
Amortisation provided during the year	(3,547)	(35,715)	(802)	(40,064)
At 31 December 2024, net of accumulated amortization	10,037	253,143	5,819	268,999
At 31 December 2024:				
Cost	26,618	357,901	8,211	392,730
Accumulated amortisation	(16,581)	(104,758)	(2,392)	(123,731)
Net carrying amount	10,037	253,143	5,819	268,999

Company

	Software	Trademarks	Patent rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022				
At 1 January 2022:				
Cost	16,864	745	192	17,801
Accumulated amortisation	(12,055)	(745)	(188)	(12,988)
Net carrying amount	4,809	–	4	4,813
Cost at 1 January 2022, net of accumulated amortization	4,809	–	4	4,813
Additions	4,869	–	–	4,869
Amortisation provided during the year	(2,788)	–	(4)	(2,792)
At 31 December 2022, net of accumulated amortisation	6,890	–	–	6,890
At 31 December 2022:				
Cost	21,733	745	192	22,670
Accumulated amortisation	(14,843)	(745)	(192)	(15,780)
Net carrying amount	6,890	–	–	6,890

	Software	Trademarks	Patent rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023				
Cost at 1 January 2023, net of accumulated amortization	6,890	–	–	6,890
Additions	4,931	–	–	4,931
Amortisation provided during the year	(3,094)	–	–	(3,094)
At 31 December 2023, net of accumulated amortization	8,727	–	–	8,727
At 31 December 2023:				
Cost	20,173	745	192	21,110
Accumulated amortisation	(11,446)	(745)	(192)	(12,383)
Net carrying amount	8,727	–	–	8,727
31 December 2024				
Cost at 1 January 2024, net of accumulated amortisation	8,727	–	–	8,727
Additions	4,002	–	–	4,002
Amortisation provided during the year	(3,144)	–	–	(3,144)
At 31 December 2024, net of accumulated amortisation	9,585	–	–	9,585
At 31 December 2024:				
Cost	24,175	745	192	25,112
Accumulated amortisation	(14,590)	(745)	(192)	(15,527)
Net carrying amount	9,585	–	–	9,585

19. INVESTMENT IN AN ASSOCIATE

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Beihai Heyuan Foods Co., Ltd	9,496	15,096	13,764

In November 2022, the Group the acquired 19% equity interest in Beihai Heyuan Foods Co., Ltd ("Beihai Heyuan"), a domestic company with principal activity of food production and selling, at a cash consideration of RMB9,500,000. As the voting power of Beihai Heyuan is determined by subscribed capital contribution under its articles of association, the Group has the power to participate in the financial and operating policy decisions and therefore can exercise significant influence over Beihai Heyuan.

The following table illustrates the aggregate financial information of the Group's associate that is not individually material:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Share of the associate's (loss)/profit for the year	(4)	5,600	3,710
Share of the associate's total comprehensive (loss)/income	(4)	5,600	3,710
Distribution from the associate	–	–	(5,042)
Aggregate carrying amount of the Group's investments in an associate	9,496	15,096	13,764

The Group's trade receivable balances due from the associate are disclosed in note 24 to the financial statements.

20. OTHER NON-CURRENT ASSETS

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Prepayment for property, plant and equipment	39,832	79,113	18,501
Prepayment for other intangible assets	2,844	–	–
Others	953	952	725
Total	43,629	80,065	19,226

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Prepayment for property, plant and equipment	669	1,967	702
Prepayment for other intangible assets	2,844	–	–
Others	569	823	524
Total	4,082	2,790	1,226

21. INVESTMENTS IN SUBSIDIARIES

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Investments, at cost	6,144,429	6,447,429	8,861,935

The directors assessed the subsidiaries' forecast and were of the opinion that no impairment was needed for the investments in subsidiaries as at 31 December 2022, 2023 and 2024.

22. DEFERRED TAX

Group

The movements in deferred tax assets during the years ended 31 December 2022, 2023 and 2024 are as follows:

	Losses available for offsetting against future taxable profits	Restricted stock	Lease liability	Impairment of financial assets	Deferred income	Unrealised profits	Accrued expenses	Sales rebates	Other	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	2,202	59,009	1,946	8,908	23,649	27,256	10,387	39,735	2,885	175,977
Deferred tax credited/(charged) to the consolidated statements of profit or loss during the year	9,102	(29,686)	(869)	199	5,153	18,430	(2,814)	10,447	840	10,802
Deferred tax credited to Capital reserve	–	3,014	–	–	–	–	–	–	–	3,014
Acquisition of a subsidiary *(note 40)*	18	–	–	1,015	2,680	36	–	–	1,675	5,424
Gross deferred tax assets at 31 December 2022	11,322	32,337	1,077	10,122	31,482	45,722	7,573	50,182	5,400	195,217
At 1 January 2023	11,322	32,337	1,077	10,122	31,482	45,722	7,573	50,182	5,400	195,217
Deferred tax (charged)/credited to the consolidated statements of profit or loss during the year	(3,449)	(32,196)	(595)	109	(2,363)	10,564	(80)	2,844	168	(24,998)
Deferred tax charged to Capital reserve	–	(141)	–	–	–	–	–	–	–	(141)
Gross deferred tax assets at 31 December 2023	7,873	–	482	10,231	29,119	56,286	7,493	53,026	5,568	170,078
At 1 January 2024	7,873	–	482	10,231	29,119	56,286	7,493	53,026	5,568	170,078
Deferred tax (charged)/credited to the consolidated statements of profit or loss during the year	(1,859)	–	7,587	(154)	7,113	(473)	(4,075)	6,962	(2,893)	12,208
Gross deferred tax assets at 31 December 2024	6,014	–	8,069	10,077	36,232	55,813	3,418	59,988	2,675	182,286

As at 31 December 2022, 2023 and 2024, deferred tax assets have not been recognised in respect of tax losses of Nil, RMB10,692,000, RMB18,208,000 arising in Mainland China, respectively, which will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of the tax losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised. Deferred tax assets have not been recognised in respect of the following items:

	31 December 2022	31 December 2023	31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	–	10,692	18,208
	–	10,692	18,208

The movements in deferred tax liabilities during the years ended 31 December 2022, 2023 and 2024 are as follows:

	Accelerated tax depreciation	Unrealised gains from financial assets at fair value through profit or loss	Capitalization of interest on convertible corporate bonds	Fair value gain arising from acquisition of subsidiaries	Right of use assets	Other	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	122,175	28,056	5,145	49,451	1,847	527	207,201
Deferred tax charged/(credited) to the consolidated statements of profit or loss during the year	14,839	550	(279)	(6,739)	(859)	4,332	11,844
Acquisition of a subsidiary *(note 40)*	–	–	–	44,297	–	–	44,297
Gross deferred tax liabilities at 31 December 2022	137,014	28,606	4,866	87,009	988	4,859	263,342
At 1 January 2023	137,014	28,606	4,866	87,009	988	4,859	263,342
Deferred tax charged/(credited) to the consolidated statements of profit or loss during the year	12,400	1,479	(279)	(9,540)	(310)	(2,514)	1,236
Gross deferred tax liabilities at 31 December 2023	149,414	30,085	4,587	77,469	678	2,345	264,578
At 1 January 2024	149,414	30,085	4,587	77,469	678	2,345	264,578
Deferred tax charged/(credited) to the consolidated statements of profit or loss during the year	5,152	13,435	(279)	(9,524)	7,327	48	16,159
Gross deferred tax liabilities at 31 December 2024	154,566	43,520	4,308	67,945	8,005	2,393	280,737

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	143,357	154,381	157,030
Net deferred tax liabilities recognised in the consolidated statements of financial position	211,482	248,881	255,481

Company

The movements in deferred tax assets during the years ended 31 December 2022, 2023 and 2024 are as follows:

	Losses available for offsetting against future taxable profits	Restricted stock	Lease liabilities	Impairment of financial assets	Deferred income	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	–	41,638	720	57	6,323	317	49,055
Deferred tax credited/(charged) to the statements of profit or loss during the year	8,932	(21,904)	(326)	(11)	683	18	(12,608)
Deferred tax credited to Capital reserve	–	3,014	–	–	–	–	3,014
Gross deferred tax assets at 31 December 2022	8,932	22,748	394	46	7,006	335	39,461
At 1 January 2023	8,932	22,748	394	46	7,006	335	39,461
Deferred tax (charged)/credited to the statements of profit or loss during the year	(8,932)	(22,607)	(5)	(35)	(1,772)	6	(33,345)
Deferred tax charged to Capital reserve	–	(141)	–	–	–	–	(141)
Gross deferred tax assets at 31 December 2023	–	–	389	11	5,234	341	5,975
At 1 January 2024	–	–	389	11	5,234	341	5,975
Deferred tax (charged)/credited to the statements of profit or loss during the year	–	–	(182)	–	(844)	(30)	(1,056)
Gross deferred tax assets at 31 December 2024	–	–	207	11	4,390	311	4,919

The movements in deferred tax liabilities during the years ended 31 December 2022, 2023 and 2024 are as follows:

	Accelerated tax depreciation	Unrealised gains from financial assets at fair value through profit or loss	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	12,216	28,056	710	–	40,982
Deferred tax charged/(credited) to the statements of profit or loss during the year	3,442	(4)	(328)	1,753	4,863
Gross deferred tax liabilities at 31 December 2022	15,658	28,052	382	1,753	45,845
At 1 January 2023	15,658	28,052	382	1,753	45,845
Deferred tax charged to the statements of profit or loss during the year	298	372	1	366	1,037
Gross deferred tax liabilities at 31 December 2023	15,956	28,424	383	2,119	46,882
At 1 January 2024	15,956	28,424	383	2,119	46,882
Deferred tax charged/(credited) to the statements of profit or loss during the year	1,276	12,737	(180)	99	13,932
Gross deferred tax liabilities at 31 December 2024	17,232	41,161	203	2,218	60,814

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax liabilities recognised in the statements of financial position	6,384	40,907	55,895

23. INVENTORIES

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	1,007,407	936,086	1,060,604
Work in progress	7,167	3,531	4,480
Semi-finished goods	243,939	292,385	254,668
Finished goods	1,133,514	1,449,414	1,116,365
Goods in transit	789,559	920,699	869,742
Provision for impairment of inventories	(44,750)	(35,410)	(21,221)
Total	3,136,836	3,566,705	3,284,638

For the years ended 31 December 2022, 2023 and 2024, the impairment of inventories recognised in cost of sales amounted to RMB45,029,000, RMB29,255,000 and RMB20,927,000, respectively.

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	164,392	88,180	100,527
Work in progress	575	497	568
Semi-finished goods	40,809	39,985	52,708
Finished goods	37	378	851
Goods in transit	27,055	49,780	35,607
Total	232,868	178,820	190,261

24. TRADE AND BILLS RECEIVABLES

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	784,461	615,493	671,913
Bills receivable	239	2,723	–
Impairment	(47,703)	(46,132)	(45,786)
Net carrying amount	736,997	572,084	626,127

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at 31 December 2022, 2023 and 2024, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	736,823	568,908	616,633
1 to 2 years	174	3,176	9,183
2 to 3 years	–	–	311
Total	736,997	572,084	626,127

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	31,267	47,703	46,132
Impairment loss, net	16,951	(1,008)	6,634
Amount written off as uncollectible	(515)	(563)	(6,980)
At end of year	47,703	46,132	45,786

	As at 31 December 2022			
	Carrying amount		Impairment losses	
	RMB'000	*Rate %*	*RMB'000*	*Rate %*
Provision on a separate basis	6,353	0.81	6,353	100.00
Provision according to credit risk characteristics	778,108	99.19	41,350	5.31
Total	784,461	100.00	47,703	6.08

	As at 31 December 2023			
	Carrying amount		Impairment losses	
	RMB'000	*Rate %*	*RMB'000*	*Rate %*
Provision on a separate basis	16,099	2.62	13,797	85.70
Provision according to credit risk characteristics	599,394	97.38	32,335	5.39
Total	615,493	100.00	46,132	7.50

	As at 31 December 2024			
	Carrying amount		Impairment losses	
	RMB'000	*Rate %*	*RMB'000*	*Rate %*
Provision on a separate basis	9,698	1.44	9,698	100.00
Provision according to credit risk characteristics	662,215	98.56	36,088	5.45
Total	671,913	100.00	45,786	6.81

An impairment analysis is performed at each reporting date. The Group identifies the receivables that are credit-impaired (but that are not purchased or originated credit-impaired) among the receivables, considering the observable information, such as the debtors being in major financial difficulties, in breach of the contract stipulations or in bankruptcy. The ECL allowance is measured by estimating the cash shortfalls, which are based on the expected payments to the Group. For the years ended 31 December 2022, 2023 and 2024, the Group has recorded ECLs of RMB6,353,000, RMB13,797,000 and RMB9,698,000 for credit impaired trade receivables with a gross carrying amount of RMB6,353,000, RMB16,099,000 and RMB9,698,000, respectively.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group considers the overall characteristics of the shared credit risk and the days past due of the trade receivables to measure the expected credit losses. Majority of the receivables were neither past due nor impaired and relate to diversified customers for whom there was no recent history of default.

The ECLs below incorporate forward-looking information, as there was no material change in the types or credit profiles of the customers and overall risk in the food production and wholesale industry, the expected credit loss rate remained stable during the Track Record Period. Information about the credit risk exposure on the Group's trade receivables that are not credit impaired using a provision matrix as at 31 December 2022, 2023 and 2024 is as follows:

		Past due			
	Current	Within 9 months	9 to 21 months	Over 21 months	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2022					
Expected credit loss rate	5.00%	10.00%	50.00%	100.00%	5.31%
Gross carrying amount	753,225	23,357	345	1,181	778,108
Expected credit losses	37,661	2,336	172	1,181	41,350
At 31 December 2023					
Expected credit loss rate	5.00%	10.00%	50.00%	100.00%	5.39%
Gross carrying amount	583,816	13,630	334	1,614	599,394
Expected credit losses	29,191	1,363	167	1,614	32,335
At 31 December 2024					
Expected credit loss rate	5.00%	10.00%	50.00%	100.00%	5.45%
Gross carrying amount	636,719	22,674	1,675	1,147	662,215
Expected credit losses	31,837	2,267	837	1,147	36,088

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	22	2	3
Impairment	(1)	–	–
Net carrying amount	21	2	3

An ageing analysis of the trade receivables as at 31 December 2022, 2023 and 2024, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 month	21	2	3

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	177	1	–
Impairment loss, net	(176)	(1)	–
At end of year	1	–	–

The impairment as at 31 December 2022, 2023 and 2024 is determined as follows:

		Past due			
	Current	Within 9 months	9 to 21 months	Over 21 months	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2022					
Expected credit loss rate	4.55%	–	–	–	4.55%
Gross carrying amount	22	–	–	–	22
Expected credit losses	1	–	–	–	1
At 31 December 2023					
Expected credit loss rate	–	–	–	–	–
Gross carrying amount	2	–	–	–	2
Expected credit losses	–	–	–	–	–
At 31 December 2024					
Expected credit loss rate	–	–	–	–	–
Gross carrying amount	3	–	–	–	3
Expected credit losses	–	–	–	–	–

25. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	79,276	70,625	64,891
Deposits	14,163	13,052	8,878
Dividend receivable	–	–	–
Corporate income tax recoverable	3,152	11,850	3,893
Value added tax recoverable	133,499	175,798	248,421
Others	18,194	10,370	16,869
	248,284	281,695	342,952
Impairment	(6,297)	(2,843)	(3,525)
Total	241,987	278,852	339,427

The Group has applied the general approach to providing impairment for ECLs prescribed by IFRS 9, which permits either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition.

An impairment analysis is performed at the end of the reporting year to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	9,329	6,777	6,771
Deposits	90	100	95
Corporate income tax recoverable	2,753	9,387	–
Value added tax recoverable	1	–	–
Others	937	796	3,258
	13,110	17,060	10,124
Impairment	(182)	(45)	(50)
Total	12,928	17,015	10,074

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2022, 2023 and 2024, the loss allowance was assessed to be minimal.

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products *(i)*	672,325	1,033,242	3,274,118
Compensation from non-controlling shareholder of subsidiary *(ii)*	–	–	47,115
Total	672,325	1,033,242	3,321,233

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products *(i)*	50,109	101,597	1,325,430
Compensation from non-controlling shareholder of subsidiary *(ii)*	–	–	47,115
Total	50,109	101,597	1,372,545

(i) The Group and the Company entered into a series of wealth management products with banks in Mainland China. The expected rates of return ranged from 0.25% to 4.30% per annum during the years of 2022, 2023 and 2024.

(ii) This financial asset at fair value through profit or loss represents the compensation payable to the Company by non-controlling shareholders of Hubei New Liuwu Foodstuff Group Co., Ltd due to its failure to meet the cumulative net profit commitments for years 2022, 2023, and 2024 as stipulated in the share transfer agreement signed with the Company in April 2022. Further details are disclosed in note 40 to the financial statements.

27. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND TIME DEPOSITS

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cash on hand and cash at bank	2,356,097	4,527,451	2,228,322
Short-term bank deposits	701,813	–	–
Cash and cash equivalents	3,057,910	4,527,451	2,228,322
Time deposits with original maturities over three months	2,383,185	422,885	533,511
Restricted cash	62,920	25,126	17,315
Restricted cash and time deposits	2,446,105	448,011	550,826

The cash and cash equivalents and restricted cash and time deposits are denominated in the following currencies:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents denominated in			
RMB	3,032,935	4,500,269	2,200,315
USD	2,314	36	2,981
HKD	1,634	8,378	1,664
EUR	1,957	4,858	2,547
GBP	19,070	13,910	20,815
Total	3,057,910	4,527,451	2,228,322
Restricted cash and time deposits			
RMB	2,446,105	438,866	550,826
GBP	–	9,145	–
Total	2,446,105	448,011	550,826

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	134,825	244,571	151,621
Cash and cash equivalents	134,825	244,571	151,621
Restricted cash and time deposits	574,430	202,801	366,904

The cash and cash equivalents and restricted cash and time deposits are denominated in the following currencies:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents denominated in			
RMB	134,825	244,571	151,621
Total	134,825	244,571	151,621
Restricted cash and time deposits			
RMB	574,430	202,801	366,904
Total	574,430	202,801	366,904

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates. The term of the bank deposit is within one year, depending on the cash management of the Group. The bank balances and deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

Restricted cash of RMB62,920,000, RMB25,126,000 and of RMB17,315,000 at 31 December 2022, 2023 and 2024, respectively was reserved for bank acceptance guarantees in accordance with relevant regulations issued by Ministry of Commerce of PRC.

The RMB is not freely convertible into other currencies, however, under the Regulations on the Foreign Exchange Control of the PRC and the Administrative Regulations on Settlements, Sales and Payments in Foreign Exchange, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

Group

	As at 31 December								
	2022			2023			2024		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current									
Bank loans – secured	3.65-4.72	2023	119,128	3.20-3.85	2024	100,105	3.45	2025	70,072
Bank loans – unsecured	3.10-4.10	2023	369,870	2.90-3.65	2024	225,259	2.90-3.45	2025	41,043
Current portion of long term bank loans – unsecured	1.69	2023	907	1.69	2024	977	1.69	2025	980
Total			489,905			326,341			112,095
Non-current									
Bank loans – unsecured	1.69	2026	2,266	1.69	2026	1,465	1.69	2026	490
Total			2,266			1,465			490

The carrying amounts of borrowings are denominated in the following currencies:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Current			
Bank loans – secured			
RMB	119,128	100,105	70,072
Bank loans – unsecured			
RMB	369,870	225,259	41,043
Current portion of long term bank loans – unsecured			
GBP	907	977	980
Total	489,905	326,341	112,095
Non-current			
Bank loans – unsecured			
GBP	2,266	1,465	490
Total	2,266	1,465	490

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank loans and overdrafts repayable:			
Within one year or on demand	489,905	326,341	112,095
In the second year	907	977	490
In the third to four years, inclusive	907	488	–
Beyond four years	452	–	–
Total	492,171	327,806	112,585

As at 31 December 2022, the Group's secured bank borrowings of RMB119,128,000 were secured by plant and equipment and right-of use assets with the carrying amount of RMB78,502,000 and RMB45,714,000, respectively.

As at 31 December 2023, the Group's secured bank borrowings of RMB23,528,000 were guaranteed by Mr. Liu Zhonghu and the Group's secured bank borrowings of RMB100,105,000 were secured by plant and equipment and right-of use assets with the carrying amount of RMB126,918,000 and RMB44,631,000, respectively.

As at 31 December 2024, the Group's secured bank borrowings of RMB70,072,000 were secured by plant and equipment and right-of use assets with the carrying amount of RMB125,068,000 and RMB43,547,000, respectively.

29. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at 31 December 2022, 2023 and 2024, based on the invoice date, is as follows:

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,318,870	1,266,540	1,375,078
Over 1 year	8,431	21,929	4,632
Total	1,327,301	1,288,469	1,379,710

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	119,788	96,003	94,227
Over 1 year	837	5,211	113
Total	120,625	101,214	94,340

Trade payables are non-interest-bearing and normally settled within 60 days.

30. OTHER PAYABLES AND ACCRUALS

Group

		As at 31 December		
	Notes	2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Other payables for property, plant, and equipment	*(iii)*	284,230	507,865	396,872
Contract liabilities	*(i)*	439,211	629,522	260,138
Sales rebates allowance	*(i)*	244,981	249,227	280,843
Staff salaries, bonuses and welfare payables		234,491	245,866	247,666
Other tax payables		126,607	145,413	99,187
Other payables-restricted stock repurchase	*(iv)*	47,053	–	–
Accrued expenses		104,153	90,701	78,690
Deposits		352,631	289,020	278,621
Others	*(ii)*	99,949	80,698	71,481
Total		1,933,306	2,238,312	1,713,498
Current		1,885,979	2,229,172	1,711,352
Non-current		47,327	9,140	2,146
Total		1,933,306	2,238,312	1,713,498

(i) Details of contract liabilities and sales rebate allowances are as follows:

	As at 1 January	As at 31 December		
	2022	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sales rebate allowances	182,333	244,981	249,227	280,843
Sale of food products	263,456	439,211	629,522	260,138

Contract liabilities include advances from customers for the sale of food products. Sales rebate allowances are provided to certain customers once the quantity of products purchased during the year exceeds a threshold specified in the contract. The increase in contract liabilities in 2023 and 2022 was mainly due to the increase in short-term advances received from customers. The decrease in contract liabilities in 2024 mainly due to the changes in market conditions, the sales policy for this year has been altered, resulting in a decrease in the proportion of advance payments received from customers.

(ii) Other payables are non-interest-bearing and have an average term of three months.

(iii) Other payables for property, plant, and equipment include the unpaid obligations incurred by the Group for the acquisition of assets intended for long-term use. Due to the rapid development of the Group in recent years, the purchase payments for factories and equipment have increased.

(iv) Other payables-restricted stock repurchase include the partial fulfillment of the conditions for the release of the final 30% of the restricted stocks initially granted under the 2019 Restricted Stock Incentive Plan.

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities *(i)*	649,837	852,161	1,549,028
Other tax payables	97,285	118,459	205,574
Other payables-restricted stock repurchase	47,053	–	–
Staff salaries, bonuses and welfare payables	18,702	19,308	21,611
Other payables for property, plant, and equipment	4,422	2,282	6,504
Deposits	435	405	46
Accrued expenses	1,715	1,252	3,193
Others	15,719	14,869	8,596
Total	835,168	1,008,736	1,794,552
Current	821,567	1,001,834	1,794,552
Non-current	13,601	6,902	–
Total	835,168	1,008,736	1,794,552

(i) Details of contract liabilities are as follows:

	As at 1 January	As at 31 December		
	2022	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sale of food products	469,034	649,837	852,161	1,549,028

The increase in contract liabilities was mainly due to the increase in short-term advances received from the subsidiary Wuxi Anjoy Foods Marketing Co., Ltd., which played a key wholesaling role in the group.

31. DUE TO RELATED PARTIES – TRADE PAYABLES

An ageing analysis of the trade payables due to related parties as at 31 December 2022, 2023 and 2024, based on the invoice date, is as follows:

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	–	7,751	16,449

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	–	260	2,609

32. DUE TO SUBSIDIARIES

Company — Trade

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	10,686	13,421	32,644

The amounts due to subsidiaries are trade in nature, mainly arising from the purchase of the raw materials and semi-finished goods.

Company — Non-trade

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	–	–	106

The amounts due to subsidiaries are non-trade, mainly arising from the the accounts receivable advanced on behalf of subsidiaries.

33. DUE FROM SUBSIDIARIES

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Liaoning Anjoy	752,574	493,573	–
Taizhou Anjoy	301,000	301,000	–
Sichuan Anjoy	150,000	150,000	–
Henan Anjoy	680,000	680,000	–
Guangdong Anjoy	266,000	266,000	–
Shandong Anjoy	649,000	680,000	–
New Liuwu	–	286,874	204,202
Total	2,798,574	2,857,447	204,202

The amounts due from related parties are non-trade in nature, unsecured, non-interest-bearing and repayable on demand, except for the amounts due from New Liuwu. The amount due from New Liuwu as at 31 December 2023 was unsecured, interest bearing at 3.85% per annum and with maturity date of 28 February 2024. The amount due from New Liuwu as at 31 December 2024 was unsecured, interest bearing at 2.80% per annum and with maturity date of 31 March 2025.

34. DEFERRED INCOME

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Government grants	118,459	132,121	131,686

Movements in government grants of the Group during the Relevant Years are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
At beginning of year	99,211	118,459	132,121
Government grants received	49,919	49,122	67,909
Transfers to other income	(12,700)	(15,711)	(17,756)
Offset with property, plant and equipment	(17,971)	(19,749)	(50,588)
Total	118,459	132,121	131,686

The Group received government grants for capital expenditure incurred for property, plant and equipment. The amounts are deferred and amortised over the estimated useful lives of the respective assets. At the same time, the Group has also received some government subsidies related to daily operating activities.

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Government grants	28,024	20,935	17,557

Movements in government grants of the Company during the Relevant Years are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
At beginning of year	25,292	28,024	20,935
Government grants received	10,184	14,917	11,987
Credited to the consolidated statements of profit or loss during the year	(7,452)	(22,006)	(15,365)
Total	28,024	20,935	17,557

35. OTHER FINANCIAL LIABILITIES

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Other financial liabilities	13,601	6,902	–

Other financial liabilities represented the liability for the acquisition of 30% equity of Anjoy Mr. Frozen, which were held by the minority shareholders Mr. Ni Rutie and Mr. Zhou Jinya.

36. SHARE CAPITAL

Shares

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Issued and fully paid:			
293,294,232 shares with nominal value of RMB1.00 each	293,294	293,294	293,294

A summary of movements in the Company's issued paid-in capital during the Relevant Years is as follows:

Share capital	Notes	Number of shares in issue	Total
			RMB'000
At 1 January 2022		244,424,360	244,424
Issue of ordinary shares	*a*	48,884,872	48,885
Repurchase and Forfeiture of restricted A shares	*b*	(15,000)	(15)
At 31 December 2022 and 1 January 2023		293,294,232	293,294
At 31 December 2023 and 1 January 2024		293,294,232	293,294
At 31 December 2024		293,294,232	293,294

Notes:

(a) On 10 March 2022, the Company issued 48,884,872 new shares with a nominal value of RMB1.00 each in the non-public offering at an issue price of RMB116.08 per share. The total funds raised amounted to RMB5,674,556,000. After deducting the issuance expenses related to the raised funds totalling RMB39,982,000 (excluding VAT), the actual net funds raised by the Company were RMB5,634,574,000.

(b) On 18 May 2022, the Company repurchased and forfeited 15,000 shares (with a nominal value of RMB1.00 each) granted to two participants under the Restricted A-share Incentive Schemes who no longer satisfying the incentive conditions, resulting in a repurchase payment of RMB386,000.

37. SHARE-BASED PAYMENT

Restricted A shares incentive schemes

The Group operated share incentive schemes (the "Restricted A share Incentive Schemes") for the purpose of further refining the corporate governance structure of the Group, facilitating the establishment of the restricted incentive mechanism, fully motivating the directors and key personnel of the Group, as well as balancing the interests of the shareholders, the Group and management for the long-term development of the Group.

The Restricted A share incentive schemes 2019 ("Plan I") was approved by the shareholders of the Company. On 13 November 2019, the relevant resolutions were considered and passed at the Company's 31st meeting of the 3rd session of the board of directors, pursuant to which the date of grant for Plan I was set on 13 November 2019. On 13 November 2019 (the date of grant), 6,320,000 restricted A shares were granted to 231 eligible participants of Plan I at an exercise price of RMB26.97 per share. The share incentive participants include executive directors and the members of senior management of the Company and core technical and management personnel of the Company and its subsidiaries.

On 1 January 2020, two participants forfeited the rights, and a total of 229 participants purchased 6,310,000 shares with the payment of RMB170,181,000. The fair value of restricted shares granted for employees is determined by closing price of RMB59.70 per share at the grant date. The fair value of restricted shares granted for executives is determined by an external valuer using the Black-Scholes formula for executives which is RMB37.41 per share. Since there are no cash settlement alternatives, the Group accounts for the restricted shares granted under Plan I as an equity-settled plan.

The shares granted under Plan I shall be locked up immediately upon grant. The restricted A shares granted to the participants shall be subject to various lock-up periods of 1 year, 2 years and 3 years after the date of registration. The restricted A-share held by the participants shall be unlocked in three tranches in the proportions of 40%, 30% and 30% of the total number of the restricted A shares granted upon the expiry of each lock-up period. Where the performance target at company level has been achieved, the participants are only entitled to unlock the restricted A shares upon achieving the benchmarks of "Pass" or above in their performance target for the preceding year according to the Company's administrative measures in respect of the remuneration and performance appraisal.

The Restricted A shares incentive schemes 2020 ("Plan II") was approved by the shareholders of the Company. On 14 July 2020, the relevant resolutions were considered and passed at the Company's 4th meeting of the 4th session of the board of directors, pursuant to which the date of grant for Plan II was set on 14 July 2020.

On 14 July 2020 (the date of grant), pursuant to Plan II, 300,000 restricted shares were granted to 27 eligible participants of the Plan II at an exercise price of RMB66.31 per share. The share incentive participants include executive directors and the members of core marketing, technical and management personnel of the Company and its subsidiaries.

On 4 September 2020, one participant forfeited the rights, a total of 26 participants purchased 298,000 shares with the payment of RMB19,760,000. The fair value of each restricted share is determined by closing price of RMB134.68 per share at the grant date. Since there are no cash settlement alternatives, the Group accounts for the restricted shares granted under Plan II as an equity-settled plan.

The restricted shares granted under Plan II shall be locked up immediately upon grant. The restricted A shares granted to the participants shall be subject to various lock-up periods of 1 year, 2 years after the date of registration. The restricted A share held by the participants shall be unlocked in two tranches in the proportions of 50% and 50% of the total number of the restricted A shares granted upon the expiry of each lock-up period. Where the performance target at company level has been achieved, the participants are only entitled to unlock the restricted A shares upon achieving the benchmarks of reach or above in their performance target for the preceding year according to the Company's administrative measures in respect of the remuneration and performance appraisal.

The following restricted A shares were outstanding under the Restricted A share Incentive Schemes during the years ended 31 December 2022, 2023 and 2024:

Plan I

	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2022		2023		2024	
	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares	Weighted average exercise price	Number of restricted A shares
	RMB per share	*'000*	*RMB per share*	*'000*	*RMB per share*	*'000*
At 1 January	26.97	3,786	26.97	1,878	–	–
Forfeited during the year	26.97	(15)	–	–	–	–
Vested during the year	26.97	(1,893)	26.97	(1,878)	–	–
At 31 December	26.97	1,878	–	–	–	–

Plan II

	Year ended 31 December	
	2022	
	Weighted average exercise price	Number of restricted A shares
	RMB per share	*'000*
At 1 January	66.31	149
Vested during the year	66.31	(149)
At 31 December	–	–

Share Option Schemes

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

The Share Option Scheme was approved by 2023 second extraordinary general meeting on 13 October 2023. The adjustments of participants, number of options, and exercise price were further approved by the Company's board of directors' and board of supervisors' meeting on 25 October 2023. The share option granted to the participants shall be subject to various lock-up periods of 1 year, 2 years, 3 years after the date of grant. The share option held by the participants shall be unlocked in three tranches in the proportions of 40%,30% and 30% of the total number of the share option granted upon the expiry of each lock-up period.

The total number of share options granted was 11,395,000 shares for 1,458 participants with the exercise price of RMB105.275 per share. On 7 December 2023, two participants forfeited the rights, and a total of 1,456 participants were registered with 11,389,000 share options. The fair value of share option for employees and executives is determined by an external valuer using the Black-Scholes formula. Since there are no cash settlement alternatives, the Group accounts for the Share Option Scheme as an equity-settled share option scheme.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 25 October 2024, the Board of Directors of the Company approved the adjustment of the share option scheme price due to the distribution of cash dividends. The grant price for the initial and reserved share option scheme has been adjusted from 105.275 yuan per share to 102.12 yuan per share. The adjustment of the exercise price of the share option scheme granted for the first time under this incentive plan will not have a material impact on the Group's financial condition and operations, nor will it harm the interests of the Company and its shareholders. It will also not affect the continuation of the implementation of this incentive plan.

The following share options were outstanding under the Share Option Scheme during the years ended 31 December 2023 and 2024:

	Note	Year ended 31 December 2023		Year ended 31 December 2024	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		RMB per share	*'000*	*RMB per share*	*'000*
At 1 January		–	–	105.275	11,389
Granted during the year		105.275	11,395	–	–
Forfeited during the year		105.275	(6)	105.275	(204)
At the end of the year	*a*	105.275	11,389	102.120	11,185

Note:

(a) Due to the distribution of cash dividends, the grant price for the initial and reserved share option scheme has been adjusted from 105.275 yuan per share to 102.12 yuan per share.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2023
Historical volatility (%)	12.57%,14.87%,14.66%
Risk-free interest rate (%)	1.50%,2.10%,2.75%
Expected life of options (year)	3
Weighted average share price (RMB per share)	114.90
Weighted average fair value of the options (RMB)	17.01

The Group recognised share-based payment expenses of RMB33,460,000, RMB19,208,000, and RMB100,808,000 in profit or loss for the years ended 31 December 2022, 2023 and 2024, respectively.

38. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity in the Historical Financial Information.

(i) Statutory reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the companies registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory reserve is not available for dividend distribution to equity holders of the PRC companies.

(ii) Capital reserve

The capital reserve of the Group included the excess of the consideration received for subscription of the registered capital of the Company and the effect of implementation and unlocking of restricted shares and share option schemes. Details of the movement in capital reserve are set out in the consolidated statements of changes in equity of the Historical Financial Information.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial information of entities of which the functional currency is not RMB.

(b) Company

	Share Capital	Capital reserve	Statutory surplus reserve	Treasury shares	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	244,424	2,424,234	137,066	(104,660)	740,643	3,441,707
Profit for the year	–	–	–	–	255,830	255,830
Issue of shares	48,885	5,625,671	–	–	–	5,674,556
Share issue expenses	–	(39,982)	–	–	–	(39,982)
Equity-settled restricted A shares arrangements	–	24,394	–	–	–	24,394
Vesting of restricted shares	–	–	–	57,221	–	57,221
Forfeiting of restricted shares	(15)	(729)	–	386	–	(358)
Final 2021 dividend	–	–	–	–	(205,013)	(205,013)
Transfer from retained profits	–	–	9,581	–	(9,581)	–
As at 31 December 2022	293,294	8,033,588	146,647	(47,053)	781,879	9,208,355
As at 1 January 2023	293,294	8,033,588	146,647	(47,053)	781,879	9,208,355
Profit for the year	–	–	–	–	430,083	430,083
Vesting of restricted shares	–	–	–	47,053	–	47,053
Share-based payment arrangements	–	19,208	–	–	–	19,208
Repurchase of A-shares	–	–	–	(45,714)	–	(45,714)
Final 2022 dividend	–	–	–	–	(330,543)	(330,543)
2023 interim dividend	–	–	–	–	(221,437)	(221,437)
Others	–	(141)	–	–	–	(141)
As at 31 December 2023	293,294	8,052,655	146,647	(45,714)	659,982	9,106,864
As at 1 January 2024	293,294	8,052,655	146,647	(45,714)	659,982	9,106,864
Profit for the year	–	–	–	–	1,146,486	1,146,486
Share option arrangements	–	100,808	–	–	–	100,808
Repurchase of A-shares	–	–	–	(62,879)	–	(62,879)
Final 2023 dividend	–	–	–	–	(518,647)	(518,647)
2024 interim dividend	–	–	–	–	(680,671)	(680,671)
As at 31 December 2024	293,294	8,153,463	146,647	(108,593)	607,150	9,091,961

39. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	As at 31 December		
	2022	2023	2024
Percentage of equity interest held by non-controlling interests:			
Honghu Xinhongye	10%	10%	10%
Hubei New Liuwu	30%	30%	30%

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year allocated to non-controlling interests:			
Honghu Xinhongye	7,115	6,637	4,251
Hubei New Liuwu	9,010	15,650	24,306

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Accumulated balances of non-controlling interests at the reporting date:			
Honghu Xinhongye	62,886	69,523	73,774
Hubei New Liuwu	137,525	153,175	177,481

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	Honghu Xinhongye	Hubei New Liuwu
	RMB'000	*RMB'000*
2022		
Revenue	1,598,538	313,757
Total expenses	1,527,390	283,723
Profit for the year	71,148	30,034
Total comprehensive income for the year	71,148	30,034
Current assets	663,967	627,167
Non-current assets	456,278	618,442
Current liabilities	396,162	733,478
Non-current liabilities	95,221	53,715
Net cash flows used in operating activities	(83,049)	(95,172)
Net cash flows used in investing activities	(62,987)	(94,620)
Net cash flows from financing activities	180,295	156,925
Net increase/(decrease) in cash and cash equivalents	34,259	(32,867)

	Honghu Xinhongye	Hubei New Liuwu
	RMB'000	*RMB'000*
2023		
Revenue	1,441,581	1,158,126
Total expenses	1,365,465	1,099,045
Profit for the year	76,116	59,081
Total comprehensive income for the year	76,116	59,081
Current assets	688,985	771,408
Non-current assets	435,277	633,798
Current liabilities	357,016	839,183
Non-current liabilities	62,269	48,525
Net cash flows from/(used in) operating activities	80,960	(124,419)
Net cash flows used in investing activities	(28,068)	(69,510)
Net cash flows (used in)/from in financing activities	(34,282)	183,527
Net increase/(decrease) in cash and cash equivalents	18,610	(10,402)

	Honghu Xinhongye	Hubei New Liuwu
	RMB'000	*RMB'000*
2024		
Revenue	1,351,807	1,239,071
Total expenses	1,317,002	1,171,504
Profit for the year	34,805	67,567
Total comprehensive income for the year	34,805	67,567
Current assets	534,208	727,256
Non-current assets	395,899	582,669
Current liabilities	(123,861)	(676,722)
Non-current liabilities	(66,464)	(48,138)
Net cash flows from operating activities	297,714	319,015
Net cash flows used in investing activities	(8,879)	(35,035)
Net cash flows used in financing activities	(224,911)	(86,136)
Net increase in cash and cash equivalents	63,924	197,844

40. BUSINESS COMBINATIONS

Hubei New Liuwu and subsidiaries

In April 2022, the Company entered into a share purchase agreement with third parties to acquire 70% equity interests of Hubei New Liuwu and subsidiaries with the consideration of RMB644,000,000. Hubei New Liuwu and subsidiaries are primarily engaged in crayfish farming and processing business. The acquisition was made as part of the Group's strategy to enhance its raw material productions. The acquisition was consummated in August 2022.

The fair values of the identifiable assets and liabilities of Hubei New Liuwu and subsidiaries as at the date of acquisition were as follows:

	Notes	**Fair value recognised on acquisition**
		RMB'000
Property, plant and equipment	*15*	346,461
Right-of-use assets	*16(a)*	32,746
Other intangible assets	*18*	172,711
Cash and cash equivalents		55,912
Trade receivables		164,713
Inventories		385,063
Prepayments, other receivables and other assets		47,875
Other non-current assets		12,595
Deferred tax assets		5,424
Trade payables		(158,380)
Interest-bearing bank and other borrowings		(80,077)
Other liabilities		(512,363)
Deferred tax liabilities		(44,297)
Total identifiable net assets at fair value		428,383
Non-controlling interests		(128,515)
Goodwill on acquisition		344,132
Total consideration		644,000
Satisfied by cash		644,000

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	(644,000)
Cash and cash equivalents acquired	55,912
Net outflow of cash and cash equivalents included in cash flows from investing activities	(588,088)

The fair values of the trade receivables as at the date of acquisition amounted to RMB164,713,000. The gross contractual amounts of trade receivables were RMB174,303,000 of which RMB9,590,000 are expected to be uncollectible.

Since the acquisition, Hubei New Liuwu and subsidiaries contributed RMB311,245,000 to the Group's revenue and caused a profit of RMB30,034,000 to the consolidated profit of the Group for the year ended 31 December 2022.

Had the combination taken place at the beginning of 2022, the revenue and the profit of the Group for the year would have been RMB12,968,381,000 and RMB1,153,763,000, respectively.

As part of the purchase agreement, the transferors promised that the net profit of Hubei New Liuwu for the fiscal years of 2022, 2023, and 2024 would not be less than RMB70,000,000, RMB80,000,000 and RMB90,000,000, respectively, and the proportion of non-recurring gains and losses in the corresponding net profit amount for 2022, 2023 and 2024 should not exceed 20% respectively.

If Hubei New Liuwu fails to achieve the corresponding performance commitment for a particular fiscal year, and the actual net profit of Hubei New Liuwu for that year is less than 80% (excluding the exact amount) of the corresponding performance commitment amount for that year, then the transferors agreed to compensate the Group at an amount to be calculated based on the performance commitment.

Due to the prolonged downturn of the crayfish market in recent years, the net profit of Hubei New Liuwu for the fiscal years of 2023, and 2024 were less than RMB80,000,000 and RMB90,000,000, respectively. Besides, Hubei New Liuwu failed to meet the cumulative net profit commitments for years 2022, 2023, and 2024 as stipulated in the share transfer agreement signed with the Company in April 2022. Pursuant to the agreement and evaluation results, the non-controlling shareholder of Hubei New Liuwu, Mr. Liu Zhonghu, shall compensate RMB47,115,000 to the Group, comprising performance indemnity of RMB35,229,000 and performance compensation of RMB11,886,000. The Company and the non-controlling shareholder of Hubei New Liuwu had reached consensus to settle the aforesaid performance compensation with 4.4915% interests in Hubei New Liuwu.

41. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transaction

During the years ended 31 December 2022, 2023 and 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of Nil, RMB2,805,000 and RMB42,993,000 respectively, in respect of lease agreements.

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2022

	Bank and other borrowings	Lease liabilities	Other payables – restricted stock repurchase
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	411,038	9,192	104,660
Changes from financing cash flows	(13,620)	(4,322)	–
Acquisition of a subsidiary	80,077	–	–
Accretion of interest recognised during the year	14,676	226	–
Vesting of restricted A shares	–	–	(57,221)
COVID-19-related rent concessions from lessors	–	(92)	–
Forfeiting of restricted A shares	–	–	(386)
At 31 December 2022	492,171	5,004	47,053

Year ended 31 December 2023

	Bank and other borrowings	Lease liabilities	Other payables – restricted stock repurchase	Dividends Payable
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	492,171	5,004	47,053	–
Changes from financing cash flows	(131,730)	(4,205)	–	(221,437)
Increase arising from non-cash changes	(50,000)	–	–	–
New leases	–	2,805	–	–
Accretion of interest recognised during the year	17,365	134	–	–
Dividends declared	–	–	–	221,437
Vesting of restricted A shares	–	–	(47,053)	–
At 31 December 2023	327,806	3,738	–	–

Year ended 31 December 2024

	Bank and other borrowings	Lease liabilities	Dividends Payable
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	327,806	3,738	–
Changes from financing cashflows	(222,978)	(3,536)	(921,791)
New leases	–	42,993	–
Accretion of interest recognised during the year	7,757	399	–
Disposal	–	(922)	–
Dividends declared	–	–	1,199,318
At 31 December 2024	112,585	42,672	277,527

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	12,584	14,892	15,387
Within investing activities	28,140	23,096	52,657
Within financing activities	4,322	4,205	3,536
Total	45,046	42,193	71,580

42. CONTINGENT LIABILITIES

As at 31 December 2022, 2023 and 2024, neither the Group nor the Company had any significant contingent liabilities.

43. PLEDGE OF ASSETS

Details of the Group's interest-bearing borrowings, which are secured by the assets of the Group, are included in note 28 to the Historical Financial Information.

44. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Years:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for purchase of property, plant and equipment	284,230	507,865	396,872

45. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the years ended 31 December 2022, 2023 and 2024:

(a) Transactions with related parties:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Sale of goods proceeds			
Beihai Heyuan Foods Co., Ltd. *(i)*	NA	6,639	8,433
Purchase of goods			
Beihai Heyuan Foods Co., Ltd. *(i)*	NA	264,472	317,577

(i) Beihai Heyuan has been identified as a related party of the Group since November 2023. Honghu Xinhongye Food Co., Ltd., a subsidiary of the Company held 19% equity of Beihai Heyuan Foods Co., Ltd. since its formation in November 2022 with significant influence. Then, Xiaohuabin (a key management personnel of the Group), the legal person, director and general manager of Honghu Xinhongye Food Co., Ltd which held the rest of 10% equity. Taking a role of chairman of Beihai Heyuan since November 2023.

The sales to the related parties were made according to the published prices and conditions offered to the major customers. The purchases from the related parties were conducted in the ordinary course of business and based on commercial terms mutually agreed by the counterparties.

(b) Compensation of key management personnel of the Group

Compensation of key management personnel of the Group, which comprises the remuneration of the directors, is disclosed in note 10 and note 11 to the Historical Financial Information.

(c) Outstanding balances with related parties

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
Beihai Heyuan Foods Co., Ltd.	NA	7,651	16,349
Other payables			
Beihai Heyuan Foods Co., Ltd.	NA	100	100

Amounts due to a related party were trade in nature, unsecured, interest-free and repayable within 15 days.

46. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2022, 2023 and 2024 are as follows:

31 December 2022

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	672,325	–	672,325
Trade and bills receivables	–	736,997	736,997
Financial assets included in prepayments, other receivables and other assets	–	26,060	26,060
Restricted cash and time deposits	–	2,446,105	2,446,105
Cash and cash equivalents	–	3,057,910	3,057,910
Total	672,325	6,267,072	6,939,397

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	–	1,327,301	1,327,301
Financial liabilities included in other payables and accruals	–	874,415	874,415
Interest-bearing bank and other borrowings	–	492,171	492,171
Total	–	2,693,887	2,693,887

31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	1,033,242	–	1,033,242
Trade and bills receivables	–	572,084	572,084
Financial assets included in prepayments, other receivables and other assets	–	20,579	20,579
Restricted cash and time deposits	–	448,011	448,011
Cash and cash equivalents	–	4,527,451	4,527,451
Total	1,033,242	5,568,125	6,601,367

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	–	1,288,469	1,288,469
Financial liabilities included in other payables and accruals	–	954,591	954,591
Interest-bearing bank and other borrowings	–	327,806	327,806
Due to related parties – trade payables	–	7,751	7,751
Total	–	2,578,617	2,578,617

31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	3,321,233	–	3,321,233
Trade and bills receivables	–	626,127	626,127
Financial assets included in prepayments, other receivables and other assets	–	22,222	22,222
Restricted cash and time deposits	–	550,826	550,826
Cash and cash equivalents	–	2,228,322	2,228,322
Total	3,321,233	3,427,497	6,748,730

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	–	1,379,710	1,379,710
Financial liabilities included in other payables and accruals	–	818,762	818,762
Interest-bearing bank and other borrowings	–	112,585	112,585
Due to related parties – trade payables	–	16,449	16,449
Dividends payable	–	277,527	277,527
Total	–	2,605,033	2,605,033

47. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts			Fair values		
	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets						
Financial assets at fair value through profit or loss	672,325	1,033,242	3,321,233	672,325	1,033,242	3,321,233
Financial liabilities						
Interest-bearing bank loans	2,266	1,465	490	2,172	1,412	471

Management has assessed that the fair values of cash and cash equivalents, restricted cash and time deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, current interest-bearing bank borrowings, trade payables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of the non-current interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2022, 2023 and 2024, were assessed to be insignificant.

The fair values of wealth management products included in financial assets at fair value through profit or loss have been estimated using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value management of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation, The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors for annual financial reporting.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2022				
Financial assets at fair value through profit or loss.	–	672,325	–	672,325
As at 31 December 2023				
Financial assets at fair value through profit or loss.	–	1,033,242	–	1,033,242
As at 31 December 2024				
Financial assets at fair value through profit or loss.	–	3,321,233	–	3,321,233

The movements in fair value measurements within Level 3 during the Relevant Years are as follows:

	31 December 2022	31 December 2023	31 December 2024
	RMB'000	*RMB'000*	*RMB'000*
Other financial liabilities			
At the beginning of year	511	–	–
Purchase of equity rights from non-controlling shareholders	(511)	–	–
At end of year	–	–	–

During the Relevant Years, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Liabilities for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2022				
Interest-bearing bank borrowings. . .	–	2,172	–	2,172
As at 31 December 2023				
Interest-bearing bank borrowings. . .	–	1,412	–	1,412
As at 31 December 2024				
Interest-bearing bank borrowings. . .	–	471	–	471

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank and other interest-bearing borrowings, cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. In addition, the Group has currency exposures from its cash and cash equivalent. The management of the Company consider the Group's exposure to foreign currency risk not significant.

Interest rate risk

The Group's bank balances, other than short-term and long-term bank deposits, expose to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate. The directors of the Company consider the Group's exposure to interest rate risk in respect of bank balances, interest-bearing bank and other borrowings is not significant as most of them are at fixed interest rate.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging as at 31 December 2022, 2023 and 2024.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2022, 2023 and 2024. The amounts presented are gross carrying amounts for financial assets.

31 December 2022	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	239	–	–	784,461	784,700
Financial assets included in prepayments, other receivables and other assets					
– Normal**	31,719	–	–	–	31,719
– Doubtful	–	638	–	–	638
Restricted cash and time deposits					
– Not yet past due	2,446,105	–	–	–	2,446,105
Cash and cash equivalents					
– Not yet past due	3,057,910	–	–	–	3,057,910
Total	5,535,973	638	–	784,461	6,321,072

31 December 2023	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	2,723	–	–	615,493	618,216
Financial assets included in prepayments, other receivables and other assets					
– Normal**	22,862	–	–	–	22,862
– Doubtful	–	560	–	–	560
Restricted cash and time deposits					
– Not yet past due	448,011	–	–	–	448,011
Cash and cash equivalents					
– Not yet past due	4,527,451	–	–	–	4,527,451
Total	5,001,047	560	–	615,493	5,617,100

31 December 2024	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	671,913	671,913
Financial assets included in prepayments, other receivables and other assets					
– Normal**	23,289	–	–	–	23,289
– Doubtful	–	2,458	–	–	2,458
Restricted cash and time deposits					
– Not yet past due	550,826	–	–	–	550,826
Cash and cash equivalents					
– Not yet past due	2,228,322	–	–	–	2,228,322
Total	2,802,437	2,458	–	671,913	3,476,808

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 24 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The maturity profile of the Group's financial liabilities as at 31 December 2022, 2023 and 2024, based on the contractual undiscounted payments, is as follows:

31 December 2022	On demand or within one year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	3,682	782	290	434	5,188
Interest-bearing bank loans and other borrowings	497,309	937	922	455	499,623
Trade and bills payables	1,327,301	–	–	–	1,327,301
Financial liabilities included in other payables and accruals	874,287	128	–	–	874,415
Total	2,702,579	1,847	1,212	889	2,706,527

31 December 2023	On demand or within one year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	1,638	1,226	644	350	3,858
Interest-bearing bank loans and other borrowings	331,253	992	490	–	332,735
Trade and bills payables	1,288,469	–	–	–	1,288,469
Financial liabilities included in other payables and accruals	954,591	–	–	–	954,591
Due to related parties – trade payables	7,751	–	–	–	7,751
Total	2,583,702	2,218	1,134	350	2,587,404

31 December 2024	On demand or within one year	1 to 2 years	2 to 3 years	Over 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	7,745	4,850	2,251	40,026	54,872
Interest-bearing bank loans and other borrowings	113,171	494	–	–	113,665
Trade and bills payables	1,379,710	–	–	–	1,379,710
Financial liabilities included in other payables and accruals	818,762	–	–	–	818,762
Due to related parties – trade payables	16,449	–	–	–	16,449
Total	2,335,837	5,344	2,251	40,026	2,383,458

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise equity holders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to equity holders, return capital to equity holders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022, 2023 and 2024.

The Group monitors capital using a gearing ratio, which is debt divided by the adjusted capital plus debt. Debt includes interest-bearing borrowings and lease liabilities. Capital includes equity attributable to owners of the parent. The gearing ratios as at 31 December 2022, 2023 and 2024 were as follows:

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Interest-bearing borrowings	492,171	327,806	112,585
Lease liabilities	5,004	3,738	42,672
Debt	497,175	331,544	155,257
Equity attributable to owners of the parent	11,679,284	12,628,023	12,952,529
Gearing ratio	4.1%	2.6%	1.2%

49. EVENTS AFTER THE REPORTING PERIODS

(a) The Company entered into a share purchase agreement on March 12, 2025 to purchase 70% of shares of Jiangsu Ding Wei Tai Food Co., Ltd. ("Ding Wei Tai") from a group of ten selling shareholders of Ding Wei Tai (the "Sellers").

The total consideration for the acquisition is RMB444,500,000, subject to adjustment by applying the P/E ratio of 11.40 in the event that the audited net profits of Ding Wei Tai would be less than RMB55,700,000, which was determined through arms' length negotiations with the Sellers with reference to the valuation of Ding Wei Tai. Upon the completion of the acquisition, Ding Wei Tai will be held as to 70%, 23.09% and 6.91% by our Company, Shanghai Hai Xue Run and Laikar Consulting, respectively, and will become our subsidiary.

The Directors of the Company believe that the acquisition will further complement and improve sales channels and enrich existing product mix, thereby further consolidating the leading position in the quick-frozen food industry in China. The acquisition will also help to expand the business into overseas markets and quick-frozen bakery products segment and strengthen the strategic alliance with companies whose business and growth strategies are complementary to those of the Company. The Directors consider that the terms of the acquisition are on normal commercial terms, fair and reasonable and in the interest of the Company and the shareholders as a whole.

(b) On 29 April 2025, the Company announced the final dividends of RMB296,515,000 for the year ended 31 December 2024.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to 31 December 2024.

The following is the text of a report set out on pages IA-1 to IA-2, received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. The information set out below is the unaudited interim condensed consolidated financial information of the Group for the three months ended 31 March 2025 and does not form part of the Accountants' Report from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, as set out in Appendix I to this prospectus, and is included herein for information purpose only.

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

REVIEW REPORT ON UNAUDITED INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF ANJOY FOODS GROUP CO., LTD.

Introduction

We have reviewed the interim financial information set out on pages IA-3 to IA-27, which comprises the condensed consolidated statement of financial position of Anjoy Foods Group Co., Ltd. (the "Company") and its subsidiaries (the "Group") as at 31 March 2025 and the related condensed consolidated statement of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
25 June 2025

I. HISTORICAL FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the three months ended 31 March 2024	2025
		RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
CONTINUING OPERATIONS			
REVENUE	*4*	3,722,778	3,581,404
Cost of sales		(2,766,843)	(2,770,230)
Gross profit		955,935	811,174
Other income and gains, net	*5*	50,575	77,772
Selling and distribution expenses		(279,795)	(242,230)
Administrative expenses		(128,452)	(113,441)
Research and development expenses		(21,687)	(19,102)
Other expenses	*6*	(1,325)	(913)
Finance costs	*7*	(2,088)	(2,043)
Reversal of impairment losses on financial assets		2,581	6,891
Share of profit of an associate		1,032	1,405
PROFIT BEFORE TAX	*8*	576,776	519,513
Income tax expense	*9*	(135,707)	(126,087)
PROFIT FOR THE PERIOD		441,069	393,426
Profit attributable to:			
Owners of the parent		438,408	394,524
Non-controlling interests		2,661	(1,098)
		441,069	393,426
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the period *(RMB)*	*11*	1.50	1.35
Diluted			
– For profit for the period *(RMB)*	*11*	1.50	1.35

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the three months ended 31 March	
	2024	**2025**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
PROFIT FOR THE PERIOD	441,069	393,426
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(222)	81
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	440,847	393,507
Total comprehensive income attributable to:		
Owners of the parent	438,253	394,581
Non-controlling interests	2,594	(1,074)
	440,847	393,507

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2024	As at 31 March 2025
		RMB'000	*RMB'000* *(Unaudited)*
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	5,363,911	5,376,327
Right-of-use assets		462,468	458,806
Goodwill		739,129	739,129
Other intangible assets		268,999	260,582
Investment in an associate		13,764	10,390
Other non-current assets		19,226	24,815
Deferred tax assets		157,030	150,237
Total non-current assets		7,024,527	7,020,286
CURRENT ASSETS			
Inventories	*13*	3,284,638	2,801,234
Trade and bills receivables	*14*	626,127	442,127
Prepayments, other receivables and other assets	*15*	339,427	324,075
Financial assets at fair value through profit or loss		3,321,233	3,452,489
Restricted cash and time deposits	*16*	550,826	268,427
Cash and cash equivalents	*16*	2,228,322	2,508,151
Total current assets		10,350,573	9,796,503
CURRENT LIABILITIES			
Trade and bills payables	*17*	1,379,710	954,927
Other payables and accruals		1,711,352	1,319,204
Due to related parties – trade payables		16,449	3,254
Interest-bearing bank and other borrowings	*18*	112,095	275,232
Lease liabilities		6,477	6,887
Tax payables		175,159	150,173
Dividends payable		277,527	–
Total current liabilities		3,678,769	2,709,677
NET CURRENT ASSETS		6,671,804	7,086,826
TOTAL ASSETS LESS CURRENT LIABILITIES		13,696,331	14,107,112

	Notes	As at 31 December 2024	As at 31 March 2025
		RMB'000	*RMB'000* *(Unaudited)*
NON-CURRENT LIABILITIES			
Deferred income		131,686	139,175
Interest-bearing bank and other borrowings	*18*	490	–
Lease liabilities		36,195	35,642
Deferred tax liabilities		255,481	253,388
Other payables and accruals		2,146	2,196
Total non-current liabilities		425,998	430,401
NET ASSETS		13,270,333	13,676,711
EQUITY			
Share capital	*19*	293,294	293,294
Treasury shares		(108,593)	(108,593)
Reserves		12,767,828	13,175,280
Total equity attributable to the owners of the parent		12,952,529	13,359,981
Non-controlling interests		317,804	316,730
Total equity		13,270,333	13,676,711

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended 31 March 2024 (Unaudited)

	Attributable to owners of the parent								
	Share capital	**Capital reserve***	**Statutory reserve***	**Exchange fluctuation reserves***	**Treasury shares**	**Retained earnings***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 *(note 19)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	293,294	8,043,040	147,906	574	(45,714)	4,188,923	12,628,023	272,560	12,900,583
Profit for the period	–	–	–	–	–	438,408	438,408	2,661	441,069
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	–	–	–	(155)	–	–	(155)	(67)	(222)
Total comprehensive income for the period . .	–	–	–	(155)	–	438,408	438,253	2,594	440,847
Capital injection from non-controlling equity shareholders.	–	–	–	–	–	–	–	16,000	16,000
Repurchase of A-shares . . .	–	–	–	–	(54,291)	–	(54,291)	–	(54,291)
Share options arrangements *(note 20)* .	–	28,203	–	–	–	–	28,203	–	28,203
As at 31 March 2024	293,294	8,071,243	147,906	419	(100,005)	4,627,331	13,040,188	291,154	13,331,342

Three months ended 31 March 2025 (Unaudited)

	Attributable to owners of the parent								
	Share capital	Capital reserve*	Statutory reserve*	Exchange fluctuation reserves*	Treasury shares	Retained earnings*	Total	Non-controlling interests	Total equity
	RMB'000 *(note 19)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	293,294	8,143,848	147,906	1,638	(108,593)	4,474,436	12,952,529	317,804	13,270,333
Profit for the period	–	–	–	–	–	394,524	394,524	(1,098)	393,426
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	–	–	–	57	–	–	57	24	81
Total comprehensive income for the period . .	–	–	–	57	–	394,524	394,581	(1,074)	393,507
Share options arrangements *(note 20)* .	–	12,871	–	–	–	–	12,871	–	12,871
As at 31 March 2025	293,294	8,156,719	147,906	1,695	(108,593)	4,868,960	13,359,981	316,730	13,676,711

* These reserve accounts comprise the consolidated reserves of RMB13,175,280,000 (as at 31 March 2024: RMB12,846,899,000) in the interim condensed consolidated statement of financial position as at 31 March 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Three months ended 31 March	
		2024	2025
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		576,776	519,513
Adjustments for:			
Depreciation of property, plant and equipment		105,401	127,726
Depreciation of right-of-use assets		3,602	3,841
Amortisation of other intangible assets		9,983	10,080
Interest income	5	(20,353)	(6,980)
Gain on disposal of financial assets at fair value through profit or loss	5	(2,061)	(7,504)
Unrealised fair value gains on financial assets at fair value through profit or loss	5	(4,655)	(10,687)
Loss on disposal of items of property, plant and equipment and right-of-use assets		857	472
Finance costs	7	2,088	2,043
Impairment of inventories	13	10,319	10,052
Reversal of impairment losses on financial assets, net		(2,581)	(6,891)
Share-based payment expenses	20	28,203	12,871
Share of profit and loss of an associate		(1,032)	(1,405)
		706,547	653,131
Decrease in inventories		515,775	478,131
Decrease in trade and bills receivables		67,636	191,078
(Increase)/decrease in prepayments, other receivables and other assets		(59,323)	29,347
Decrease in other non-current assets		4,057	61
Decrease/(Increase) in restricted cash and time deposits		6,573	(1,436)
Decrease in trade and bills payables		(169,493)	(424,783)
Decrease in other payables and accruals		(3,796)	(109,598)
Increase in deferred income		453	57
Decrease in due to related parties – trade		(7,751)	(13,195)
Increase in due from related parties – trade		(755)	–
Cash generated from operations		1,059,923	802,793
Interest received		17,441	5,168
Income tax paid		(149,458)	(148,344)
Net cash flows generated from operating activities		927,906	659,617

	Note	Three months ended 31 March	
		2024	2025
		RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of items of property, plant and equipment		786	131
Purchase of items of property, plant and equipment		(219,160)	(284,445)
Purchase of other intangible assets		(199)	(2,829)
Purchases of financial assets at fair value through profit or loss		(970,000)	(3,030,000)
Purchases of time deposits		(50,000)	(10,000)
Purchases of right-of-use assets – land use rights		(52,246)	–
Receipt of government grants for property, plant and equipment		19,255	13,009
Proceeds from disposal of financial assets at fair value through profit or loss		770,000	2,902,500
Proceeds from disposal of time deposits		49,853	295,647
Income from disposal of financial assets at fair value through profit or loss		8,080	14,470
Net cash flows used in investing activities		(443,631)	(101,517)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest-bearing bank and other borrowings		131,000	255,000
Repayment of interest-bearing bank and other borrowings		(230,244)	(242,476)
Principal portion of lease payments		(1,007)	(721)
Payment of listing expense		–	(12,469)
Dividends paid		–	(277,527)
Interest paid for interest-bearing bank and other borrowings		(2,025)	(1,280)
Proceeds from government grants related to loan interest subsidies		–	575
Capital injection from non-controlling equity shareholders		16,000	–
Repurchase of ordinary stocks		(54,291)	–
Net cash flows used in financing activities		(140,567)	(278,898)

	Note	Three months ended 31 March	
		2024	2025
		RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
NET INCREASE IN CASH AND CASH EQUIVALENTS		343,708	279,202
Cash and cash equivalents at beginning of period		4,527,451	2,228,322
Effect of foreign exchange differences, net		(248)	627
CASH AND CASH EQUIVALENTS AT END OF PERIOD		4,870,911	2,508,151
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		4,870,911	2,458,151
Short-term bank deposits		–	50,000
Cash and cash equivalents as stated in the statement of cash flows and the statement of financial position		4,870,911	2,508,151

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China (hereinafter referred to as "PRC"). The registered office of the Company is located at No. 2508, Xinyang Road, Haicang District, Xiamen. The Company's A shares have been listed on the Shanghai Stock Exchange since 22 February 2017.

In the opinion of the directors, the controlling shareholder of the Company is Fujian Guoli Minsheng Technology Development Co., Ltd. (福建國力民生科技發展有限公司).

During the three-month period ended 31 March 2025, the Company and its subsidiaries (together as the "Group") were mainly involved in the food procession, production and wholesaling.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

The interim condensed consolidated financial information for the three-month ended 31 March 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements for the years ended 31 December 2022, 2023 and 2024. The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's consolidated financial statements for the years ended 31 December 2022, 2023 and 2024.

2.2 Issued but not yet Effective IFRS Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in this interim condensed consolidated financial information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[3]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Annual Improvement to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS7, IFRS9, IFRS10 and IAS 7*[1]

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual/reporting periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18. The new standard is not expected to have any impact on the Group's results of operations and financial position but has impact on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Annual Improvements to IFRS Accounting Standards — Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing IFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no reportable segment information is presented.

Geographical information

Since over 99% of the Group's revenue and operating profits are derived from customers based in Mainland China and over 99% of the Group's identifiable assets and liabilities are in Mainland China, no further geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about major customers

No sales to a single customer accounted for 10% or more of the Group's revenue during the three months ended 31 March 2024 and 2025.

4. REVENUE

An analysis of revenue is as follows:

	For the three months ended 31 March	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Revenue from contracts with customers		
Sale of food products	3,722,778	3,581,404
Timing of revenue recognition		
Goods are satisfied at a point in time	3,722,778	3,581,404

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of food products

The performance obligation is satisfied when control of the food products is transferred to the customers and payment is generally due within 60 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with volume rebates which gives rise to variable consideration.

The Group has no revenue contract that has an original expected duration of more than one year. Thus, management applied practical expedient under IFRS15 and did not disclose the aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied or partially satisfied as of the end of 31 March 2024 and 2025.

5. OTHER INCOME AND GAINS, NET

	For the three months ended 31 March	
	2024	**2025**
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Other income		
Government grants related to		
– income *(i)*	13,428	43,192
– assets *(ii)*	4,092	5,571
Interest income	20,353	6,980
Income from sales of scrap, net	3,439	2,649
Total other income	41,312	58,392
Gains, net		
Foreign exchange gains, net	–	47
Unrealised fair value gains on financial assets at fair value through profit or loss	4,655	10,687
Gain on disposal of financial assets at fair value through profit or loss	2,061	7,504
Others	2,547	1,142
Total gains, net	9,263	19,380
Total other income and gains, net	50,575	77,772

(i) The government grants related to income have been received to reward for the Group's contribution to the local economic growth. These grants related to income are recognised in the interim condensed consolidated statement of profit or loss upon receipt of these rewards and the related conditions associated with the rewards, if any, are met. There are no unfulfilled conditions or other contingencies attaching to these grants.

(ii) The Group has received certain government grants related to the investments in production plants and related to income. The grants related to assets were net off the book value of related assets or recognised in the interim condensed consolidated statement of profit or loss over the useful lives of relevant assets.

6. OTHER EXPENSE

	For the three months ended 31 March	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Donations	–	100
Foreign exchange losses, net	174	–
Loss on disposal of items of property, plant and equipment and right-of-use assets	857	472
Bank charges	159	193
Impairment loss of non-financial assets	–	–
Others	135	148
Total	1,325	913

7. FINANCE COST

	For the three months ended 31 March	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Interest on bank and other borrowings	2,043	1,721
Interest on lease liabilities	45	322
Total	2,088	2,043

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		For the three months ended 31 March	
	Notes	2024	2025
		RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Cost of goods sold		2,180,336	2,053,802
Depreciation of property, plant and equipment		105,401	127,726
Depreciation of right-of-use assets		3,602	3,841
Interest on lease liabilities		45	322
Lease payments not included in the measurement of lease liabilities		6,170	4,159
Amortisation of other intangible assets*		9,983	10,080
Employee benefit expense (including directors', chief executive's and supervisors' remuneration):			
Wages and salaries		327,038	307,267
Share-based payment expenses		28,203	12,871
Pension scheme contributions, social welfare and other welfare**		49,760	59,458
Other employee benefits		24,463	21,717
Research and development cost***		21,687	19,102
Listing expenses		–	566
Reversal of impairment on financial assets		(2,581)	(6,891)
Impairment of inventories	*13*	10,319	10,052
Auditor's remuneration		129	316
Loss on disposal of items of property, plant and equipment and right-of-use assets		857	472
Government grants	*5*	(17,520)	(48,763)
Foreign exchange differences, net	*5/6*	174	(47)
Bank interest income	*5*	(20,353)	(6,980)
Finance costs		2,088	2,043

* The amortisation of other intangible assets is included in administrative expenses and selling and distribution expenses in the interim condensed consolidated statement of profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of pension scheme contributions.

*** Research and development cost include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

9. INCOME TAX

	For the three months ended 31 March	
	2024	**2025**
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current – PRC		
Charge for the period	154,182	121,387
Under provision in prior years	390	–
Deferred income tax	(18,865)	4,700
Total	135,707	126,087

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

PRC corporate income tax

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate of the Group's PRC subsidiaries is 25% unless subject to tax exemption set out below.

Pursuant to an announcement [2021] No. 8 "The Announcement on the Implementation and Supporting of Preferential Income Tax Policies for Small-scaled minimal profit enterprise and Individual Industrial and Commercial Households Development" issued by MOF and National Tax Bureau on 7 April 2021, for Small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included), the taxable income is reduced by 12.5%, and the enterprise income tax is paid at the tax rate of 20%, the Small-scaled minimal profit enterprise with an annual taxable income between RMB1,000,000 and RMB3,000,000 (RMB3,000,000 included) is entitled to a preferential tax treatment with only 50% income taxable at the preferential EIT rate of 20%. Pursuant to an announcement [2023] No. 12 "The Announcement on the Implementation of Preferential Income Tax Policies for Small-scaled minimal profit enterprise and Individual Industrial and Commercial Households" issued by MOF and National Tax Bureau on 2 August 2023, for Small-scaled minimal profit enterprise, the tax relief policy extended to 12 December 2027. That is, for Small-scaled minimal profit enterprise whose annual taxable income does not exceed RMB1,000,000, the taxable income is reduced by 12.5%, and the enterprise income tax is paid at the tax rate of 20%, from 1 January 2024 to 31 March 2025. Certain subsidiaries which meet the criteria of "Small-scaled minimal profit enterprise" are eligible for preferential tax rate of 20%.

Pursuant to an announcement [2020] 560 issued by Sichuan Economic and Information Technology Industry Development and Regulation Bureau, the main business of the company's subsidiary, Sichuan Anjoy Foods Co., Ltd. is in line with the encouraged industries in the "Guiding Catalogue for Industrial Structure Adjustment (2019 Edition)", allowing it to enjoy a reduced enterprise income tax rate of 15%.

Pursuant to the Regulations for the Implementation of the Enterprise Income Tax Law of the People's Republic of China, the income from the agricultural products processing projects of the company's subsidiaries Hubei Anrun Foods Co., Ltd., Honghu Xinhongye Food Co., Ltd., Hubei New Liuwu Foodstuff Group Co., Ltd., and the subsidiary companies Honghu Hongye Eco-agriculture Co., Ltd., Qianjiang New Liuwu Food Technology Co., Ltd., and Hubei Songlin Biological Feed Co., Ltd. are exempted from enterprise income tax.

HK profit tax

No Hong Kong profit tax has been provided for the subsidiary incorporated in Hong Kong as no assessable profits have been generated in Hong Kong during the period ended 31 March 2024 and 2025.

UK corporation tax

From 1 April 2023, the corporation tax main rate for non-ring fence profits increased to 25% for profits above GBP250,000. A small profits rate of 19% was also applicable to the companies with profits of GBP50,000 or less. Companies with profits between GBP50,000 and GBP250,000 will pay tax at the main rate, reduced by a marginal relief. Certain subsidiaries of the Group are the qualifying entities under the UK corporation tax rates regime.

The Group is within the scope of the Pillar Two model rules published by the Organization for Economic Co-operation and Development. While Hong Kong is in the process of seeking consultation on the implementation of the global minimum tax and domestic minimum top-up tax, it is expected that the new regime will come into effect for the Group's financial year beginning on January 1, 2025. Of the jurisdictions in which Oriental Food Express Limited operates, UK enacted Pillar Two legislation which is effective and is applicable to the Group for the year beginning on January 1, 2024, The Group has undertaken a preliminary assessment of the Pillar Two tax implications for the jurisdictions in which the Group operates and have enacted Pillar Two legislation. Based on the preliminary assessment and current financials, the Group does not expect to have any material Pillar Two exposure (including current tax) arising in these jurisdictions during the three months ended 31 March 2025. The Group has also applied the Amendments to IAS 12, "International Tax Reform — Pillar Two Model Rules", temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

10. DIVIDENDS

No proposed final dividend and interim dividend were declared during the three months ended 31 March 2024 and 2025.

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to owners of the parent and the weighted average number of ordinary shares of 292,264,000 and 292,133,000 outstanding during the three months ended 31 March 2024 and 2025, respectively.

(a) Basic

	For the three months ended 31 March	
	2024	**2025**
	(Unaudited)	*(Unaudited)*
Profit attributable to owners of the parent (RMB'000)	438,408	394,524
Weighted average number of ordinary shares used in the basic earnings per share calculation ('000)	292,264	292,133
Basic earnings per share (RMB)	1.50	1.35

(b) Diluted

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation. No adjustment has been made to the basic earnings per share amounts presented for the periods ended 31 March 2024 and 2025 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

12. PROPERTY, PLANT AND EQUIPMENT

During the three months ended 31 March 2025, the Group acquired assets with a cost of RMB141,915,000 excluding property, plant and equipment acquired through properties under construction (for the three months ended 31 March 2024: RMB146,566,000, excluding property, plant and equipment acquired through properties under construction).

Asset with a net book value of RMB1,773,000 were disposed by the Group during the three months ended 31 March 2025 (for the three months ended 31 March 2024: RMB1,917,000), resulting in a net loss on disposal of RMB472,000 (net loss for the three months ended 31 March 2024: RMB857,000).

13. INVENTORIES

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*
Raw materials	1,060,604	1,023,512
Work in progress	4,480	6,385
Semi-finished goods	254,668	303,763
Finished goods	1,116,365	928,883
Goods in transit	869,742	557,915
Provision for impairment of inventories	(21,221)	(19,224)
Total	3,284,638	2,801,234

For the three months ended 31 March 2024 and 2025, the impairment of inventories recognised in cost of sales amounted to RMB10,319,000 and RMB10,052,000, respectively.

14. TRADE AND BILLS RECEIVABLES

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*
Trade receivables	671,913	480,853
Impairment	(45,786)	(38,726)
Net carrying amount	626,127	442,127

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at 31 March 2024 and 2025, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*
Within 1 year	616,633	425,554
1 to 2 years	9,183	16,259
2 to 3 years	311	314
Total	626,127	442,127

15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*
Prepayments	64,891	73,897
Deposits	8,878	8,235
Dividend receivable	–	4,462
Corporate income tax recoverable	3,893	5,864
Value added tax recoverable	248,421	199,023
Others	16,869	36,308
	342,952	327,789
Impairment	(3,525)	(3,714)
Total	339,427	324,075

The Group has applied the general approach to providing impairment for ECLs prescribed by IFRS 9, which permits either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition.

An impairment analysis is performed at the end of the reporting period to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2024 and 31 March 2025, the loss allowance was assessed to be minimal.

16. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND TIME DEPOSITS

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*
Cash on hand and cash at bank	2,228,322	2,458,151
Short-term bank deposits	–	50,000
Cash and cash equivalents	2,228,322	2,508,151
Time deposits with original maturities over three months	533,511	249,675
Restricted cash	17,315	18,752
Restricted cash and time deposits	550,826	268,427

The cash and cash equivalents and restricted cash and time deposits are denominated in the following currencies:

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*
Cash and cash equivalents denominated in		
RMB	2,200,315	2,481,511
USD	2,981	1,775
HKD	1,664	1,644
EUR	2,547	2,518
GBP	20,815	20,703
Total	2,228,322	2,508,151
Restricted cash and time deposits		
RMB	550,826	268,427
GBP	–	–
Total	550,826	268,427

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates. The term of the bank deposit is within one year, depending on the cash management of the Group. The bank balances and deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

Restricted cash of RMB17,315,000 and of RMB18,752,000 at 31 December 2024 and 31 March 2025, respectively was reserved for bank acceptance guarantees in accordance with relevant regulations issued by Ministry of Commerce of PRC.

The RMB is not freely convertible into other currencies, however, under the Regulations on the Foreign Exchange Control of the PRC and the Administrative Regulations on Settlements, Sales and Payments in Foreign Exchange, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

17. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at 31 March 2024 and 2025, based on the invoice date, is as follows:

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*
Within 1 year	1,375,078	950,958
Over 1 year	4,632	3,969
Total	1,379,710	954,927

Trade payables are non-interest-bearing and normally settled within 60 days.

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 31 December			As at 31 March		
	2024			2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000 (Unaudited)*
Current						
Bank loans – secured	3.45	2025	70,072	3.00-3.45	2025-2026	120,113
Bank loans – unsecured	2.90-3.45	2025	41,043	3.00	2026	155,119
Current portion of long term bank loans – unsecured	1.69	2025	980	–	–	–
Total			112,095			275,232
Non-current						
Bank loans – unsecured	1.69	2026	490	–	–	–
Total			490			–

The carrying amounts of borrowings are denominated in the following currencies:

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000 (Unaudited)*
Current		
Bank loans – secured		
RMB	70,072	120,113
Bank loans – unsecured		
RMB	41,043	155,119
Current portion of long term bank loans – unsecured		
GBP	980	–
Total	112,095	275,232
Non-current		
Bank loans – unsecured		
GBP	490	–
Total	490	–

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000 (Unaudited)*
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	112,095	275,232
In the second year	490	–
In the third to four years, inclusive	–	–
Beyond four years	–	–
Total	112,585	275,232

As at 31 December 2024, the Group's secured bank borrowings of RMB70,072,000 were secured by plant and equipment and right-of use assets with the carrying amount of RMB125,068,000 and RMB43,547,000, respectively.

As at 31 March 2025, the Group's secured bank borrowings of RMB120,113,000 were secured by plant and equipment and right-of use assets with the carrying amount of RMB152,481,000 and RMB43,230,000, respectively.

19. SHARE CAPITAL

Shares

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*
Issued and fully paid:		
293,294,232 shares with nominal value of RMB1.00 each . .	293,294	293,294

20. SHARE-BASED PAYMENT

Share Option Schemes

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

The Share Option Scheme was approved by 2023 second extraordinary general meeting on 13 October 2023. The adjustments of participants, number of options, and exercise price were further approved by the Company's board of directors' and board of supervisors' meeting on 25 October 2023. The share option granted to the participants shall be subject to various lock-up periods of 1 year, 2 years, 3 years after the date of grant. The share option held by the participants shall be unlocked in three tranches in the proportions of 40%,30% and 30% of the total number of the share option granted upon the expiry of each lock-up period.

The total number of share options granted was 11,395,000 shares for 1,458 participants with the exercise price of RMB105.275 per share. On 7 December 2023, two participants forfeited the rights, and a total of 1,456 participants were registered with 11,389,000 share options. The fair value of share option for employees and executives is determined by an external valuer using the Black-Scholes formula. Since there are no cash settlement alternatives, the Group accounts for the Share Option Scheme as an equity-settled share option scheme.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 25 October 2024, the Board of Directors of the Company approved the adjustment of the share option scheme price due to the distribution of cash dividends. The grant price for the initial and reserved share option scheme has been adjusted from RMB105.275 per share to RMB102.12 per share. The adjustment of the exercise price of the share option scheme granted for the first time under this incentive plan will not have a material impact on the Group's financial condition and operations, nor will it harm the interests of the Company and its shareholders. It will also not affect the continuation of the implementation of this incentive plan.

The following share options were outstanding under the Share Option Scheme during the three months ended 31 March 2024 and 2025.

	For the three months ended 31 March 2024		For the three months ended 31 March 2025	
	(Unaudited)		*(Unaudited)*	
	Weighted average exercise price RMB per share	*Number of options '000*	*Weighted average exercise price RMB per share*	*Number of options '000*
At 1 January	105.275	11,389	105.275	11,185
Forfeited during the period	–	–	102.120	(96)
At the end of the period	105.275	11,389	102.120	11,089

The Group recognised share-based payment expenses of RMB28,203,000 and RMB12,871,000 in profit or loss for the three months ended 31 March 2024 and 2025, respectively.

21. COMMITMENTS

The Group had the following contractual commitments at the year-end 2024 and three months ended 31 March 2025:

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*
Contracted, but not provided for purchase of property, plant and equipment	396,872	272,200

22. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the three months ended 31 March 2024 and 2025:

(a) Transactions with related parties:

	For the three months ended 31 March	
	2024	2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Sale of goods proceeds		
Beihai Heyuan Foods Co., Ltd. *(i)*	4,911	3,391
Purchase of goods		
Beihai Heyuan Foods Co., Ltd. *(i)*	79,294	79,656

(i) Beihai Heyuan has been identified as a related party of the Group since November 2023. Honghu Xinhongye Food Co., Ltd., a subsidiary of the Company held 19% equity of Beihai Heyuan Foods Co., Ltd. since its formation in November 2022 with significant influence. Then, Xiaohuabin (a key management personnel of the Group), the legal person, director and general manager of Honghu Xinhongye Food Co., Ltd which held the rest of 10% equity. Taking a role of chairman of Beihai Heyuan since November 2023.

The sales to the related parties were made according to the published prices and conditions offered to the major customers. The purchases from the related parties were conducted in the ordinary course of business and based on commercial terms mutually agreed by the counterparties.

(b) Compensation of key management personnel of the Group

	For the three months ended 31 March 2024	For the three months ended 31 March 2025
	RMB'000 *(Unaudited)*	*RMB'000* *(Unaudited)*
Salaries	1,278	1,730
Performance-related bonuses	6,803	7,719
Pension scheme contributions	15	20
Equity-settled share-based payment expenses	199	79
Total	8,295	9,548

(c) Outstanding balances with related parties

	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*
Trade payables		
Beihai Heyuan Foods Co., Ltd.	16,349	8,507
Other payables		
Beihai Heyuan Foods Co., Ltd.	100	100
Trade receivables		
Beihai Heyuan Foods Co., Ltd.	–	5,353

Amounts due to a related party were trade in nature, unsecured, interest-free and repayable within 15 days.

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	As at 31 December 2024	As at 31 March 2025	As at 31 December 2024	As at 31 March 2025
	RMB'000	*RMB'000* *(Unaudited)*	*RMB'000*	*RMB'000* *(Unaudited)*
Financial assets				
Financial assets at fair value through profit or loss	3,321,233	3,452,489	3,321,233	3,452,489
Financial liabilities				
Interest-bearing bank loans	490	–	471	–

Management has assessed that the fair values of cash and cash equivalents, restricted cash and time deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, current interest-bearing bank borrowings, trade payables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of the non-current interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2024 and 31 March 2025, were assessed to be insignificant.

The fair values of wealth management products included in financial assets at fair value through profit or loss have been estimated using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value management of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation, The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors for annual financial reporting.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024				
Financial assets at fair value through profit or loss	–	3,321,233	–	3,321,233
As at 31 March 2025 (Unaudited)				
Financial assets at fair value through profit or loss	–	3,452,489	–	3,452,489

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Liabilities for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024				
Interest-bearing bank borrowings	–	471	–	471
As at 31 March 2025 (Unaudited)				
Interest-bearing bank borrowings	–	–	–	–

24. EVENTS AFTER THE REPORTING PERIOD

(a) The Company entered into a share purchase agreement on March 12, 2025 to purchase 70% of shares of Jiangsu Ding Wei Tai Food Co., Ltd. ("Ding Wei Tai") from a group of ten selling shareholders of Ding Wei Tai (the "Sellers").

The total consideration for the acquisition is RMB444,500,000, subject to adjustment by applying the P/E ratio of 11.40 in the event that the audited net profits of Ding Wei Tai would be less than RMB55,700,000, which was determined through arms' length negotiations with the Sellers with reference to the valuation of Ding Wei Tai. Upon the completion of the acquisition, Ding Wei Tai will be held as to 70%, 23.09% and 6.91% by our Company, Shanghai Hai Xue Run and Laikar Consulting, respectively, and will become our subsidiary.

The Directors of the Company believe that the acquisition will further complement and improve sales channels and enrich existing product mix, thereby further consolidating the leading position in the quick-frozen food industry in China. The acquisition will also help to expand the business into overseas markets and quick-frozen bakery products segment and strengthen the strategic alliance with companies whose business and growth strategies are complementary to those of the Company. The Directors consider that the terms of the acquisition are on normal commercial terms, fair and reasonable and in the interest of the Company and the shareholders as a whole.

(b) On 29 April 2025, the Company announced the final dividends of RMB296,515,000 for the year ended 31 December 2024.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's Reporting Accountants, as set out in Appendix I to this Prospectus, and is included herein for information purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this Prospectus and the Accountants' Report set out in Appendix I to this Prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants for illustration purposes only, and is set out here to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as of 31 December 2024 as if the Global Offering had taken place on 31 December 2024.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed as of 31 December 2024 or any future dates.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share as at 31 December 2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(note 1)	*(note 2)*		*(note 3)*	*(note 4)*
Based on an Offer Price of HK$66.00 per Share . . .	11,944,401	2,282,820	14,227,221	42.69	46.68

Notes:

1. The consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 is based on consolidated net assets of the Group attributable to owners of the Company as at 31 December 2024 of approximately RMB12,952,529,000, after netting off other intangible assets of the Group as at 31 December 2024 of approximately RMB268,999,000 and goodwill of the Group as at 31 December 2024 of approximately RMB739,129,000, as shown in the Accountants' Report set out in Appendix I to this Prospectus.

2. The estimated net proceeds from the Global Offering are based on estimated offer prices of HK$66.00 per Share, after deduction of underwriting fees and other listing related expenses payable by the Company (excluding listing expenses which have been recognised in profit or loss during the Track Record Period) and do not take into account any share which may be sold and offered upon exercise of the Over-allotment Option.

3. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share are arrived at after adjustments referred to note 2 above and on the basis that 333,288,932 shares are in issue, assuming that the Global Offering had been completed on 31 December 2024, without taking into account of any shares which may be allotted and issued upon the exercise of the Over-allotment Option.

4. For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at an exchange rate of HK$1 to RMB0.91457. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.

5. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as shown on page II-1 have not been adjusted to illustrate the effect of the following:

   In March 2025, the Company entered into a share purchase agreement to purchase 70% of shares of Ding Wei Tai with the total consideration of RMB444,500,000, subject to adjustment by applying the P/E ratio of 11.40 in the event that the audited net profits of Ding Wei Tai would be less than RMB55,700,000. In April 2025, the Company announced a dividend of RMB296,515,000 to the existing shareholders prior to the Listing based on the Company's retained profits as of 31 December 2024. Had the acquisition of Ding Wei Tai been completed and the payment of the dividend been made on 31 December 2024, on the assumption that the fair value of Ding Wei Tai's identifiable net tangible assets approximated to the carrying value as at 31 December 2024 and the total consideration amounted to RMB444,500,000, the unaudited pro forma adjusted consolidated net tangible assets of the Group would decrease from RMB14,227,221,000 to RMB13,753,251,000 based on Offer Price of HK$66.00 per Share, and the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 per Share would be RMB41.27 (equivalent to HK$45.13) based on a maximum Offer Price of HK$66.00 per Share. Except for the information as disclosed above, no other adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets. These amounts are converted from Renminbi to Hong Kong dollars or Hong Kong dollars to Renminbi at an exchange rate of HK$1 to RMB0.91457. No representation is made that Renminbi/Hong Kong dollars amount have been, could have been or may be converted to Hong Kong dollars/Renminbi at that rate or at all.

The following is the text of a report set out on pages II-3 to II-5, received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus, in respect of the pro forma financial information of the Group.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

EY安永

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the Directors of Anjoy Foods Group Co., Ltd.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Anjoy Foods Group Co., Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 December 2024, and related notes as set out on pages II-1 to II-2 of the prospectus dated 25 June 2025 issued by the Company (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in pages II-1 to II-2 to the prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 December 2024 as if the transaction had taken place at 31 December 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 31 December 2024, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong
25 June 2025

This Appendix mainly provides investors with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to investors.

SHARES AND REGISTERED CAPITAL

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank pari passu with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any subscriber.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

According to the operation and development needs of the Company, subject to the laws, regulations and the Articles of Association, the Company may increase the capital by the following ways upon approval of resolutions at the Shareholders' meeting:

(1) public issuance of shares;

(2) non-public issuance of shares;

(3) allotment of new shares or distribution of bonus shares to existing Shareholders;

(4) the conversion of reserve funds into share capital;

(5) other methods approved by the securities regulatory authorities where the company's stocks are listed, as stipulated by laws, administrative regulations.

When the Company issues convertible corporate bonds, the issuance, conversion procedures and arrangements of the convertible corporate bonds, as well as the changes in the Company's share capital resulting from the conversion, shall be handled in accordance with the provisions of national laws, administrative regulations, departmental rules, and other documents, as well as the terms set forth in the Company's convertible corporate bond prospectus.

For the Company to increase capital by issuing new shares, after approval in accordance with the provisions of the Articles of Association., the procedures stipulated by the relevant laws, administrative regulations, departmental rules, normative documents, and the listing rules of the stock exchange where the Company's shares are listed shall be followed.

The Company may reduce its registered capital. When reducing its registered capital, the Company shall follow the procedures stipulated by the PRC Company Law, as well as other relevant regulations and the provisions of the Articles of Association.

Repurchase of Shares

The Company may, in accordance with the provisions of laws, administrative regulations, departmental rules, and the Articles of Association, repurchase its own shares under the following circumstances:

(1) reducing the Company's registered capital;

(2) merging with other companies holding the Company's shares;

(3) using the shares as an employee stock ownership plan or equity incentive plan;

(4) purchasing its shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a Shareholders' meeting upon their request;

(5) use of shares for conversion of convertible corporate bonds issued by the Company;

(6) necessary for the Company to maintain its value and protect the interests of the Shareholders;

(7) other circumstances permitted by laws, administrative regulations, departmental rules, and regulatory rules of the stock exchange where the Company's shares are listed.

Except for the aforesaid circumstances, the Company shall not repurchase its own shares.

A resolution shall be passed at the Shareholders' meeting when the Company is to repurchase its own shares under the circumstances (1) and (2) set out above. In case of the circumstances stipulated in (3), (5), and (6) above, a resolution of the Company's Board shall be passed by at least two-thirds of the Directors attending the Board meeting provided that it complies with the securities regulatory rules of the stock exchange where the company's shares are listed.

After the Company has repurchased its own shares in accordance with the circumstances hereof, the shares so repurchased under the circumstance set out in (1) above shall be canceled within ten days from the date of purchase; the shares so repurchased under the circumstance set out in (2) or (4) above shall be transferred or canceled within six months; and the shares held in total by the Company after the repurchase under any of the circumstances set out in (3), (5) or (6) above shall not exceed 10% of the Company's total issued shares, and such shares shall be transferred or canceled within three years.

Transfer of Shares

The Company's shares can be transferred according to the law. All transfers of H Shares shall be effected by instruments of transfer in writing in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) stamped with the corporation's chop. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its nominee, the instruments of transfer may be signed by hand or in a machine imprinted format. All instruments of transfer shall be deposited with the legal address of the Company or such places as the Board of Directors may designate from time to time.

The shares issued by the Company before the public offering of A-shares shall not be transferred within one year from the date of listing and trading of the Company's stocks on the stock exchange. If laws, administrative regulations, or the State Council's securities regulatory authority has other provisions regarding the transfer of shares held by the Company's Shareholders or actual controllers, those provisions shall prevail.

The Directors, Supervisors and senior management of the Company shall notify the Company of their holdings of shares in the Company and the changes therein. The annual transfer of shares during the term of office as determined at the time of their assumption of office shall not exceed 25% of their total holdings of shares of the Company. The shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from their departure from the Company. Where the listing rules of the place where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer of overseas listed shares, such rules shall prevail. If the shares are pledged within the restricted transfer period stipulated by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted transfer period. Holding Company stocks on behalf of others in violation of laws or administrative regulations is prohibited.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of Shareholders based on the certificates provided by the securities registration authority and the register of Shareholders is sufficient evidence to prove that the Shareholders hold the shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations. Any Shareholder registered on the register of Shareholders or any person who requests to have his or her name (or title) registered on the register of Shareholders may, if his or her shares (i.e., the "original shares") are lost, apply to the Company for the reissuance of new share certificates in respect of such shares (i.e., the "relevant shares"). In the case of overseas-listed foreign share investors who have lost their share certificates and apply for reissuance, the matter may be dealt with in accordance with the laws of the jurisdiction where the original register of overseas-listed foreign shareholders is maintained, the rules of the relevant securities exchange, or any other applicable regulations.

Shareholders of the Company enjoy the following rights:

(1) to receive dividends and other forms of interest distributions in proportion to the shares they hold;

(2) to file a petition of, to convene, hold and attend the Shareholders' meetings either in person or by proxy and exercise their corresponding voting right according to laws;

(3) to supervise, present suggestions on or make inquiries about the business operations of the Company;

(4) to transfer, donate or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;

(5) to inspect and copy the Articles of Association, register of Shareholders, minutes of Shareholders' meetings, resolutions of the Board meetings, resolutions of the meetings of Supervisory Committee, financial and accounting reports; the Shareholders who individually or collectively hold 3% or more of the Company's Shares for 180 consecutive days or more may inspect the accounting books and vouchers of the Company;

(6) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

(7) to request the Company to purchase their shares for the Shareholders who object to the Company's resolution on merger or division made by the Shareholders' meetings; and

(8) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, regulatory rules of the stock exchange where the Company's shares are listed and the Articles of Association.

In the event that any resolution of the Shareholders' meeting or resolution of the Board of Directors violates laws or administrative regulations, the Shareholder is entitled to request the People's Court to deem it as invalid. In the event that the convening procedure or voting method of the Shareholders' meeting or the Board meeting violates any of laws, administrative regulations or the Articles of Association, or any resolution of which violates the Articles of Association, the Shareholder is entitled to request the People's Court to overturn the resolution within 60 days upon the resolution was adopted, except where there are only some minor defects in the convening procedures or the voting method of the Shareholders' meeting or the Board of Directors, which do not materially affect the resolution.

Shareholders of the Company shall assume the following obligations:

(1) to abide by the laws, administrative regulations and the Articles of Association;

(2) to pay subscription monies according to the shares subscribed and the method of subscription;

(3) not to withdraw the shares unless required by the laws and regulations;

(4) not to abuse their Shareholders' rights to jeopardize the interests of the Company or other Shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of Shareholders to jeopardize the interests of any creditors of the Company. Where any Shareholder of the Company abuses the Shareholders' rights and incur losses to the Company or other Shareholders, such Shareholder shall be liable for the damages according to laws. Where Shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability of Shareholders for the purposes of evading debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company;

(5) other obligations imposed by the laws, administrative regulations and the Articles of Association.

General Provisions for Shareholders' Meetings

The Shareholders' meeting is the organ of authority of the Company, which exercises the following powers in accordance with applicable laws and regulations:

(1) to elect or replace the Directors and Supervisors (other than the employee representatives) and to decide on matters relating to the remuneration of Directors and Supervisors;

(2) to examine and approve reports of the Board of Directors;

(3) to examine and approve reports of the Supervisory Committee;

(4) to examine and approve the Company's profit distribution plans and loss recovery plans;

(5) to make resolutions on any increase or decrease of the Company's registered capital;

(6) to make resolutions on the issue of corporate bonds by the Company;

(7) to make resolutions on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(8) to amend the Articles of Association;

(9) to make resolutions on the appointment and dismissal of accounting firms by the Company;

(10) to examine and approve the provision of guarantees stipulated in Article 41 of the Company's Articles of Association;

(11) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

(12) to examine and approve matters relating to changes in the use of proceeds;

(13) to examine and approve the equity incentive plans and employee stock ownership plans;

(14) to examine other matters as required by the laws, administrative regulations, departmental rules, the Articles of Association of the Company or the securities regulatory rules of the place where the Company's shares are listed, which shall be decided by the Shareholders' meeting.

The powers of the aforementioned Shareholders' meeting shall not be exercised by the Board of Directors or other institutions and individuals through authorization. The Shareholders' meeting may authorize the Board of Directors to make resolutions regarding the issuance of corporate bonds.

The following provision of guarantees to third parties by the Company are subject to the consideration and approval by the Shareholders' meeting:

(1) a single guarantee that exceeds 10% of the Company's latest audited net assets;

(2) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;

(3) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 30% of the Company's latest audited total assets;

(4) any guarantee provided to a party with an asset-liability ratio of over 70%;

(5) in accordance with the principle of cumulative calculation of guarantee amounts over a continuous 12-month period, the amount of guarantee has exceeded 30% of the Company's latest audited total assets;

(6) the guarantee to be provided to Shareholders, beneficial controllers and their related parties;

(7) other circumstances that require approval by the Shareholders' meeting as stipulated by the CSRC and the stock exchange (based on the exchange where the Company is approved for public issuance of shares and listing).

For guarantee matters within the authority of the Board of Directors, in addition to being passed by more than half of all Directors, they should also be agreed upon by more than two-thirds of the Directors attending the Board meeting. Guarantees mentioned in the preceding item (5) should be passed by more than two-thirds of the voting rights held by Shareholders attending the meeting. When the Shareholders' meeting deliberates on guarantee proposals provided for Shareholders, actual controllers, and their related parties, such Shareholders or Shareholders under the control of the actual controller shall not participate in the vote on that item, and the vote must be passed by more than half of the voting rights held by other Shareholders attending the meeting.

Shareholders' meetings are divided into annual meetings and extraordinary meetings. The annual meeting is convened once every year and shall be held within six months after the end of the previous accounting year.

The Company shall convene an extraordinary meeting within two months from the date of the occurrence of any of the following circumstances:

(1) where the number of Directors is less than the minimum number stipulated by the PRC Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(2) where the uncovered losses of the Company reach one-third of its paid-in share capital;

(3) where it is requested by a Shareholder individually or Shareholders collectively holding more than 10 percent of the Company's shares;

(4) the Board of Directors considers it necessary;

(5) the Supervisory Committee proposes that such a meeting shall be held;

(6) other circumstances conferred by the laws, administrative regulations, departmental rules, the provisions of the regulatory rules of the stock exchange where the Company's shares are listed and the Articles of Association.

If an extraordinary meeting is convened in accordance with the provisions of the regulatory rules of the stock exchange where the Company's shares are listed, the actual convening date of the extraordinary general meeting may be adjusted based on the approval progress of the securities exchange where the Company's shares are listed.

Convening of Shareholders' Meetings

Independent Directors shall have the right to propose to the Board of Directors to convene extraordinary Shareholders' meetings. When an Independent Director proposes to convene an extraordinary Shareholders' meeting, the Board of Directors shall issue written feedback on consent or non-consent to the convening of the extraordinary Shareholders' meeting within 10 days from the receipt of the proposal according to the laws, administrative regulations and the Articles of Association. If the Board of Directors gives consent to convene an extraordinary Shareholders' meeting, it shall, within five days from the passing of the Board of Directors resolution, issue a notice on convening the extraordinary Shareholders' meeting. If the Board of Directors does not give consent to convene an extraordinary Shareholders' meeting, the Board of Directors shall state the reason and issue an announcement.

The Supervisory Committee shall have the right to propose the convening of extraordinary Shareholders' meetings and submit such proposal in writing to the Board of Directors. In accordance with the laws, administrative regulations and the Articles of Association, the Board of Directors shall issue written feedback on consent or non-consent to the convening of the extraordinary Shareholders' meetings within 10 days from the receipt of the proposal. If the Board of Directors gives consent to convene an extraordinary Shareholders' meeting, it shall, within five days from the passing of the Board of Directors resolution, issue a notice on convening the extraordinary Shareholders' meeting. Any changes to the original proposal in the notice shall obtain the consent of the Supervisory Committee. If the Board of Directors does not give consent to convene an extraordinary Shareholders' meeting or does not issue feedback within 10 days from the receipt of the proposal, the Board of Directors shall be deemed as unable to perform or failed to perform the duties of convening an extraordinary Shareholders' meeting. In such cases, the Supervisory Committee may proceed to convene and chair the extraordinary Shareholders' meeting on its own.

Shareholders that, either individually or jointly, hold over 10% of shares of the Company have the right to propose to the Board of Directors for the convening of an extraordinary Shareholders' meeting, and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, issue written feedback on consent or non-consent to the convening of the extraordinary Shareholders' meeting within 10 days from the receipt of the proposal. In event that the Board of Directors agrees to convene an extraordinary Shareholders' meeting, a notice of the meeting shall be provided within five days of such resolution by the Board of Directors. Alterations to the original proposals in the notice shall be approved by the relevant Shareholders. In the event that the Board of Directors disagrees with the convening of an extraordinary Shareholders' meeting, or fails to provide any feedback within 10 days after receiving the proposal, Shareholders that, either individually or jointly, hold over 10% of shares of the Company have the right to propose to the Supervisory Committee for the convening of an extraordinary Shareholders' meeting, and such proposal shall be made in writing to the Supervisory Committee. In event that the Supervisory Committee agrees to convene an extraordinary Shareholders' meeting, a notice of the meeting shall be issued within five days of receipt of such request. Alterations to the original proposals in the notice shall be approved by the relevant Shareholders. In event that the Supervisory Committee did not provide a notice of the extraordinary Shareholders' meeting within the specified timeframe, the Supervisory Committee shall be considered to be unwilling to convene and preside over the meeting. The Shareholders that, either individually or jointly, hold over 10% of shares of the Company for a period of 90 consecutive days or more may at their sole discretion convene and preside over the extraordinary Shareholders' meeting.

Where the Supervisory Committee or Shareholders decide to convene an extraordinary Shareholders' meeting on its/their own, it/they shall notify the Board of Directors in writing and file relevant evidential documents with the Shanghai Stock Exchange. The Shareholders who convene the extraordinary Shareholders' meeting shall hold no less than 10% shares of the Company when any resolution is made at such meeting. The Supervisory Committee or the convening Shareholders shall, when the notice of the extraordinary Shareholders' meeting or announcement of resolutions of the extraordinary Shareholders' meeting is issued, submit relevant evidential documents to the Shanghai Stock Exchange.

For the Shareholders' meetings convened by the Supervisory Committee or Shareholders, the Board of Directors and the secretary of the Board of Directors shall cooperate. The Board of Directors shall provide the register of Shareholders as at the date of record.

The necessary expenses for the Shareholders' meetings convened by the Supervisory Committee or Shareholders on their own shall be borne by the Company.

Notice of Shareholders' Meeting

The convener shall notify all Shareholders by way of written form (including announcements) 21 days prior to the convening of the annual meeting, and each Shareholder shall be notified by way of written form (including announcements) 15 days prior to the convening of the extraordinary meeting. When calculating the start of the commencement period, the Company should not include the day the meeting is held.

The notice of a Shareholders' meeting shall include the following:

(1) the time, place, form and duration of the meeting;

(2) matters and proposals submitted to the meeting for consideration;

(3) in plain language: all Shareholders have the right to attend the Shareholders' meeting, and may entrust a proxy in writing to attend the meeting and vote. Such a proxy does not need to be a Shareholder of the Company;

(4) the shareholding registration date of the Shareholders entitled to attend the meeting;

(5) voting time and voting procedures on the Internet or in other ways;

(6) name and telephone number of the permanent contact person for conference affairs;

(7) other contents conferred by the laws, administrative regulations, departmental rules, the provisions of the regulatory rules of the stock exchange where the Company's shares are listed and the Articles of Association.

The notice and supplementary notice of the Shareholders' meeting shall fully and completely disclose all the specific contents of all proposals. Where an Independent Director is required to express opinions on matters to be discussed, the opinions and reasons of the Independent Directors shall be disclosed at the same time when the notice of Shareholders' meeting and the supplementary notice are issued.

Proposals at Shareholders' Meetings

The Board of Directors, the Supervisory Committee and Shareholders who individually or jointly hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company at the Shareholders' meeting. Shareholders who individually or collectively hold more than 1% of the shares of the Company may submit an interim proposal in writing to the convener 10 days prior to the convening of the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days after receiving the proposal, and announce the contents of the interim proposal. The interim proposal shall have a clear agenda and specific matters for resolution. However, this does not apply if the interim proposal violates the provisions of laws, administrative regulations, or the company's articles of association, or if it is not within the scope of the Shareholders' meeting's authority.

Proxy for the Shareholders' Meeting

A Shareholder may attend and vote at the Shareholders' meeting in person or by proxy. Any Shareholder entitled to attend and vote at the Shareholders' meeting shall have the right to appoint one or more proxies (who need not be Shareholders) to attend and vote on his/her behalf.

Individual Shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents or proof that can indicate their identity, as well as their stock account card. Proxies attending the meeting shall present their personal identity cards and the power of attorney from the Shareholder.

Corporate Shareholders shall be represented by its legal representative or proxies authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the written power of attorney legally issued by the legal representative of the legal person Shareholder, except for Shareholders who are a recognized clearing house as defined in the relevant ordinances in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the shares of the company are listed or its proxy.

Shareholders of a partnership enterprise that is not a legal person should attend the meeting in person as the natural person managing partner or the appointed representative of a non-natural person managing partner, or through an agent appointed by the individuals. When a natural person managing partner or an appointed representative of a non-natural person managing partner attends the meeting, they should present their personal identification and valid proof of their qualifications as a managing partner or appointed representative. Proxies authorized to attend the meeting shall present their personal identification and the written power of attorney legally issued by the natural person managing partner or the appointed representative of a non-natural person managing partner of that Shareholder's entity.

If the Shareholder is a Recognized Clearing House, the Shareholder may authorize one or more persons it deems fit to act as its proxy or representative at any Shareholders' meeting or any creditors' meeting; however, if more than two person is authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may act on behalf of the Recognized Clearing House as if such person were an individual Shareholder of the Company.

If the power of attorney is signed by another person authorized by the principal, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document, together with the instrument appointing the voting proxy, shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting no later than the commencement of the meeting to which the proxy relates, or prior to the designated voting time, whichever is applicable.

The power of attorney issued by a Shareholder to appoint another person to attend a meeting shall contain the following particulars:

(1) name of the proxy;

(2) whether the proxy has any voting rights;

(3) instructions to vote for, against or abstain from voting on each matter to be considered that are included on the agenda of the Shareholders' general meeting, respectively;

(4) date of issuance and date of expiry of the power of attorney;

(5) signature (or seal) of the principal. If the principal is a corporate Shareholder, the seal of the corporate shall be affixed.

The power of attorney should state whether the proxy may vote as he/she wishes if the Shareholder does not give specific instructions.

Voting at the Shareholders' Meeting

Resolutions at Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution at a Shareholders' meeting shall be passed by more than half of the voting rights held by the Shareholders present at the Shareholders' meeting (including proxies). A special resolution at a Shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the Shareholders present at the Shareholders' meeting (including proxies).

Shareholders (including their proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote. Where permitted by the applicable securities regulations of the stock listing jurisdiction, a Shareholder (including a proxy) holding two or more voting rights may cast votes for, against, or abstain on a resolution without being required to exercise all voting rights uniformly. Where material issues affecting the interests of minority Shareholders are considered at the Shareholders' meeting, the votes of minority Shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner. The shares held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of Shareholders present at the Shareholders' meeting.

If any Shareholder, under applicable laws and regulations and Hong Kong Stock Exchange Listing Rules of the Hong Kong Stock Exchange, is required to abstain from voting on any particular matter being considered or is restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

If a Shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the Shareholders' meeting for thirty-six months after the purchase.

When the Shareholders' meeting discusses matters related to related party transactions, the related Shareholders may attend the meeting and can, in accordance with the meeting procedures, explain their views to the attending Shareholders, but they should not participate in the voting. The number of shares they represent with voting rights is not counted in the valid total votes; the announcement of the Shareholders' meeting resolution should fully disclose the voting situation of the non-related Shareholders.

The following matters shall be passed by ordinary resolutions at the Shareholders' meeting:

(1) work reports of the Board of Directors and the Supervisory Committee;

(2) plans for the distribution of profits and for recovery of losses proposed by the Board;

(3) the election and removal of the members of the Board of Directors and the Supervisory Committee and their remuneration and payment method;

(4) the annual report of the Company;

(5) any other matters other than those shall be passed by special resolutions as required by laws, administrative regulations, regulatory rules of the stock exchange where the Company's shares are listed, or the Articles of Association.

The following matters shall be passed as special resolutions of a Shareholders' general meeting:

(1) the increase or reduction of the registered capital of the Company;

(2) the division, spin-off, change of company form, merger, dissolution and liquidation of the Company;

(3) any amendment to the Articles of Association of the Company;

(4) the purchase or sale of significant assets or the provision of guarantee to others within a year, where the amount exceeds 30% of the Company's audited total assets for the latest period;

(5) share option incentive plan;

(6) change the form of the company;

(7) adjust or change the profit distribution policy determined by the Articles of Association of the Company;

(8) any other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association of the Company, which have a significant impact on the Company if to be passed by an ordinary resolution of a Shareholders' meeting and which are deemed necessary to be passed as a special resolution.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors of the Company may include executive Directors, non-executive Directors and Independent Directors (The term 'Independent Director' has the same meaning as 'Independent Non-executive Director' in the Hong Kong Listing Rules). Non-executive Directors refer to Directors who do not hold management positions in the Company. Independent Director refers to a person who meets the regulatory requirements of the stock exchange where the Company's shares are listed. The qualification, nomination, election procedures and powers of independent non-executive Directors and other related matters shall be implemented in accordance with laws, administrative regulations and securities regulatory rules of the stock exchange where the Company's shares are listed.

The Company's Board of Directors does not have any Directors who are representatives of the employees. Directors are elected or replaced by the Shareholders' meeting and may be removed from office by the Shareholders' meeting before the expiration of their term, in accordance with the relevant laws, regulations, and listing rules of the stock exchange where the Company's shares are listed, through an ordinary resolution (provided that any claims for compensation that the removed Director may have under any contract are not affected thereby). The term of office for a Director is three years, and they may be re-elected upon expiration of their term. The term of office for a Director is calculated from the date of assumption of office until the expiration of the current Board's term. If Directors are not timely re-elected upon the expiration of their term, the outgoing Directors shall continue to perform their duties in accordance with the provisions of laws, administrative regulations, departmental rules, and these articles until the newly elected directors assume office. Directors may concurrently hold positions as the general manager or other senior management personnel, but the total number of Directors who concurrently hold positions as the general manager or other senior management personnel shall not exceed one-half of the total number of Directors.

A Director may resign prior to expiry of his/her term of office. A resigning Director shall submit a written resignation report to the Board of Directors. The Board of Directors shall disclose the relevant information within two days. Where the resignation of the Director will render the number of Directors to fall below the statutory quorum, or the resignation of an Independent Director resulting in the number of Independent Directors being less than one-third of the Board members, the absence of accounting professionals among the Independent Directors, or the proportion of Independent Directors in the Board's special committees not complying with laws and regulations, the original Director shall continue to perform director duties pursuant to the provisions of laws, administrative regulations, departmental rules and the Articles of Association prior to appointment of his/her replacement. The Company shall complete the election of a replacement for the Independent Director within sixty days from the date of resignation to ensure that the composition of the Board of Directors and its special committees complies with laws and regulations, the securities regulatory rules of the stock exchange where the Company's shares are listed, and the provisions of the Articles of Association. Except for the circumstances listed in the preceding paragraph, the resignation of a Director shall take effect upon the delivery of the resignation report to the Board of Directors.

Board of Directors

The Board of Directors consists of 10 Directors, including one Chairman. Among the Board members, there are four Independent Directors. The Board of Directors has established five special committees: the Strategy Committee, the Nomination Committee, the Audit Committee, the Remuneration and Assessment Committee and the Sustainable Development Committee. All members of the special committees are composed of Directors.

The Board of Directors shall be accountable to the Shareholders' meetings and shall exercise the following functions and powers:

(1) to convene Shareholders' meetings, and submit work reports to the Shareholders' general meeting;

(2) to implement the resolutions of Shareholders' meetings;

(3) to resolve on the Company's business plans and investment plans;

(4) to formulate the Company's profit distribution plan and the plan for recovery of losses;

(5) to formulate the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;

(6) to formulate the Company's plans for significant acquisition, acquisition of the Company's shares or merger, division, dissolution and change of company form;

(7) to decide, within the scope of the mandate granted by the Shareholders' meeting, on the Company's external investments, acquisition and sale of assets, mortgage of assets, external guarantees, entrusted wealth management, related party transactions, etc;

(8) to decide on the establishment of the Company's internal management organizations;

(9) to decide on the appointment or dismissal of the general manager, secretary to the Board and other senior management members of the Company, and to decide on their remunerations, incentives and penalties; to decide on the appointment or dismissal of senior management members such as the deputy general manager or chief financial officer of the Company based on the nominations by the general manager, and to decide on their remunerations, incentives and penalties;

(10) to formulate the basic management system of the Company;

(11) to formulate the proposals for any amendment to the Articles of Association;

(12) to manage information disclosure of the Company;

(13) to propose to the Shareholders' meeting on appointment or change of the accounting firms which provide audit services to the Company;

(14) to listen to work reports of the general manager of the Company and inspect his/her work; and

(15) any other functions and powers stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, conferred by the Shareholders' meeting or the Articles of Association.

The Board of Directors shall convene at least four regular meetings each year, convened by the Chairman, with written notice to all Directors and Supervisors at least 14 days prior to the meeting.

Any Shareholder(s) holding 1/10 or more of the voting rights, one-third or more of the Directors or the Supervisory Committee may propose the holding of an extraordinary meeting of the Board of Directors. The Chairman shall convene and preside over a Board meeting within 10 days from receipt of such proposal.

The notice method and time limit for convening an extraordinary meeting of the Board are: written notice shall be given at least 5 days before the meeting; however, in case of urgent reasons, the meeting can be convened at any time through oral, telephone, or other similar means.

Except as otherwise provided in the Articles of Association, the Board meeting shall be held upon the attendance of more than half of Directors, and the resolutions made by the Board of Directors must be passed by more than half of all Directors of the Company. Voting on Board resolutions is conducted on a one-person-one-vote basis.

If any Director has connection with the enterprise or individual involved in the resolution made at a Board meeting, such Director shall submit a written report to the Board of Directors in a timely manner. The said Director shall not vote on the said resolution for himself/herself or on behalf of another Director. The Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the meetings is less than three, the issue shall be submitted to the Shareholders' general meeting for consideration. If there are any additional restrictions on Directors' participation in and voting at Board meetings in accordance with laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

Directors shall attend Board meetings in person. If any Director cannot attend the meeting for any reason, he/she may authorize in writing another Director to act on his/her behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing Director. The appointed Director who attends the meeting shall exercise the Director's duties within the scope of authorization. If a Director does not attend a Board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have waived the voting rights at the meeting.

Chairman's Office Meeting

The Company establishes a Chairman's Office Meeting, which is composed of all non-Independent Directors, the general manager, deputy general managers, the secretary of the Board, and the chief financial officer. During the intervals between Board meetings, the Chairman's Office Meeting exercises the authority granted by the Board.

General Manager and Other Senior Management Members

The Company establishes one General Manager, who are appointed or dismissed by the Board of Directors.

The General Manager, Deputy General Managers, Chief Financial Officer, and Secretary to the Board of Directors are senior management members of the Company.

The term of office of the general manager shall be three years, renewable upon re-appointment.

The general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

(1) to be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;

(2) to organize and implement the Company's annual plan and investment proposals;

(3) to draft plans for the establishment of the Company's internal management organizations;

(4) to draft the Company's basic management system;

(5) to formulate specific rules and regulations for the Company;

(6) to request the Board of Directors to appoint or dismiss senior management members of the Company, excluding the general manager;

(7) to request the Chairman's Office Meeting to appoint or dismiss management personnel of the company, excluding those appointed or dismissed by the Board of Directors;

(8) to decide on the appointment or dismissal of company management personnel, excluding those to be decided by the Board of Directors or the Chairman's Office Meeting;

(9) to determine significant transaction matters, excluding those that must be approved by the Shareholders' meeting, Board of Directors, or Chairman's Office Meeting as stipulated by the articles of association and relevant company policies;

(10) to establish the salary system for employees of the company and its subsidiaries (excluding senior management), and submit it to the Chairman's Office Meeting for approval and implementation;

(11) to decide on the job levels, salaries, benefits, reward and punishment policies and plans for other company employees, excluding those to be decided by the Board of Directors; and

(12) to exercise other authorities granted by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors.

Senior management members shall faithfully perform their duties and safeguard the best interests of the Company and all Shareholders. Any senior management member who violates any law, administrative regulation, departmental rules or the Articles of Association in the performance of his/her duties and thereby causes losses to the Company shall be liable for compensation.

SUPERVISORS AND SUPERVISORY COMMITTEE

Supervisors

The Directors, general manager and other senior management members shall not act concurrently as Supervisors. Supervisors must comply with laws, administrative regulations, and the Articles of Association, and bear fiduciary obligations and diligence obligations towards the Company. They shall not abuse their authority to accept bribes or other illegal income and shall not misappropriate the properties of the Company.

Each Supervisor shall serve for a term of three years. Upon expiry of the term, the Supervisor may be re-appointed upon re-election.

Supervisors may be in attendance at Board meetings, and raise questions or suggestions pertaining to Board resolutions.

Supervisory Committee

The Company's Supervisory Committee consists of three Supervisors, including one Chairman who is elected by a majority vote of all Supervisors. The Supervisory Committee includes one Shareholder representatives and two employee representatives. The employee representatives sitting on the Supervisory Committee shall be democratically elected by the Company's employees.

The meetings of the Supervisory Committee shall be presided over and chaired by the Chairman of the Supervisory Committee. If the Chairman of the Supervisory Committee is unable or fails to perform his/her duties, such meeting shall be convened and presided over by a Supervisor nominated by more than half of the Supervisors.

The Supervisory Committee shall exercise the following functions and powers:

(1) to examine the securities issuance documents and regular reports prepared by the Board of Directors, propose written examination suggestions and sign written confirmation opinions;

(2) to review the Company's financial position;

(3) to supervise the Directors and senior management members' acts in performing their duties in the Company, and to propose a removal of any Director or senior management member in violation of any laws, administrative regulations, the Articles of Association or resolutions adopted at the Shareholders' meeting;

(4) to demand any Director or senior management member who acts in a manner which is harmful to the Company's interest to rectify such behaviour;

(5) to propose to convene an extraordinary Shareholders' meeting, and to convene and preside over Shareholders' meetings where the Board of Directors fails to perform its duty to do so as required by the PRC Company Law;

(6) to submit proposals to Shareholders' meetings;

(7) to initiate legal proceedings against any Director or senior management member according to the Article 189 of PRC Company Law;

(8) to investigate into unusual operation of the Company and if necessary, to engage accounting firms, law firms or other professional institutions to assist in its work at the expenses of the Company.

Meetings of the Supervisory Committee

The Supervisory Committee shall convene a meeting at least once every six months. Notice of the meeting shall be delivered in written form to all Supervisors at least 10 days prior to the meeting. Supervisors may propose to convene extraordinary meetings of the Supervisory Committee. For an extraordinary meeting of the Supervisory Committee, written notice shall be given at least 3 days prior to the meeting. However, in case of urgent circumstances, the meeting can be noted at any time through oral, telephone, or other similar means. Resolutions of the Supervisory Committee shall be passed by more than half of the members of the Supervisory Committee. Each Supervisor has one vote.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant authorities of the PRC. The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from January 1 to December 31.

The Company shall submit and disclose its annual financial reports to the CSRC and the stock exchange within four months from the end of each fiscal year, and its interim reports to the relevant branch office of the CSRC and the stock exchange within two months from the end of the first half of each fiscal year.

The aforesaid annual financial reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and requirements of the CSRC and the stock exchange.

The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

The Company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocations is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

Subject to a resolution of the Shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund. After making up of losses and appropriation to reserve funds, balance of the profit after tax shall be distributed to Shareholders in proportion to their shareholdings.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The Company shall appoint one or more collection agents for H Shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H Shareholders the dividends distributed and other funds payable by the Company in respect of the H shares, and hold such monies in their custody pending payment to the H Shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its capital. Where the reserve fund of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. If there are still losses, the registered capital can be reduced to offset the losses. When reducing registered capital to offset losses, the Company shall not distribute to Shareholders, nor shall it exempt Shareholders from the obligation to contribute capital or pay for shares.

In accordance with the provisions of the preceding paragraph, when reducing registered capital, the provisions of Article 177 of the Articles of Association shall not apply, but the Company shall announce the reduction of registered capital in newspapers or the National Enterprise Credit Information Publicity System within thirty days from the date the Shareholders' meeting resolves to reduce the registered capital.

After the Company reduces its registered capital in accordance with the provisions of the preceding two paragraphs, it shall not distribute profits until the cumulative amount of statutory reserve funds and discretionary reserve funds reaches 50% of the Company's registered capital. When statutory reserve funds are converted into capital, the retained portion of such reserve funds shall not be less than 25% of the Company's registered capital before the increase.

The Company may distribute profits in the form of cash, shares, or a combination of both. The profit distribution shall not exceed the scope of the cumulative distributable profits and shall not harm the Company's ability to continue operations. Provided that the net profit attributable to the Shareholders of the parent company for the current year is positive, the Company shall conduct at least one profit distribution per fiscal year, and the Board of Directors may propose to the Company to conduct interim cash or stock distributions based on the Company's profitability and funding needs. If the Company's audit report for the most recent fiscal year is either a non-unqualified opinion or an unqualified opinion with a significant uncertainty paragraph related to going concern, and the asset-liability ratio exceeds 80% at the end of the reporting period with a negative net cash flow from operating activities, the Company may forgo profit distribution.

INTERNAL AUDIT

The Company has implemented an internal audit system and established the internal audit department equipped with full-time auditors to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities.

The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the Board. The person in charge of audit shall be accountable and report to the Board.

APPOINTMENT OF ACCOUNTING FIRM

The Company shall appoint such accounting firm which has complied with the Securities Law for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment is one year and can be re-appointed.

Securities service institutions engaged in securities investment consulting services shall be approved by the State Council's securities regulatory authority; without approval, they shall not provide services for securities trading and related activities. For engaging in other securities service businesses, they shall file with the State Council's securities regulatory authority and the relevant departments of the State Council.

The engagement or dismissal of an accounting firm by the Company must be decided by an ordinary resolution of the Shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the approval of the Shareholders' meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The remuneration of the accounting firm or the method of determining the remuneration shall be decided by the Shareholders' meeting.

If the Company removes or no longer re-appoints the accounting firm, it shall notify such accounting firm ten days in advance. When Shareholders vote for the removal of such accounting firm, such accounting firm shall be entitled to state its opinions at the Shareholders' meeting. Where the accounting firm resigns its office, it shall make clear to the Shareholders' meeting whether or not there are irregularities in the Company.

MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION OF THE COMPANY

Merger of the Company may take the form of absorption or establishment of a new company.

In the case of merger by absorption, a company absorbs any other company, and the absorbed company shall be dissolved. Merger by establishment of a new company shall refer to the establishment of a new company as a result of the merger of two or more companies and dissolution of the merger parties.

In the event of a merger, the merger parties shall enter into a merger agreement, and formulate a balance sheet and an inventory list for assets. The Company shall notify its creditors within 10 days from passing of the resolution on merger, and make an announcement within 30 days in newspapers, media, on its website, or on the National Enterprise Credit Information Publicity System, as stipulated in Article 174 of the Articles of Association. Creditors may require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.

At the time of merger, the claims and debts of the merger parties shall be succeeded by the company which subsists after the merger or the newly-established company.

When the Company undergoes a division, its assets shall be divided accordingly. In the event of a division, a balance sheet and an inventory list for assets shall be prepared. The Company shall notify its creditors within 10 days from passing of the resolution on division, and make an announcement within 30 days in newspapers, media, on its website, or on the National Enterprise Credit Information Publicity System, as stipulated in Article 174 of the Articles of Association.

The debts of the Company prior to the division shall be assumed jointly and severally by the companies arising from the division, unless provided otherwise in a written agreement reached by the Company and the creditors in respect of repayment of the debts prior to the division.

Where the Company needs to reduce its registered capital, it shall formulate a balance sheet and an inventory list for assets.

The Company shall notify its creditors within 10 days from passing of the resolution on reduction of registered capital, and make an announcement within 30 days in newspapers, media, on its website, or on the National Enterprise Credit Information Publicity System, as stipulated in Article 174 of the Articles of Association. The creditors shall have the right to require the Company to repay the debts or to provide the corresponding guarantee within 30 days from receipt of notification or within 45 days from the date of announcement if they do not receive notification.

In the event of change in registration matters due to merger or division, the Company shall complete change registration formalities with the company registration authority pursuant to the law; where the Company is dissolved, the Company shall apply for deregistration pursuant to the law; where a new company is established, company establishment formalities shall be completed pursuant to the law.

If the Company increase or reduce its registered capital, the Company shall complete change registration formalities with the company registration authority pursuant to the law.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company shall be dissolved for the following reasons:

(1) A Shareholders' meeting has resolved on dissolution of the Company;

(2) expiry of term of business stipulated in the Articles of Association or occurrence of any other trigger for dissolution stipulated in the Articles of Association;

(3) dissolution is required due to the merger or division of the Company;

(4) the Company's business license is cancelled or the Company is ordered to be closed down or deregistered pursuant to the law; or

(5) the People's Court orders dissolution in accordance with Article 231 of the PRC Company Law.

When the Company is dissolved pursuant to items (1) and (2) above and has not yet distributed its assets to the Shareholders, it may continue to exist by amending the Articles of Association or through a resolution of the Shareholders' meeting. Any amendment to the Articles of Association in accordance with the preceding paragraph must be approved by at least two-thirds of the voting rights represented at the Shareholders' meeting. If the company is dissolved pursuant to items (1), (2), (4) and (5) above, it shall be liquidated. The Directors are the obligors for the Company's liquidation and shall establish a liquidation group to commence liquidation within 15 days from the emergence of the cause for dissolution. The liquidation group shall be composed of persons determined by the Directors or the Shareholders' meeting. If a liquidation group is not established for liquidation within the prescribed time or if the established liquidation group fails to carry out liquidation, the interested parties may apply to the People's Court to appoint relevant personnel to form a liquidation group for liquidation. In the event of dissolution pursuant to items (3) above, the liquidation shall be handled by the parties involved in the merger or division in accordance with the contract signed at the time of the merger or division.

The liquidation group shall exercise the following functions and powers during the period of liquidation:

(1) to liquidate the Company's assets and compile a balance sheet and a property inventory separately;

(2) to inform creditors by notice or announcement;

(3) to deal with the outstanding businesses of the Company relating to liquidation;

(4) to pay off the taxes owed and the taxes arising during liquidation;

(5) to clear credits and debts;

(6) to handle the remaining assets of the Company after all the debts are paid off;

(7) to participate in civil proceedings on behalf of the Company.

The liquidation group shall notify all creditors within 10 days after its establishment and shall make announcements within 60 days in newspapers, media, on its website, or on the National Enterprise Credit Information Publicity System, as stipulated in Article 174 of the Articles of Association. The creditors shall declare their rights to the liquidation group within 30 days after receipt of the notice or within 45 days after announcement if the creditors haven't received the notice.

The creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation group shall register the creditor's rights. The liquidation group shall not pay off any debts to any creditors during the period of declaration of creditor's rights.

After the liquidation group has liquidated the assets of the Company and has compiled a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the Shareholders' meeting or the People's Court for confirmation.

The Company's assets shall be used respectively for payment of liquidation expenses, employees' wages, social security premiums and statutory compensation, and payment of tax in arrears and the Company's debts; the residual assets thereafter shall be distributed in accordance with the shareholding type and percentage of the Shareholders.

During the liquidation period, the Company shall subsist but shall not engage in business activities unrelated to liquidation. The Company's assets shall not be distributed to Shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

After the liquidation group has liquidated the assets of the Company and compiled a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the people's court for bankruptcy declaration in accordance with the law.

After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Following the completion of the liquidation of the Company, the liquidation group shall formulate a liquidation report, submit it to the Shareholders' meeting or the People's Court for confirmation, deliver it to the company registry, apply for the cancellation of the Company's registration and publicly announce the Company's termination.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, the Company shall amend the Articles of Association:

(1) Following the revision of the PRC Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association contradict the provisions of the revised laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed;

(2) There is any change to the Company's particulars which result in inconsistency with the matters set out in the Articles of Association; or

(3) The Shareholders' Meeting has decided on making amendments to the Articles of Association.

If the amendment to the Articles of Association adopted by resolution of the Shareholders' meeting is subject to the approval of the competent authority, it shall be reported to the competent authority for approval; if it involves matters of company registration, the registration of the changes shall be made with the company registration authority in accordance with the law.

FURTHER INFORMATION ABOUT OUR GROUP

Incorporation of our Company

Our Company was established as a limited liability company in the PRC on December 24, 2001 with the name of Xiamen Huashun Minsheng Food Co., Ltd. (廈門華順民生食品有限公司), and was converted into a joint stock limited company on March 7, 2011, under the laws of the PRC. Since February 22, 2017, our A Shares have been listed on the main board of the Shanghai Stock Exchange with the stock code of 603345.

Our registered office is located at No. 2508, Xinyang Road, Haicang District, Xiamen, Fujian Province, PRC. Our registered place of business in Hong Kong is 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. We have been registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance and Mr. Ng Tung Ching Raphael (吳東澄) will be our authorized representative for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in "Regulatory Overview" and Appendix III to this Prospectus, respectively.

Changes in the Share Capital of our Company

Save as disclosed in the section headed "History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes" and the below, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Prospectus.

A repurchase mandate for the repurchase of A Shares for the purpose of our Company's employee share incentive scheme(s) and shareholding plan(s) was approved by the sixth meeting of the fifth session of the Board on October 25, 2023. The repurchase mandate was valid for 12 months from the date of approval of the repurchase mandate by the Board. As of Latest Practicable Date, the repurchase of A Shares was conducted under the repurchase mandate with a total of 1,160,900 A Shares pursuant to centralized bidding trading transactions conducted since October 25, 2023, at a range of price from RMB68.66 per A Share to RMB126.28 per A Share. Upon completion of the repurchase, the repurchased A Shares are held under our Company stock repurchase account as treasury shares and do not carry any shareholders' rights, including but not limited to voting rights at the Shareholders' meeting and dividend rights.

Changes in the Share Capital of our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants' Report in Appendix I to this Prospectus.

The following sets out the changes in the share capital of the Company's subsidiaries during the two years immediately preceding the date of this Prospectus:

- On September 6, 2023, Honghu Anjoy Food Co., Ltd. (洪湖安井食品有限公司) increased its registered capital from RMB200 million to RMB670 million.
- On November 14, 2023, Jiangxi Liuwu Food Co., Ltd. (江西柳伍食品有限公司) was established as a limited liability company in the PRC with an initial registered capital of RMB20 million.
- On April 18, 2024, Xiamen Anjoy Food Industry Co., Ltd. (廈門安井食品工業有限公司) increased its registered capital from RMB200 million to RMB354 million.
- On April 22, 2024, Taizhou Anjoy Foods Co., Ltd. (泰州安井食品有限公司) increased its registered capital from RMB660.4938 million to RMB965 million.
- On April 22, 2024, Liaoning Anjoy Food Co., Ltd. (遼寧安井食品有限公司) increased its registered capital from RMB486 million to RMB635 million.
- On April 22, 2024, Sichuan Anjoy Foods Co., Ltd. (四川安井食品有限公司) increased its registered capital from RMB450 million to RMB600 million.
- On April 23, 2024, Henan Anjoy Foods Co., Ltd. (河南安井食品有限公司) increased its registered capital from RMB550 million to RMB930 million.
- On April 24, 2024, Guangdong Anjoy Food Co., Ltd. (廣東安井食品有限公司) increased its registered capital from RMB500 million to RMB766 million.
- On April 29, 2024, Shandong Anjoy Food Co., Ltd. (山東安井食品有限公司) increased its registered capital from RMB400 million to RMB655 million.
- On July 4, 2024, Sichuan Anjoy Foods Co., Ltd. (四川安井食品有限公司) increased its registered capital from RMB600 million to RMB810 million.
- On July 4, 2024, Xiamen Anjoy Food Industry Co., Ltd. (廈門安井食品工業有限公司) increased its registered capital from RMB354 million to RMB610 million.

Save as disclosed above, there had been no other alterations of share capital of our subsidiaries within the two years preceding the date of this Prospectus.

Resolutions of our Shareholders

Pursuant to the Shareholders' meeting held on December 20, 2024, the following resolutions, among others, were duly passed:

(a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the Over-allotment Option shall not be more than 15% of the total issued share capital of our Company as enlarged by the Global Offering, and granting the underwriters the Over-allotment Option of no more than 15% of the number of H Shares issued pursuant to the Global Offering;

(c) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on the Listing Date, and the authorization to the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Hong Kong Stock Exchange and relevant PRC regulatory authorities; and

(d) authorization to the Board and its authorized person(s) to handle all matters relating to, among other things, the Global Offering, the issue and listing of the H Shares.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Group within the two years preceding the date of this Prospectus and are or may be material:

(a) the cornerstone investment agreement dated June 23, 2025 entered into among our Company, Huatai Capital Investment Limited, Goldman Sachs (Asia) L.L.C. and China International Capital Corporation Hong Kong Securities Limited to subscribe for H Shares of our Company at the Offer Price in an aggregate amount of the Hong Kong dollar equivalent of US$20,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy in respect of such number of H Shares of our Company) and hold such H Shares on a non-discretionary basis to hedge a series of cross-border delta-one OTC swap transactions entered into by Huatai Capital Investment Limited, Huatai Securities Co., Ltd. and Shanghai Greenwoods Asset Management Co., Ltd. (上海景林資產管理有限公司) as investment manager for and on behalf of certain investment funds;

(b) the cornerstone investment agreement dated June 23, 2025 entered into among our Company, Greenwoods Asset Management Hong Kong Limited, Goldman Sachs (Asia) L.L.C. and China International Capital Corporation Hong Kong Securities Limited to subscribe for H Shares of our Company at the Offer Price in an aggregate amount of the Hong Kong dollar equivalent of US$20,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy in respect of such number of H Shares of our Company);

(c) the cornerstone investment agreement dated June 23, 2025 entered into among our Company, HT Investment Limited, Goldman Sachs (Asia) L.L.C. and China International Capital Corporation Hong Kong Securities Limited to subscribe for H Shares of our Company at the Offer Price in an aggregate amount of the Hong Kong dollar equivalent of US$20,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy in respect of such number of H Shares of our Company);

(d) the cornerstone investment agreement dated June 23, 2025 entered into among our Company, QRT Master Fund SPC (for and on behalf of its segregated portfolio Torus Fund SP), Goldman Sachs (Asia) L.L.C. and China International Capital Corporation Hong Kong Securities Limited to subscribe for H Shares of our Company at the Offer Price in an aggregate amount of the Hong Kong dollar equivalent of US$10,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy in respect of such number of H Shares of our Company);

(e) the cornerstone investment agreement dated June 23, 2025 entered into among our Company, FCP Domains Co., Ltd., Goldman Sachs (Asia) L.L.C. and China International Capital Corporation Hong Kong Securities Limited to subscribe for H Shares of our Company at the Offer Price in an aggregate amount of the Hong Kong dollar equivalent of US$10,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy in respect of such number of H Shares of our Company);

(f) the cornerstone investment agreement dated June 23, 2025 entered into among our Company, NonaVerse (Hong Kong) Limited, Goldman Sachs (Asia) L.L.C. and China International Capital Corporation Hong Kong Securities Limited to subscribe for H Shares of our Company at the Offer Price in an aggregate amount of the Hong Kong dollar equivalent of US$10,000,000 (excluding brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy in respect of such number of H Shares of our Company); and

(g) the Hong Kong Underwriting Agreement.

Intellectual Property Rights

Save as disclosed below, as of the Latest Practicable Date, there were no other intellectual property rights which are or may be material in relation to our business.

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registered owner	Registration No.	Place of registration	Expiry Date
1. . .	安井	the Company	577893	PRC	January 9, 2032
2. . .	安井	the Company	1502301	PRC	January 6, 2031
3. . .	Anjoy 安井	the Company	6269092	PRC	September 27, 2029
4. . .	Anjoy 安井	the Company	6269114	PRC	February 6, 2030
5. . .	Enjoy 安井	the Company	6269091	PRC	June 20, 2032
6. . .	Anjoy 安井	the Company	24619775	PRC	July 13, 2028
7. . .	Anjoy 安井	the Company	7660375	PRC	January 20, 2031
8. . .	Anjoy 安井	the Company	301771335	Hong Kong	November 23, 2030
9. . .	安井	the Company	32196253	PRC	May 27, 2029
10. .	安井	the Company	8615215	PRC	September 13, 2031
11. .	安井	the Company	30354463	PRC	March 20, 2029
12. .	安井	the Company	69819725	PRC	September 6, 2033

No.	Trademark	Registered owner	Registration No.	Place of registration	Expiry Date
13. .	安井	the Company	8653696	PRC	February 6, 2032
14. .	安井	the Company	8653751	PRC	September 27, 2031
15. .	Anjoy	the Company	301785592	Hong Kong	December 8, 2030
16. .	Anjoy	the Company	8202075	PRC	April 13, 2031
17. .	AN JING	the Company	4103569	PRC	July 27, 2026
18. .	AN JING	the Company	4103568	PRC	July 27, 2026
19. .	丸之尊	the Company	18162352	PRC	December 6, 2026
20. .	丸之尊	the Company	70365095	PRC	September 13, 2033
21. . .	丸之尊	the Company	32435251	PRC	April 20, 2030
22. .	丸之尊	the Company	27148162	PRC	October 20, 2028
23. .	丸之尊	the Company	30963084	PRC	February 27, 2029
24. . .	呷咪饺	the Company	16415688	PRC	June 20, 2026
25. .	天妇罗	the Company	16512041	PRC	August 13, 2026
26. . .	霞糕	the Company	16433265	PRC	May 27, 2026

No.	Trademark	Registered owner	Registration No.	Place of registration	Expiry Date
27. . .	虾糕	the Company	16433243	PRC	May 20, 2026
28. .	千夜	the Company	7649867	PRC	January 13, 2031
29. .	霞迷饺	the Company	12782813	PRC	October 27, 2034
30. .	霞迷饺	the Company	12782934	PRC	August 27, 2025
31. .	海仔 Hijoy	the Company	11553253	PRC	March 6, 2034
32. .	安井小厨 ANJOY XIAOCHU	the Company	42473669	PRC	August 13, 2030
33. .	安井小厨 ANJOY XIAOCHU	the Company	42477071	PRC	August 13, 2030
34. .	安井小厨 ANJOY XIAOCHU	the Company	42471706	PRC	August 13, 2030
35. .	安仔 Anboy	the Company	70385252	PRC	January 22, 2034
36. .	冻品先生	Xiamen Anjoy Mr. Frozen Supply Chain Co., Ltd. (廈門安井凍品先生供應鏈有限公司) ("**Anjoy Mr. Frozen**")	33172256	PRC	October 13, 2029
37. .	冻品先生	Anjoy Mr. Frozen	33156889	PRC	September 13, 2029
38. .		Anjoy Mr. Frozen	49036466	PRC	August 20, 2031
39. .	柳伍 LIUWU	Hubei New Liuwu	62789963	PRC	September 20, 2030

No.	Trademark	Registered owner	Registration No.	Place of registration	Expiry Date
40. .	洪湖诱惑	Honghu Xinhongye	29180866	PRC	December 27, 2028
41. .	洪湖诱惑	Honghu Xinhongye	20673682	PRC	September 13, 2027

Patents

As of the Latest Practicable Date, we had registered the ownership of and/or had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent	Patent Owner	Patent category	Place of Registration	Expiry Date
1. . .	A high-quality minced fish dough and preparation method thereof (一種優質魚糜面皮及其製作方法)	the Company; Liaoning Anjoy; Taizhou Anjoy; Sichuan Anjoy	Invention Patent	PRC	October 15, 2032
2. . .	Quick-frozen prepared food forming and shaping integrated line (速凍調製食品成型定型一體線)	the Company; Liaoning Anjoy; Taizhou Anjoy; Sichuan Anjoy	Invention Patent	PRC	November 9, 2034
3. . .	A plant globulin source auxiliary material and preparation method thereof (一種植物球蛋白源輔料及其製備方法)	the Company; Liaoning Anjoy; Taizhou Anjoy; Sichuan Anjoy	Invention Patent	PRC	November 22, 2036
4. . .	A method for improving the gel of surimi products based on sulfhydryl oxidation by sulfhydryl protease (一種基於巰基蛋白酶巰基氧化改善魚糜製品凝膠的方法)	the Company; Taizhou Anjoy	Invention Patent	PRC	August 26, 2033
5. . .	A device to ensure the safety of the screw rod lifting system for the cover of a high-temperature water tank (一種確保高溫水槽整體罩子絲桿升降系統安全性的裝置)	the Company; Taizhou Anjoy; Liaoning Anjoy	Invention Patent	PRC	August 20, 2038

No.	Patent	Patent Owner	Patent category	Place of Registration	Expiry Date
6. . .	A powder sifting machine and powder sifting method to prevent dust spillage (一種防粉塵溢散的篩粉機及篩粉方法)	the Company; Taizhou Enjoy; Liaoning Anjoy	Invention Patent	PRC	August 20, 2038
7. . .	A continuous multi-layer food smearing device (一種連續式多層塗抹食品裝置)	the Company; Taizhou Anjoy; Liaoning Anjoy; Sichuan Anjoy	Invention Patent	PRC	November 14, 2038
8. . .	An equipment for preparing food with shaped patterns (一種具有造型花紋的調製食品的製作設備)	the Company; Taizhou Anjoy; Liaoning Anjoy; Sichuan Anjoy	Invention Patent	PRC	September 5, 2037
9. . .	An automatic suction and separation device and method for flexible strip food (一種柔性條狀食品自動吸取分離設備及方法)	the Company; Taizhou Anjoy; Liaoning Anjoy; Sichuan Anjoy	Invention Patent	PRC	February 25, 2039
10. .	Fermented glutinous rice milk for rice wine and fish balls prepared therefrom (一種米酒酒釀乳及所製備的魚丸)	the Company; Taizhou Anjoy; Sichuan Anjoy; Liaoning Anjoy; Henan Anjoy; Hubei Anjoy	Invention Patent	PRC	November 16, 2040
11. .	A process for improving the yield of surimi in frozen surimi processing (一種冷凍魚糜加工中提高魚糜得率的工藝方法)	the Company	Invention Patent	PRC	July 30, 2029
12. .	A new type of fully intelligent anti-clogging steam water delivery valve (一種新型全智能防堵塞蒸汽輸水閥)	the Company; Henan Anjoy; Wuxi Huashun; Taizhou Anjoy; Liaoning Anjoy; Sichuan Anjoy; Hubei Anjoy; Guangdong Anjoy	Utility Model	PRC	June 27, 2033

No.	Patent	Patent Owner	Patent category	Place of Registration	Expiry Date
13. .	A mesh belt continuous sterilization device (一種網帶連續消殺裝置)	the Company; Henan Anjoy; Wuxi Huashun; Taizhou Anjoy; Liaoning Anjoy; Sichuan Anjoy; Hubei Anjoy; Guangdong Anjoy; Shandong Anjoy	Utility Model	PRC	January 21, 2034
14. .	A kind of hidden stop alarm device for the sinking mesh belt of the water boiling tank (一種水煮槽下沉網帶的偷停報警裝置)	the Company; Henan Anjoy; Wuxi Huashun; Taizhou Anjoy; Liaoning Anjoy; Sichuan Anjoy; Hubei Anjoy; Guangdong Anjoy; Shandong Anjoy	Utility Model	PRC	December 24, 2033
15. .	A solid product screening and slag removal device (一種固體產品篩選除渣裝置)	the Company; Sichuan Anjoy; Taizhou Anjoy; Liaoning Anjoy; Henan Anjoy; Hubei Anjoy; Guangdong Anjoy	Utility Model	PRC	August 30, 2033
16. .	A water boiling tank that can automatically remove oil and residue (一種能自動除油、渣的水煮槽)	the Company; Taizhou Anjoy; Liaoning Anjoy; Wuxi Huashun; Sichuan Anjoy; Hubei Anjoy; Henan Anjoy; Guangdong Anjoy	Utility Model	PRC	February 4, 2034
17. .	A water boiling line device (一種水煮式流水線裝置)	the Company; Taizhou Anjoy; Wuxi Huashun; Henan Anjoy; Liaoning Anjoy; Hubei Anjoy; Sichuan Anjoy; Guangdong Anjoy	Utility Model	PRC	May 7, 2033

No.	Patent	Patent Owner	Patent category	Place of Registration	Expiry Date
18. .	A sensible heat recovery device for refrigeration system (一種製冷系統的顯熱回收裝置)	the Company; Wuxi Huashun; Liaoning Anjoy	Utility Model	PRC	June 11, 2029
19. .	An auxiliary device for an open frying machine (一種開放式油炸機輔助裝置)	the Company; Wuxi Huashun; Taizhou Anjoy; Liaoning Anjoy; Sichuan Anjoy; Henan Anjoy; Hubei Anjoy	Utility Model	PRC	September 8, 2032
20. .	Grouting device and pastry grouting equipment (注漿裝置及糕點注漿設備)	Wuxi Huashun	Utility Model	PRC	August 22, 2033
21. .	An automatic material recovery device (一種自動撒料回收裝置)	Wuxi Huashun	Utility Model	PRC	July 6, 2033
22. .	Packaging bags (Anjoy Xiaochu series) (包裝袋(安井小廚系列))	the Company	Design	PRC	July 3, 2037
23. .	Packaging bags (steamed and fried dumplings series) (包裝袋(蒸煎餃系列))	the Company	Design	PRC	November 21, 2036
24. .	Packaging bags (Chinese pancakes series) (包裝袋(手抓餅系列))	the Company	Design	PRC	November 21, 2036
25. .	Packaging bags (roasted pork sausage series) (包裝袋(火山石烤腸系列))	the Company	Design	PRC	July 3, 2038
26. .	Packaging bags (2.5kg steamed buns) (包裝袋(水晶包2.5千克))	the Company	Design	PRC	July 23, 2038
27. .	Packaging bags (siumai series) (包裝袋(紙皮燒麥系列))	the Company	Design	PRC	July 6, 2038
28. .	Packaging bags (480g meat rolls) (包裝袋(多肉花卷480克))	the Company	Design	PRC	July 23, 2038

No.	Patent	Patent Owner	Patent category	Place of Registration	Expiry Date
29. .	Packaging bags (400g black pepper beef puff pastry) (包裝袋(黑椒牛肉酥皮餡餅, 400克))	the Company	Design	PRC	August 27, 2038
30. .	Packaging bags (soup dumplings, 1kg) (包裝袋(灌湯小籠包,1千克))	the Company	Design	PRC	September 14, 2038
31. .	Packaging bags (1kg new series of balls) (包裝袋(1千克丸之尊新版系列))	the Company	Design	PRC	August 17, 2038
32. .	Packaging bags (original flavored wheat shaped sausage) (包裝袋(原味麥穗腸))	the Company	Design	PRC	November 8, 2038
33 . .	Packaging bag (Crabweibao series) (包裝袋(蟹味寶系列))	the Company	Design	PRC	May 15, 2038
34 . .	Packaging bags (cheese bags, fish roe attached series) (包裝袋(芝士包、魚籽福袋系列))	the Company	Design	PRC	March 22, 2036
35 . .	Packaging bag (intestine series, 200 grams) (包裝袋(腸類系列,200克))	the Company	Design	PRC	April 8, 2035
36 . .	Packaging bags (240g series) (包裝袋(240克系列))	the Company	Design	PRC	June 17, 2034
37 . .	Walnut Bun (核桃包)	the Company	Design	PRC	January 4, 2031
38 . .	Fish roe grilled (魚籽燒)	the Company	Design	PRC	February 3, 2031
39 . .	Ball (丸子)	the Company	Design	PRC	August 24, 2031
40 . .	Hot pot ingredients (flowering sausage with flowers on both ends series) (火鍋料 (開花腸兩端開花系列))	the Company	Design	PRC	November 9, 2030
41 . .	Fish roe fried fish balls (魚籽炸魚蛋)	the Company	Design	PRC	August 25, 2031
42 . .	Fish Tofu (魚豆腐)	the Company	Design	PRC	August 24, 2031
43 . .	Brown sugar cake (紅糖發糕)	the Company	Design	PRC	January 4, 2031

No.	Patent	Patent Owner	Patent category	Place of Registration	Expiry Date
44 . .	Old-style steamed buns (老面饅頭)	the Company	Design	PRC	January 4, 2031
45 . .	Dumplings (three) (餃(三))	the Company	Design	PRC	August 25, 2031
46 . .	Hot pot ingredients (flowering kiss sausage one end blooming series) (火鍋料 (開花親親腸一端開花系列))	the Company	Design	PRC	November 5, 2030
47 . .	Packing box (Marunozun) (包裝箱(丸之尊))	the Company	Design	PRC	August 29, 2033
48 . .	Packing box (general box series) (包裝箱(通用箱系列))	the Company	Design	PRC	August 29, 2033
49 . .	Crab sticks (V-shaped crab sticks) (蟹肉棒(V形蟹柳))	the Company	Design	PRC	November 26, 2033
50 . .	Packing box (Anjing Kitchen) (包裝箱(安井小廚))	the Company	Design	PRC	August 8, 2037
51 . .	Packaging box (single frozen lobster tail) (包裝盒(單凍龍蝦尾))	the Company	Design	PRC	August 8, 2037

Copyrights

As of the Latest Practicable Date, our Group owned the following copyrights which we consider to be material to our business:

No.	Name	Registered owner	Place of Registration	Expiry Date
1.	AGV mission Management system V1.0 (AGV任務管理系統V1.0)	the Company	PRC	December 31, 2074
2.	AI-based visionary inspection system V1.0 (基於AI的視覺檢測系統V1.0)	the Company	PRC	December 31, 2073
3.	Boiling line control system V1.0 (水煮線控制系統V1.0)	the Company	PRC	December 31, 2073
4.	Round-shaped switching conveying control system V1.0 (回形切換輸送控制系統V1.0)	the Company	PRC	December 31, 2073
5.	Chopping machine control system V1.0 (斬拌機控制系統V1.0)	the Company	PRC	December 31, 2073

No.	Name	Registered owner	Place of Registration	Expiry Date
6.	Material wizard picking system [abbr. material wizard] V1.0 (物料精靈領料系統[簡稱:物料精靈]V1.0)	the Company	PRC	December 31, 2074
7.	Android PDA binding system V1.0 (安卓PDA綁定寶系統V1.0)	the Company	PRC	December 31, 2069
8.	Android production ingredient weighing system V1.0 (安卓生產配料稱量系統V1.0)	the Company	PRC	December 31, 2069
9.	Food production MES system V1.0 (食品生產MES系統V1.0)	the Company	PRC	December 31, 2069
10. . . .	Anjoy Home system [abbr. Anjoy Home] V1.0 (安井之家系統[簡稱:安井之家]V1.0)	the Company	PRC	December 31, 2070
11. . . .	Xiao-wan-tong (Jade rabbit welcoming spring) (小丸童(玉兔迎春))	the Company	PRC	December 31, 2072
12. . . .	La Dang Jia + graphic trademark logo (辣當家+圖形商標標識)	Wuxi Huashun	PRC	December 31, 2056

Domain Names

As of the Latest Practicable Date, our Group had registered the following domain names which we consider to be or may be material to our business:

No.	Domain name	Registered Owner	Expiry Date
1.	ajxt.net	the Company	November 11, 2033
2.	anjoyfood.com	the Company	August 21, 2033
3.	anjoyfood.com.cn	the Company	September 30, 2033
4.	hhxhysp.cn	Honghu Xinhongye	February 4, 2029
5.	newliuwu.com	Hubei New Liuwu	August 19, 2025
6.	hbliuwu.com	Hubei New Liuwu	December 15, 2026

FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

Interests of our Directors, Supervisors and chief executive in the Company and our associated corporations

Save as disclosed below, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan), so far as our Directors are aware, none of our Directors, Supervisors and chief executive has any interests and short positions in our Shares, underlying

Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

Name	Position	Nature of Interest	Description of Shares	Number of Shares	Approximate Percentage of Shareholding in the A Shares Immediately after Completion of the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan)	Approximate Percentage of Shareholding in the Total Share Capital Immediately after Completion of the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan)
					(%)	*(%)*
Mr. Liu Mingming . . .	Chairman of the Board and executive Director	Beneficial owner	A Shares	12,286,114	4.19	3.69
Mr. Zhang Qingmiao . . .	Executive Director and general manager	Beneficial owner	A Shares	5,125,300	1.75	1.54
Mr. Huang Jianlian	Executive Director and deputy general manager	Beneficial owner	A Shares	1,710,150(1)	0.58	0.51
Dr. Zheng Yanan	Non-executive Director	Beneficial owner	A Shares	80,000(2)	0.03	0.02

Notes:

(1) Out of the 1,710,150 A Shares, Mr. Huang Jianlian has been granted outstanding options to subscribe for 80,000 A Shares under the 2023 Share Option Incentive Plan.

(2) Dr. Zheng Yanan has been granted outstanding options to subscribe for 80,000 A Shares under the 2023 Share Option Incentive Plan.

Interests of the substantial shareholders in the Shares

Save as disclosed in "Substantial Shareholder", immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option and assuming no new Shares are issued under the 2023 Share Option Incentive Plan, our Directors are not aware of any other person (not being a Director, Supervisor or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interests of the substantial shareholders in other members of our Group

Name of the Subsidiary	Name of Shareholder	Percentage of Interest in the Subsidiary
		(%)
Honghu Anjoy Food Co., Ltd. (洪湖安井食品有限公司)	Xiao Huabing (肖華兵)[(1)]	10.00
Honghu Xinhongye Food Co., Ltd. (洪湖市新宏業食品有限公司)	Xiao Huabing[(1)]	10.00
Hubei New Liuwu Foodstuff Co., Ltd. (湖北新柳伍食品集團有限公司)	Liu Zhonghu (柳忠虎)[(2)]	30.00
Oriental Food Express Limited	Dakun Wang[(3)]	30.01

Notes:

(1) Mr. Xiao Huabing is the founder and a director of Honghu Xinhongye.

(2) Mr. Liu Zhonghu is the founder and a director of Hubei New Liuwu.

(3) Mr. Dakun Wang is the chief executive officer of Oriental Food Express Limited.

So far as set out above and save as disclosed in the Prospectus, our Directors are not aware of any persons (other than our Directors, Supervisors or chief executive) will, immediately following the completion of the Global Offering, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

Particulars of Directors' and Supervisors' Service Contracts

Each of the Directors and Supervisors has entered into a service contract or a letter of appointment with our Company.

Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors or Supervisors in their respective capacities as Directors or Supervisors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors and Supervisors

Save as disclosed in "Directors, Supervisors and Senior Management" and Note 10 to the Accountants' Report set out in Appendix I to this Prospectus for the three financial years ended December 31, 2022, 2023 and 2024, none of our Directors or Supervisors received other remunerations of benefits in kind from us.

Disclaimers

(a) save as disclosed in this section, none of our Directors, Supervisors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed on the Stock Exchange;

(b) save as disclosed in the section headed "Substantial Shareholders", none of our Directors or Supervisors is aware of any person (not being a Director, Supervisor or chief executive of our Company) who will, immediately following the completion of the Global Offering (without taking into account any H Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(c) none of our Directors, Supervisors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group for each year/period during the Track Record Period; and

(d) none of our Directors or Supervisors is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Group taken as a whole. None of our Directors, Supervisors or any of the parties listed in "Qualifications of Experts" of this Appendix is:

i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or

ii. materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business.

2023 SHARE OPTION INCENTIVE PLAN

Summary

As of the date of this Prospectus, options representing 11,028,800 A Shares under the 2023 Share Option Incentive Plan remained outstanding. No options under the 2023 Share Option Incentive Plan will be further granted and all granted options have been granted to specific individuals under the 2023 Share Option Incentive Plan. Pursuant to Rule 17.02(1)(b) of the Listing Rules, the 2023 Share Option Incentive Plan does not need to be approved by the Shareholders after Listing. In addition, given the 2023 Share Option Incentive Plan will not involve the grant of new Shares or options over new Shares after Listing and given all material terms of the 2023 Share Option Incentive Plan have been clearly set out in this Prospectus, the options granted to specified participants before Listing as set out above may continue to be valid after Listing, although the terms of the 2023 Share Option Incentive Plan do not comply with the provisions of Chapter 17 of the Listing Rules, as provided for under Rule 17.02(1)(b) of the Listing Rules.

We have applied to the Stock Exchange and the SFC, respectively, for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules; and (ii) an exemption under section 342 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the disclosure requirements of paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. For more details, see "Waivers and Exemption".

The following is a summary of the principal terms of the 2023 Share Option Incentive Plan, which was adopted by the Company and took effect on October 13, 2023.

(a) Purpose

In order to further improve the corporate governance structure of the Company, establish and improve the Company's long-term incentive and restraint mechanism, attract and retain the Company's core management personnel and key talents, fully mobilize their enthusiasm and creativity, effectively enhance the cohesion of the core team and core competitiveness of the Company, effectively combine the interests of the shareholders, the Company and the core team, so as to enable all parties to pay attention to the Company's long-term development, and to ensure the realization of the development strategy and business objectives of the Company.

On the premise of fully safeguarding the interests of shareholders and in accordance with the principle of reciprocity between earnings and contributions, the plan is formulated in accordance with the PRC Company Law, the PRC Securities Law, the Administrative Measures on Equity Incentives for Listed Companies, the Shanghai Stock Exchange Listing Rules and other relevant laws, administrative regulations and standardized documents, as well as the provisions of the Articles of Association of the Company.

(b) Type of Awards

The 2023 Share Option Incentive Plan provides for awards of share options.

(c) Scope of Participants

Directors, senior management and production, marketing and technical backbones serving in the Company (including its subsidiaries). For those who fall within the scope of the incentive targets under the 2023 Share Option Incentive Plan, the Remuneration and Evaluation Committee shall draw up a list of names, which shall be verified and determined by the Supervisory Committee of the Company.

(d) Administration

The Shareholders' meeting is the highest authority of the 2023 Share Option Incentive Plan. The Board is the managing authority of the 2023 Share Option Incentive Plan. The Supervisory Committee and independent non-executive Directors are the supervising authorities of the 2023 Share Option Incentive Plan.

(e) Source of Shares

The source of the underlying shares of the 2023 Share Option Incentive Plan shall be A Shares of the Company issued by the Company to the incentive recipients and/or repurchased from the secondary market.

(f) Maximum Number of Shares

The total number of options of the 2023 Share Option Incentive Plan is 12,000,000, representing 12,000,000 A Shares accounting for 4.09% of the total A Shares in issue on the date of publication of this plan. The total number of A Shares involved with all incentive plans of the Company shall not exceed 10% of the total outstanding share capital of our Company. The maximum number of Shares granted to any participant under the 2023 Share Option Incentive Plan shall not exceed 1% of the total outstanding share capital of our Company.

(g) Date of Grant

After the 2023 Share Option Incentive Plan has been considered and approved by the general meeting of the Company, the Company will convene the Board meeting to make the initial grant of options to the incentive recipients in accordance with the relevant regulations and complete the registration, announcement and other relevant procedures within 60 days (if there are conditions for the granting of options, the period shall be counted from the fulfillment of such conditions). If the Company fails to complete the aforesaid work within 60 days, it shall promptly disclose the reasons for such failure and announce the termination of the implementation of the 2023 Share Option Incentive Plan, and the period during which interests may not be granted under the Administrative Measures on Equity Incentives for Listed Companies shall not be counted as part of the 60 days.

The authorization date of the reserved portion of stock options shall be confirmed by the Board of the Company within 12 months after the Shareholders' meeting.

The authorization date shall be determined by the Board after the 2023 Share Option Incentive Plan had been considered and approved by the Shareholders' meeting, and the authorization date must be a trading day. If the date determined in accordance with the above principles is a non-trading day, the authorization date shall be postponed to the first trading day thereafter.

(h) Vesting Period

The vesting period for the initial grant of options under the 2023 Share Option Incentive Plan is below:

- as to 40% of the aggregate number of options between the first trading day following the 12th month after the registration date (the "**Registration Date**") and the first trading day following the 24th month after the Registration Date;

- as to 30% of the aggregate number of options between the first trading day following the 24th months after the Registration Date and the first trading day following the 36th month after the Registration Date; and

- as to 30% of the aggregate number of options between the first trading day following the 36th months after the Registration Date and the first trading day following the 48th month after the Registration Date.

The vesting period for the reserved grant of options under the 2023 Share Option Incentive Plan is below:

- as to 50% of the aggregate number of options between the first trading day following the 12th month after the Registration Date and the first trading day following the 24th month after the Registration Date; and

- as to 50% of the aggregate number of options between the first trading day following the 24th months after the Registration Date and the first trading day following the 36th month after the Registration Date.

After the vesting period, the options granted under the 2023 Share Option Incentive Plan are exercisable on a trading day, other than: (i) within thirty days before the publication of the Company's annual report or interim report, or if the publication is postponed, within thirty days before the original scheduled publication date; (ii) within ten days prior to the publication of the Company's quarterly report, earnings forecast and preliminary results; (iii) within the period from the date of occurrence of a significant event that may have a significant impact on the trading price of the Company's A Shares and its derivatives or the date of entering the decision-making process to the date of disclosure in accordance with the law; and (iv) other periods stipulated by CSRC and Shanghai Stock Exchange.

(i) Exercise Price

The initial exercise price of the options granted under the 2023 Share Option Incentive Plan (including the reserved options) is RMB106.03 per A Share. The exercise price will be adjusted upon the occurrence of certain events, including among others, increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares, issue of new shares or payment of dividends. As at the Latest Practicable Date, the exercise price is RMB102.12 per A Share.

(j) Rights and Obligations of our Company

(1) The Company has the right to interpret and implement the 2023 Share Option Incentive Plan and evaluate the grantees according to the relevant provisions of the 2023 Share Option Incentive Plan;

(2) The Company has the right to require the incentive recipients to work for the Company in accordance with the requirements of the positions for which they have been hired. If the incentive recipients are unable to perform the jobs for which they have been hired or fail to pass the assessment, or if the incentive recipients have seriously harmed the Company's interests or reputation due to violating the law, breach of professional ethics, disclosure of the Company's confidentiality, violation of the Company's rules and regulations, or breach of duty or malfeasance of duty, the Board of the Company may, with the approval of the Board of the Company, cancel the incentive recipients' unexercised stock options;

(3) The Company withholds and pays on behalf of the incentive recipients the personal income tax and other taxes payable by the incentive recipients in accordance with the relevant provisions of related tax laws and regulations;

(4) The Company undertakes not to provide loans and any other form of financial assistance, including guaranteeing loans, to the participants for the purpose of acquiring the relevant options under the 2023 Share Option Incentive Plan;

(5) The Company shall fulfill the declaration and disclosure obligations in relation to the 2023 Share Option Incentive Plan in a timely manner according to the relevant regulations;

(6) The Company shall actively cooperate with the grantees who meet the exercise conditions to exercise their options in accordance with the 2023 Share Option Incentive Plan and the relevant regulations of the CSRC, the Shanghai Stock Exchange and securities depository and clearing institution. However, if the grantee fails to exercise his/her options for the reasons that are attributable to the CSRC, the Shanghai Stock Exchange or securities depository and clearing institution, our Company shall not be liable for the losses causes to such grantee; and

(7) Other rights and obligations stipulated by laws, regulations, departmental rules, normative documents and the 2023 Share Option Incentive Plan.

Outstanding Options Granted

As at the Latest Practicable Date, all the outstanding options under the 2023 Share Option Incentive Plan has been granted to 1,379 grantees to subscribe for 11,028,800 A Shares, representing approximately 3.31% in the total number of Shares in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan). Among the outstanding options granted, two Directors, three members of senior management, nine other connected persons of the Company, and 1,365 grantees who are employees of our Group and are not Directors, member of senior management, consultants or connected persons of the Company were granted outstanding options to subscribe for 160,000 A Shares, 220,000 A Shares, 409,000 A Shares, and 10,239,800 A Shares, respectively. No consideration was paid/payable for the options granted to the grantees under the 2023 Share Option Incentive Plan.

The table below sets forth the details of the outstanding options granted to Directors, member of senior management or connected persons of the Company and other employees of the Group under the 2023 Share Option Incentive Plan:

Name	Address	Position	Date of Grant	Vesting Period/ Exercise Period[1]	Exercise Price	Number of A Shares Underlying the Outstanding Options Granted under the 2023 Share Option Incentive Plan	Approximate Percentage in the Issued Shares Immediately after the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan)
Directors							
Mr. Huang Jianlian .	Unit 3-102, Building 3, Block 4, Green Garden New City, Haicang District, Xiamen, Fujian Province, PRC	Executive Director and deputy general manager	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	80,000	0.02%
Dr. Zheng Yanan . .	Unit 17, Block 1, Lijing Garden, Shunyi District, Beijing PRC	Non-executive Director	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	80,000	0.02%
Senior Management							
Mr. Huang Qingsong.	Room 213, No. 241, Yuhou South Lane, Siming District, Xiamen, Fujian Province, PRC	Deputy general manager	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	80,000	0.02%
Mr. Liang Chen . . .	Room 101, Building 9, Block 4, Lvyuan Xincheng, Haicang District, Xiamen, Fujian Province, PRC	Board secretary	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	70,000	0.02%
Ms. Tang Yi	Room 1504, No. 900, Jiefang East Road, Liangxi District, Wuxi, Jiangsu Province, PRC	Chief financial officer	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	70,000	0.02%

Name	Address	Position	Date of Grant	Vesting Period/ Exercise Period[1]	Exercise Price	Number of A Shares Underlying the Outstanding Options Granted under the 2023 Share Option Incentive Plan	Approximate Percentage in the Issued Shares Immediately after the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan)
Connected Persons							
Ms. Pang Ke (龐珂)	Room 1102, No. 121, Mianhua Lane, Beitang District, Wuxi, Jiangsu Province, China	Director of Wuxi Huashun	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	60,000	0.02%
Mr. Jiang Meng (江猛)	No. 121-1, Jiaotong Road, Chengguan Town, Luoshan County, Henan Province, PRC	General manager of Henan Anjoy	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	60,000	0.02%
Mr. Jiang Heng (江恒)	No. 6, Hulou Group, Dalingxia Village, Gaotou Township, Yongding District, Longyan, Fujian Province, PRC	General manager of Taizhou Anjoy	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	60,000	0.02%
Mr. Xiao Huabing (肖華兵)	No. 4, Taima Lake Fishery, Binhu, Honghu, Hubei Province, PRC	Director of Honghu Xinhongye	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	60,000	0.02%
Ms. Gu Zhihua (顧治華)	Room 601, No. 136 Yuexiu Garden, Binhu District, Wuxi, Jiangsu Province, PRC	Supervisor of Wuxi Anjoy Marketing	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	50,000	0.02%
Ms. Ruan Dongna (阮東娜)	Room 202, No. 20-3, Sha Po Wei, Siming District, Xiamen, Fujian Province, PRC	Supervisor of Taizhou Anjoy	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	46,000	0.01%

Name	Address	Position	Date of Grant	Vesting Period/ Exercise Period[1]	Exercise Price	Number of A Shares Underlying the Outstanding Options Granted under the 2023 Share Option Incentive Plan	Approximate Percentage in the Issued Shares Immediately after the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan)
Mr. Lian Huizhang (連惠章)	Room 18-401, No. 174, Da Xue Road, Siming District, Xiamen, Fujian, PRC	Supervisor of Wuxi Huashun	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	46,000	0.01%
Mr. Lin Yi (林毅) . .	1-703, No. 34, Xiagang Xincun, Siming District, Xiamen, Fujian Province, PRC	Supervisor of Henan Anjoy	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	15,000	0.005%
Mr. Du Cheng (杜成)	Group 2, Qifang Village, Qifang Town, Zaoyang, Hubei Province, PRC	Second-level deputy manager of the statistics department at Sichuan Anjoy	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	12,000	0.004%
Other grantees who had been granted options to subscribe for an aggregate number of 50,000 or more A Shares							
Mr. Zhou Wenguo (周文果)	Room 605, No. 270, Xianyue Road, Siming District, Xiamen, Fujian Province, PRC	Technical director	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	101,000	0.03%
Mr. Ye Weijian (葉偉建)	Room 1206, No. 226, Residential Phase I, Maluanwan Metro Community, Xiamen, Fujian Province, PRC	General manager of Guangdong Anjoy	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	90,000	0.03%
Mr. Yu Xiaojun (郁曉君)	No. 963, Jintaihu International City, Beitang District, Wuxi City, Jiangsu Province, PRC	General manager of Shandong Anjoy	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	60,000	0.02%

Name	Address	Position	Date of Grant	Vesting Period/ Exercise Period(1)	Exercise Price	Number of A Shares Underlying the Outstanding Options Granted under the 2023 Share Option Incentive Plan	Approximate Percentage in the Issued Shares Immediately after the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan)
Mr. Ni Rutie (倪如鐵)	Room 902, No. 45-2, Wenping Road, Siming District, Xiamen, Fujian Province, PRC	General manager of Frozen-food Master	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	60,000	0.02%
Mr. Yan Kaidong (顏凱東)	Room 603, No. 75-3, Wenping Road, Siming District, Xiamen, Fujian Province, PRC	Deputy general manager of marketing center	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	60,000	0.02%
Mr. Yu Tenghui (余騰暉)	Room 706, No. 23-3, Hexiang East Road, Siming District, Xiamen, Fujian Province, PRC	General manager of Hubei Anjoy	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	60,000	0.02%
Mr. Zhang Shaohua (張少華)	Bixi Street, Yong'an Town, Tongjiang County, Sichuan Province, PRC	General manager of Sichuan Anjoy	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	60,000	0.02%
Mr. Liu Zhonghu (柳忠虎)	Group 1, Affiliated Village, Laoxin Town, Qianjiang City, Hubei Province, PRC	General manager of Hubei New Liuwu	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	60,000	0.02%
Mr. Chen Xincai (陳新才)	Room 302, Building A10, Jiu Shi Shuian, Wanggang Community and Residential Committee, Longgang Economic Development Zone, Yaohai District, Hefei, Anhui Province, PRC	Supermarket director of marketing center	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	55,000	0.02%

Name	Address	Position	Date of Grant	Vesting Period/ Exercise Period(1)	Exercise Price	Number of A Shares Underlying the Outstanding Options Granted under the 2023 Share Option Incentive Plan	Approximate Percentage in the Issued Shares Immediately after the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan)
Mr. Jiang Guowang (江國旺)	No. 7-1, Daqu Group, Gaodong Village, Gaotou Town, Yongding County, Fujian Province, PRC	Chief assistant of marketing center	October 25, 2023	1 to 4 years (Note 1)	RMB102.12	55,000	0.02%
Mr. Shi Rongxu (施榮旭)	No. 147 Xidong, Xiwei Village, Xindian Town, Xiang'an District, Xiamen, Fujian Province, PRC	Information director	October 25, 2023	1 to 4 years (Note 1)	RMB102.12	55,000	0.02%
Mr. Wei Ketao (魏克濤)	Room 102, No. 56, Zone C, Sunshine City Garden, No. 31-1 East Jianshe Road, Liangxi District, Wuxi, Jiangsu Province, PRC	Marketing director of marketing center	October 25, 2023	1 to 4 years (Note 1)	RMB102.12	50,000	0.02%
Mr. Huang Meiqing (黃美清)	Fourth Group, Qisihuang Village, Wupu Town, Yunmeng County, Hubei Province, PRC	Northeast region director of marketing center	October 25, 2023	1 to 4 years (Note 1)	RMB102.12	50,000	0.02%
Mr. Li Xihong (李細紅)	Room 2002, No. 18, Jiangwan Garden, Liangxi District, Wuxi, Jiangsu Province, PRC	Northern China region director of marketing center	October 25, 2023	1 to 4 years (Note 1)	RMB102.12	50,000	0.02%
Mr. Kang Yiwei (康藝偉)	Room 3402, No. 886, Xiahe Road, Siming District, Xiamen, Fujian Province, PRC	Planning director of marketing center	October 25, 2023	1 to 4 years (Note 1)	RMB102.12	50,000	0.02%

Name	Address	Position	Date of Grant	Vesting Period/ Exercise Period[1]	Exercise Price	Number of A Shares Underlying the Outstanding Options Granted under the 2023 Share Option Incentive Plan	Approximate Percentage in the Issued Shares Immediately after the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan)
Mr. Xiao Xiao (肖曉)	No. 4, Taimahu Fish Farm, Binhu Lake, Honghu, Hubei Province, PRC	Deputy general manager of Honghu Xinhongye	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	50,000	0.02%
Mr. Liu Jing (柳靜) .	Group 3, Wen'an Village, Laoxin Town, Qianjiang, Hubei Province, PRC	Deputy general manager of Hubei New Liuwu	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	50,000	0.02%
Other							
243 employees with outstanding options to acquire between 10,000 and 49,999 A Shares	–	–	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	5,372,000	1.61%
1,105 employees with outstanding options to acquire less than 10,000 A Shares	–	–	October 25, 2023	1 to 4 years *(Note 1)*	RMB102.12	3,851,800	1.16%

Notes:

(1) The outstanding options under the 2023 Share Option Incentive Plan shall be vested in accordance with the vesting period as follows: (i) as to 40% of the aggregate number of options between the first trading day following the 12th month after December 7, 2023 and the first trading day following the 24th month after the Registration Date; (ii) as to 30% of the aggregate number of options between the first trading day following the 24th months after the Registration Date and the first trading day following the 36th month after the Registration Date; and (iii) as to 30% of the aggregate number of options between the first trading day following the 36th months after the Registration Date and the first trading day following the 48th month after the Registration Date. The exercise period of the options granted under the 2023 Share Option Incentive Plan shall commence from the date on which the relevant options become vested and end on the expiration date of the respective vesting period mentioned above.

(2) Among the 11,028,800 A Shares underlying the outstanding options granted pursuant to the grant agreements entered into on the date of grant as shown in the table above, the options for subscribing 4,406,720 A Shares are expected to be exercisable by the grantees within six months from the Listing. The Company may issue up to 4,406,720 A Shares for the purpose of satisfying the exercise of such options within six months from the Listing pursuant to Rule 10.08(4) of the Listing Rules.

Assuming full vesting and exercise of all outstanding options, the shareholding of our Shareholders immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and no new Shares are issued under the 2023 Share Option Incentive Plan) will be diluted by approximately 3.20%.

There is no consequent impact on the earnings per ordinary share for the three years ended December 31, 2022, 2023 and 2024 and immediately following completion of the Global Offering as the options would not be included in the calculation of diluted earnings per Share due to anti-dilution.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Compliance Advisor

Our Company has appointed Ping An of China Capital (Hong Kong) Company Limited as the compliance advisor in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoters

The promoters of the Company are all of the 6 then shareholders of our Company as of February 9, 2011 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the Global Offering and the related transactions described in this Prospectus.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and seller is 0.1% of the consideration for or, if higher, the fair value of the H Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since December 31, 2024 (being the date to which the latest consolidated financial statements of our Group were prepared).

Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to "Appendix III — Summary of the Articles of Association" to this Prospectus.

Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this Prospectus as mentioned in "Appendix I — Accountants' Report — Note 45 Related Party Transactions".

Qualification of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Prospectus are as follows:

Name	Qualification
Goldman Sachs (Asia) L.L.C.	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO

Name	Qualification
Tian Yuan Law Firm	Legal advisor to our Company as to PRC law
Ernst & Young	Certified Public Accountants Registered Public Interest Entity Auditor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Consents of Experts

Each of the experts as referred to "Qualifications of Experts" of this Appendix has given and has not withdrawn their respective written consents to the issue of this Prospectus with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respective included.

Joint Sponsors' Independence

Each of the Joint Sponsors satisfies the independence criteria applicable to the sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, the Joint Sponsors' fees payable by us to each of the Joint Sponsors in respect of their services as sponsors in connection with the Listing on the Stock Exchange is US$300,000.

Binding Effect

This Prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Prospectus

The English and Chinese language versions of this Prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as disclosed in this Prospectus:

(a) within the two years preceding the date of this Prospectus: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) there are no arrangements under which future dividends are waived or agreed to be waived;

(e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;

(g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(i) save for the A Shares that are listed on the Shanghai Stock Exchange, and save for the H Shares to be issued in connection with the Global Offering, none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange, nor is any listing or permission to deal being or proposed to be sought;

(j) our Company has no outstanding convertible debt securities or debentures;

(k) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(l) our Company has adopted a code of conduct regarding Directors' and Supervisors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" in Appendix IV to this Prospectus; and

(b) the written consents referred to in "Statutory and General Information — Other Information — Consents of Experts" in Appendix IV to this Prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Hong Kong Stock Exchange's website at **www.hkexnews.hk** and the Company's website at **www.anjoyfood.com** during a period of 14 days from the date of this Prospectus:

(a) the Articles of Association;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this Prospectus;

(c) the audited consolidated financial statements of our Group for the years ended December 31, 2022, 2023 and 2024;

(d) the report on review of the unaudited interim condensed consolidated financial information of our Group for the three months ended March 31, 2025 from Ernst & Young, the text of which is set out in Appendix IA to this Prospectus;

(e) the report from Ernst & Young on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this Prospectus;

(f) the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about our Business — Summary of Material Contracts";

(g) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts";

(h) the service contracts and letters of appointment referred to in "Appendix IV — Statutory and General Information — Further Information about our Directors, Supervisors, Chief Executive and Substantial Shareholders — Particulars of Directors' and Supervisors' Service Contracts";

(i) the legal opinions issued by Tian Yuan Law Firm, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and property interests of our Group under the PRC law;

(j) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. referred to in "Industry Overview";

(k) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Shanghai Stock Exchange Listing Rules, together with unofficial English translations thereof; and

(l) the terms of the 2023 Share Option Incentive Plan.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of all the Grantees under the 2023 Share Option Incentive Plan will be made available for public inspection at our Company's Hong Kong legal advisor's office in Hong Kong at 10/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this Prospectus.

安井食品集團股份有限公司
ANJOY FOODS GROUP CO., LTD.